

## **Independent Auditor's Report**

**To The Members of Bioseed India Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Bioseed India Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the **loss** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

#### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for 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 a guarantee that an audit conducted in accordance with SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### For B.R. Gupta & Co.

Chartered Accountants,

Firm Registration Number 001478N/N500005



**(Deepak Agarwal)**

Partner

Membership Number 073696



Place of Signature: New Delhi

Date: 26 APR 2019

## **Annexure 'A' To the Independent Auditors' Report of even date on the Ind AS financial statement of Bioseed India Limited**

The Annexure referred to in independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report that:

- i) In respect of fixed assets:  
The Company does not have any fixed assets. Therefore, the provisions of clause 3(i)(a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- ii) In respect of Inventory:  
The Company does not have inventory. Therefore, the provision of clause 3(ii)(a) to (b) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii)(a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has given the guarantee on behalf of Holding Company. Section 185 of The Companies Act, 2013 is not applicable to the company and in regards to section 186, the company has complied with the requisite procedures and details.
- v) The Company has not accepted any deposits from the public.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, cess and any other applicable statutory dues with the appropriate authorities. Further no undisputed amounts were payable in respect of income tax and other applicable statutory dues were outstanding, as at 31st March, 2019 for a period of more than six months from the date they became payable.  
(b) According to the records of the Company examined by us and the information and explanations given to us, there is no dues of income tax and other statutory dues which have not been deposited on account of any dispute.
- viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has not paid or provided any managerial remuneration to any director during the year. Accordingly the provisions of section 197 read with Schedule V to the Companies Act are not applicable to the Company.



- xii) The Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards. Further the provisions of section 177 of the Act is not applicable to the Company.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B. R. Gupta & Co,**  
*Chartered Accountants,*  
Firm's Registration Number 008352N

  
**(Deepak Agarwal)**  
*Partner*  
Membership Number 073696



Place of Signature: New Delhi  
Date: 26 APR 2019

**Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS financial statement of Bioseed India Limited**

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**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Bioseed India Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of



management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B. R. Gupta & Co.**

*Chartered Accountants,*

Firm's Registration Number 008352N



**(Deepak Agarwal)**

*Partner*

Membership Number 073696



Place of Signature: New Delhi

Date: 26 APR 2019

**Bioseed India Limited**  
**Balance Sheet as at March 31, 2019**

(Amount in ₹ Thousands)

Particulars	Notes	As At	
		March 31, 2019	March 31, 2018
<b>I. Assets</b>			
Current assets			
a) Financial assets			
i) Cash and cash equivalents	2	499	3
		<u>499</u>	<u>3</u>
<b>II. Equity and Liabilities</b>			
Equity			
a) Equity Share capital	3	1,000	500
b) Other Equity	4	(550)	(522)
Non-current liabilities			
a) Financial Liabilities			
b) Borrowings	5	1	1
Current liabilities			
a) Financial Liabilities			
i) Trade payables	6		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		48	24
		<u>499</u>	<u>3</u>
Summary of Significant Accounting Policies	1.3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

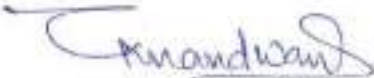
**For B.R. Gupta & Co.**  
 Chartered Accountants  
 Firm Registration No: 006352N

  
**(Deepak Agarwal)**  
 Partner  
 Membership No. 073696



For and on behalf of the Board of Directors of  
 Bioseed India Limited

  
**(Parveen Aggarwal)**  
 Director  
 DIN - 02472057

  
**(Ashok Kumar Nandwani)**  
 Director  
 DIN - 02468619

Place of Signature: New Delhi  
 Date: 26 APR 2019



# Bioseed India Limited

## Statement of Profit and Loss for the year ended March 31, 2019

(Amount in ₹ Thousands)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I. Expenses</b>			
Finance costs	7	-	-
Other expenses	8	28	27
<b>Total Expenses (I)</b>		<u>28</u>	<u>27</u>
<b>II. Profit/ (loss) before tax</b>		(28)	(27)
<b>III. Tax expense</b>			
- Current tax		-	-
<b>IV. Profit/(loss) for the year (II-III)</b>		<u>(28)</u>	<u>(27)</u>
<b>V. Other Comprehensive Income</b>			
(A) Items that will be reclassified subsequently to statement of profit and loss		-	-
(B) Items that will not be reclassified subsequently to statement of profit and loss		-	-
<b>Other Comprehensive Income for the year, net of tax</b>		<u>-</u>	<u>-</u>
<b>VI. Total Comprehensive Income for the year</b>		<u>(28)</u>	<u>(27)</u>
<b>VII. Earnings Per Share Basic/Diluted (Amount in ₹)</b>	10	(0.54)	(0.54)
<b>Summary of Significant Accounting Policies</b>	1.3		

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

As per our Report of even date attached

**For B.R. Gupta & Co,**

Chartered Accountants

Firm Registration No. 008352N

(Deepak Agarwal)

Partner

Membership No. 073696



For and on behalf of the Board of Directors of  
Bioseed India Limited

(Parveen Aggarwal)

Director

DIN - 02472057

(Ashok Kumar Nandwani)

Director

DIN - 02469619

Place of Signature: New Delhi

Date: 25 APR 2019

# Bioseed India Limited

## Cash flow statement for the year ended March 31, 2019

(Amount in ₹ Thousands)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Net (loss) before tax	(28)	(27)
<b>Operating (loss) before working capital changes</b>	<b>(28)</b>	<b>(27)</b>
Increase/ (decrease) in other current liabilities	-	(2)
Increase/ (decrease) in trade payables	24	(15)
<b>Net cash (used) in operating activities (A)</b>	<b>(4)</b>	<b>(44)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital	500	-
<b>Cash flow from financing activities (B)</b>	<b>500</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A+B)</b>	<b>496</b>	<b>(44)</b>
Cash and cash equivalents as at the beginning of the year	3	47
Cash and cash equivalents as at the end of the year	<b>499</b>	<b>3</b>
Summary of Significant Accounting Policies	1.3	

The accompanying notes form an integral part of these financial statements  
As per our Report of even date attached

For B.R. Gupta & Co,

Chartered Accountants

Firm's Registration Number: 008352N

(Deepak Agarwal)

Partner

Membership Number 073698



For and on behalf of the Board of Directors of  
Bioseed India Limited

(Parveen Aggarwal)

Director

DIN - 02472057

(Ashok Kumar Nandwani)

Director

DIN - 02469619

Place of Signature: New Delhi

Date: 26 APR 2019

# Bioseed India Limited

## Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital	(Amount in ₹ Thousands)
As at March 31, 2017	500
As at March 31, 2018	500
As at Mar 31, 2019	1,000

### B. Other equity

(Amount in ₹ Thousands)

Particulars	Reserves and surplus
	Retained earnings
As at March 31, 2017	(495)
Profit(Loss) for the year	(27)
As at March 31, 2018	(522)
Profit(Loss) for year	(28)
As at Mar 31, 2019	(550)

Summary of Significant Accounting Policies

1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.  
Chartered Accountants  
Firm Registration No: 008352N

  
(Deepak Agarwal)  
Partner

Membership No. 073696



For and on behalf of the Board of Directors of  
Bioseed India Limited

  
(Parveen Aggarwal)  
Director  
DIN - 02472057

  
(Ashok Kumar Nandwani)  
Director  
DIN - 02469619

Place of Signature: New Delhi

Date:

26 APR 2019

# Bioseed India Limited

Notes to Financial Statements for the year ended March 31, 2019

## 1. Notes to the Ind AS financial statements

### 1.1 General Information

Bioseed India Limited ('the Company') is an unlisted limited company incorporated in India. The Holding company, DCM Shriram Limited owns 100% of equity share capital of the company. The registered office of the company is located at 5<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001, India.

The financial statements are approved by Board of Directors in their board meeting dated April 3, 2019.

### 1.2 Basis of preparation of Ind As financial statements

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as applicable.

#### Going Concern Assumption

The Management of the Company has committed to the business plan to commence its trading activities in future, with the full financial support from the holding company for at least the next 12 months from the end this reporting period. In view of same, Management believes that it is appropriate to prepare these financial statements on going concern basis.

### 1.3 Significant accounting policies

#### (a) Financial Instruments

##### Initial recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

##### Subsequent measurement:

**Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial liabilities:** Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



# Bioseed India Limited

## Notes to Financial Statements for the year ended March 31, 2019

### (b) Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

### (c) Income Taxes

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### (d) Recent Accounting Pronouncements

#### IND AS 116 "Leases"

On March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, "Leases" which will be effective from accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have significant impact on the financial statements.

#### **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

#### **Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.



## Bioseed India Limited

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### Notes to Financial Statements for the year ended March 31, 2019

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

#### **Ind AS 19 – plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.



# Bioseed India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 2: Current assets	(Amount in ₹ Thousands)			
	As	At	As	At
Cash and cash equivalents	March 31, 2019		March 31, 2018	
Balances with banks on -current accounts		499		3
		<u>499</u>		<u>3</u>



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# Bioseed India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 3: Equity share capital	As At		(Amount in ₹ Thousands)	
	March 31, 2019	March 31, 2018	As At	As At
<b>Authorised</b>				
499,000 (March 31, 2018: 499,000) Equity shares of ₹ 10 each*	4,990	4,990		
100 (March 31, 2018: 100) Cumulative Redeemable Preference shares of ₹ 100 each**	10	-		
	<b>5,000</b>	<b>4,990</b>		
<b>Issued, Subscribed and Paid up Share Capital</b>				
1,00,014 (March 31, 2018: 50,007) Equity shares of ₹ 10 each, fully paid up*	1,000	500		
	<b>1,000</b>	<b>500</b>		

\* Number of Shares are given in absolute numbers.

### Notes:

- i) Details of shareholders holding more than 5% shares in the company:

	As At		As At	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	No. of Shares	% holding	No. of Shares	% holding
DCM Shriram Limited*	100,014	100%	50,007	100%
	<b>100,014</b>	<b>100%</b>	<b>500</b>	<b>100%</b>

\* This includes 6 (March 31, 2018: 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

- ii) Shares held by holding ultimate holding company and/ or their subsidiaries/ associates

	As At		As At	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
DCM Shriram Limited, the holding company	100,014	50,007		

- iii) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the capital paid upon such equity shares.

- iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year (in no. of shares)

Equity shares of INR 10 each issued, subscribed and fully paid	(Amount in ₹ Thousands)	
	No. of shares	INR value
Balance as at March 31, 2018	50,007	500
Issued during the year	50,007	500
Bought back during the year	-	-
<b>Balance as at March 31, 2019</b>	<b>100,014</b>	<b>1,000</b>



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## Bioseed India Limited

### Notes to Financial Statements for the year ended March 31, 2019

Note 4: Other equity	(Amount in ₹ Thousands)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Equity Component of other financial instruments*		-		-
* Represents Rs. 380 (March 31, 2018 - Rs 380)				
Retained Earnings		(550)		(522)
		<u>(550)</u>		<u>(522)</u>

For movement during the year in Other Equity, refer 'Statement of changes in equity'



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# Bioseed India Limited

## Notes to Financial Statements for the year ended March 31, 2019

(Amount in ₹ Thousands)

### Note 5: Non-current liabilities

#### Financial liabilities

#### Long term borrowings

##### \*\*Unsecured - at amortized cost

##### Liability Component of other financial instruments\*

	As At March 31, 2019	As At March 31, 2018
	1	1
	<u>1</u>	<u>1</u>

\*Represents Rs. 501 (March 31, 2018 Rs. 448)

##### \*\* Terms of Financial Instrument(Preference shares)

Category and Date of Issue	Date of Redemption	Dividend
2001-02(Cumulative Redeemable preference shares)	01/03/2022	12%



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## Bioseed India Limited

### Notes to Financial Statements for the year ended March 31, 2019

#### Note 6: Current liabilities

	(Amount in ₹ Thousands)			
	As At	At	As At	At
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2017
<b>Financial Liabilities</b>				
<b>Trade payables</b>				
Total outstanding dues to micro and small enterprise		-		-
Total outstanding dues of other than micro and small enterprise		48		24
		<u>48</u>		<u>24</u>

#### Notes:

- (a) It does not include any amount due to be transferred to Investor Education and Protection Fund.
- (b) As per Schedule III of the Companies Act, 2013 and notification number GSR 718 (E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. (The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at the reporting date).



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## Bioseed India Limited

### Notes to Financial Statements for the year ended March 31, 2019

Note 7: Finance costs	(Amount in ₹ Thousands)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense at amortized cost (Refer note below)	-	-
	-	-

Note: Interest Expense represents ₹ 53 (March 31, 2018 ₹ 48)



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# Bioseed India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 8: Other expenses	(Amount in ₹ Thousands)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditors' remuneration		
- Audit fee	24	24
Filing fees	1	2
Miscellaneous expenses	3	1
	<b>28</b>	<b>27</b>



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# Bioseed India Limited

## Notes to Financial Statements for the year ended March 31, 2019

### Note 9: Contingent Liability

- a) Guarantees given to a financial institution in respect of loan availed by DCM Shriram Limited.

(Amount in ₹ Thousands)

Particulars	2018-19		2017-18	
	INR	USD	INR	USD
Amount Guaranteed *	1,382,964	20,000	1,303,500	20,000
Amount Outstanding *	1,301,647	18,824	1,303,500	20,000

\* Restated at 1 USD = INR (FY 2018-19 1 USD = INR 69.15 & FY 2017-18 1 USD = INR 65.175)

\* This indicates the total amount of guarantees given to the financial institution by four subsidiary companies namely; Bioseed India Limited, Shri Ganpati Fertilizers Limited, Bioseeds Limited and Bioseeds Limited Holding Pte. Ltd for loan taken by its holding Co. i.e. DCM Shriram Limited.

b) Arrears of Dividend on 12% redeemable cumulative Preference Shares ₹ 1 Thousand (2017-18 - ₹ 1 Thousand) from financial year 2001-2002.

### Note 10: Earning Per Share (EPS)

(Amount in ₹ Thousands)

Particulars	2018-19	2017-18
(Loss) as per statement of profit and Loss	(28)	(27)
Dividend on 12% redeemable cumulative Preference shares	#	#
(Loss) attributable to equity shareholders	(28)	(27)
Weighted average number of equity shares	51,240	50,007
Basic and diluted earning per share in rupees (Face value Rs. 10 per share)	(0.54)	(0.54)

# Represents Rs 84 (2017-18 - 84/-)

### Note 11: Related party disclosures under Ind AS 24

- a. Name of related party and nature of related party relationship

Ultimate Holding Company: Sumant Investments Private Limited

Holding Company: DCM Shriram Limited

Related Party Transactions during the year:

(Amount in ₹ Thousands)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Issued Equity Share capital	500	-
Total	500	-

### Note 12: Financial Instruments by Category

(Amount in ₹ Thousands)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
Cash and Cash Equivalents	-	-	499	-	-	3
Total Financial Assets	-	-	499	-	-	3
Liability component of compound financial instruments	-	-	1	-	-	1
Trade payables	-	-	48	-	-	24
Total Financial Liabilities	-	-	48	-	-	25



# Bioseed India Limited

## Notes to Financial Statements for the year ended March 31, 2019

### Note 13: Liquidity Risk Management

(i) **Maturities of financial liabilities:** The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities, and the amount disclosed in the table are the contractual undiscounted cash flow :

Contractual maturities of financial liabilities - 31.03.2019	Upto 1 year	Between 1 to 5 years	Total
Borrowings	-	1	1
Trade Payables	48	-	48
<b>Total</b>	<b>48</b>	<b>1</b>	<b>49</b>

Contractual maturities of financial liabilities - 31.03.2018	Upto 1 year	Between 1 to 5 years	Total
Borrowings	-	1	1
Trade Payables	24	-	24
<b>Total</b>	<b>24</b>	<b>1</b>	<b>25</b>

### Note 14: Capital Management

The company manages its capital based on the management judgement of its day to day needs with a focus on total equity so as to maintain creditors and market confidence. The management and the Board of Directors monitors the return on capital.

### Note 15:

The figures are rounded off to the nearest rupees thousands.

### Note 16:

Notes 1 to 15 form an integral part of the financial statements.

For and on behalf of the Board of Directors of  
Bioseed India Limited

  
(Parveen Aggarwal)  
Director  
DIN - 02472057

  
(Ashok Kumar Nandwani)  
Director  
DIN - 02469619

Place of Signature: New Delhi

Date: 26 APR 2019



**Independent Auditor's Report**

**To The Members of DCM Shriram Infrastructure Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **DCM Shriram Infrastructure Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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.

Those Board of Directors are also responsible for 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 a guarantee that an audit conducted in accordance with SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B.R. Gupta & Co.**

*Chartered Accountants,*

Firm's Registration Number 008352N



**(Deepak Agarwal)**

*Partner*

Membership Number 073696



Place of Signature: New Delhi

Date: 26 APR 2019

**Annexure 'A' To the Independent Auditors' Report of even date on the Ind AS financial statement of DCM Shriram Infrastructure Limited**

The Annexure referred to in independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report that:

- i) In respect of fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) Fixed assets have been physically verified by the management at reasonable intervals. No discrepancies were noticed on such verification of the assets.
  - c) On the basis of information and explanation provided by the management, no immovable properties are held in the name of the Company.
- ii) In respect of Inventory:

The Company does not have inventory. Therefore, the provision of clause 3(ii)(a) to (b) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has not given/made any loans, investments, guarantee, security covered under Section 185 and section 186 of the Companies Act, 2013. Therefore, the provisions of clause 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- v) The Company has not accepted any deposits from the public.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, cess and any other applicable statutory dues with the appropriate authorities. Further no undisputed amounts were payable in respect of income tax and other applicable statutory dues were outstanding, as at 31st March, 2019 for a period of more than six months from the date they became payable.  
(b) According to the records of the Company examined by us and the information and explanations given to us, there is no dues of income tax and other statutory dues which have not been deposited on account of any dispute.
- viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



- xi) The Company has not paid or provided any managerial remuneration to any director during the year. Accordingly the provisions of section 197 read with Schedule V to the Companies Act are not applicable to the Company.
- xii) The Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards. Further the provisions of section 177 of the Act is not applicable to the Company.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B. R. GUPTA & CO,**  
*Chartered Accountants,*  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
*Partner*  
Membership Number 073696



Place of Signature: New Delhi  
Date: 26 APR 2019

**Annexure 'B' to the Independent Auditors' Report of even date on the standalone Ind AS financial statement of DCM Shriram Infrastructure Limited**

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**Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **DCM Shriram Infrastructure Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those



policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For B. R. Gupta & Co.**

*Chartered Accountants,*

Firm's Registration Number 008352N



**(Deepak Agarwal)**

*Partner*

Membership Number 073696



Place of Signature: New Delhi

Date: 26 APR 2019

**DCM Shriram Infrastructure Limited**  
**Balance Sheet as at March 31, 2019**

(Amount in ₹ Thousand)

Particulars	Notes	As	At	As	At
		March 31, 2019		March 31, 2018	
<b>I. Assets</b>					
<b>Non-current Assets</b>					
(a) Property, Plant and equipment	2		92		182
(b) Capital Work -in-Progress	2		218,700		312,205
(c) Financial assets					
- Security Deposit	3		3		3
<b>Current Assets</b>					
(a) Financial Assets:					
- Cash And Cash Equivalents	4		828		300
(b) Other Current Assets	5		12		11
			<b>219,635</b>		<b>312,701</b>
<b>II. Equity And Liabilities</b>					
<b>Equity</b>					
(a) Equity Share Capital	6		500		500
(b) Other Equity	7		(72,843)		46,214
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Financial Liabilities					
- Borrowings	8		289,170		263,955
<b>Current Liabilities</b>					
(a) Financial Liabilities					
(i) Trade payables	9				
Total outstanding dues of micro enterprises and small enterprises			-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises			38		38
(ii) Other Financial liabilities	10		2,502		1,923
(b) Other current liabilities	11		68		71
			<b>219,635</b>		<b>312,701</b>

Summary of Significant Accounting Policies 1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For B.R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration No 008352N

  
**(Deepak Agarwal)**  
Partner  
Membership No. 073696



**For and on behalf of the Board of Directors of DCM Shriram Infrastructure Limited**

  
**(Ashok K. Nandwani)**  
Director  
(DIN - 02469619)

  
**(Ajit S. Shriram)**  
Director  
(DIN - 00027918)

Place of signature: New Delhi

Date: 26 APR 2019

**DCM Shriram Infrastructure Limited**  
**Statement of Profit & Loss for the year ended March 31, 2019**

Particulars	Notes	(Amount in ₹ Thousand)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Other income	12	293	-
(ii) Total Revenue		<u>293</u>	<u>-</u>
(iii) Expenses			
(a) Finance costs	13	25,722	23,474
(b) Depreciation expense	2	-	-
(c) Other Expenses	14	94,291	515
Total Expenses (iii)		<u>120,013</u>	<u>23,989</u>
(iv) Profit/ (loss) before exceptional items and tax (ii-iii)		<u>(119,720)</u>	<u>(23,989)</u>
(v) Exceptional Items		-	-
(vi) Profit/(Loss) before tax (iv-v)		<u>(119,720)</u>	<u>(23,989)</u>
(vii) Tax expense:	15		
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense (vii)		<u>-</u>	<u>-</u>
(viii) Profit/(loss) for the year (vi-vii)		<u>(119,720)</u>	<u>(23,989)</u>
Other Comprehensive Income			
(A) Items that will be reclassified subsequently to statement of profit and loss		-	-
(B) Items that will not be reclassified subsequently to statement of profit and loss		-	-
(ix) Total other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
(x) Total comprehensive income of the year, net of tax		<u>(119,720)</u>	<u>(23,989)</u>
Earnings per share:			
- Basic/Diluted	16	(2,394.05)	(479.71)

Summary of Significant Accounting Policies 1.3  
 The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For B.R. Gupta & Co.**  
 Chartered Accountants  
 Firm's Registration No 008352N

  
**(Deepak Agarwal)**  
 Partner  
 Membership No. 073696



Place of signature: New Delhi  
 Date: 26 APR 2019

For and on behalf of the Board of Directors of  
 DCM Shriram Infrastructure Limited

  
**(Ashok K. Nandwani)**  
 Director  
 (DIN - 02469619)

  
**(Ajit S. Shriram)**  
 Director  
 (DIN - 00027918)



**Dcm Shriram Infrastructure Limited**  
**Cash Flow Statement for the year ended March 31, 2019**

(Amount in ₹ Thousand)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Net (loss) before tax	(119,720)	(23,989)
Less: Profit on sale of Fixed Assets	(293)	-
Add: Interest paid	26,722	23,474
Add: Provision for Impairment	93,505	-
<b>Operating (loss) before working capital changes</b>	<b>(786)</b>	<b>(515)</b>
Adjustments for:		
Decrease/ (increase) in other current assets	(1)	3
Decrease/ (increase) in loans & advances	-	1
Increase/ (decrease) in trade payables	-	6
Increase/ (decrease) in other current liabilities	159	122
	<b>(629)</b>	<b>(383)</b>
<b>B. Cash flow from investing activities</b>		
Sales of fixed assets	382	(1,829)
<b>Net cash (used) in investing activities (B)</b>	<b>382</b>	<b>(1,829)</b>
<b>C. Cash flow from financing activities</b>		
Increase in loan from related party (Non-cash impact)	24,918	22,708
Proceeds from receipt of call money on Preference Shares	1,000	2,000
Interest paid (Non-cash impact)	(25,079)	(22,820)
Interest paid	(64)	(66)
<b>Net cash from financing activities (C)</b>	<b>775</b>	<b>1,811</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>528</b>	<b>(201)</b>
Cash and cash equivalents as at opening		
Cash and cheques in hand and balance with banks	300	501
Cash and cash equivalents as at closing	<b>828</b>	<b>300</b>

**Summary of Significant Accounting Policies**

1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R.Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership No.: 073696



Place of signature: New Delhi

Dated: 26 APR 2019

For and on behalf of the Board of Directors of  
 DCM Shriram Infrastructure Limited

(Ashok K. Nandwani)  
 Director  
 (DIN - 02489619)

(Ajit S. Shriram)  
 Director  
 (DIN - 00027918)

**DCM Shriram Infrastructure Limited**  
**Statement Of Changes In Equity as at March 31, 2019**

**A. Equity share capital**  
 As at March 31, 2018  
 As at March 31, 2019

(Amount in ₹ Thousand)  
 500  
 500

**B. Other Equity**

(Amount in ₹ Thousand)

Particulars	Equity component of compound financial instruments	Reserves and surplus	Total
		Retained earnings	
As at March 31, 2017	120,752	(52,300)	68,452
<b>Additions:</b>			
On account of issue of Preference Share Capital	1,751	-	1,751
Total comprehensive income for the year	-	(23,989)	(23,989)
As at March 31, 2018	122,503	(76,289)	46,214
<b>Additions:</b>			
On account of issue of Preference Share Capital	863	-	863
Total comprehensive income for the year	-	(119,720)	(119,720)
As at March 31, 2019	123,366	(196,009)	(72,643)

Summary of Significant Accounting Policies

1.3

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

As per our Report of even date attached

**For B.R. Gupta & Co.**  
 Chartered Accountants  
 Firm's Registration No 008352N

For and on behalf of the Board of Directors of  
 DCM Shriram Infrastructure Limited

  
**(Deepak Agarwal)**  
 Partner  
 Membership No. 073896



  
**(Ashok K. Nandwani)**  
 Director  
 (DIN - 02469619)

  
**(Ajit S. Shriram)**  
 Director  
 (DIN - 00027913)

Place of signature: New Delhi

Date: 26 APR 2019

# DCM Shriram Infrastructure Limited

Notes to Financial Statements for the year ended March 31, 2019

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## 1. Corporate Information and Accounting Policies

### 1.1 General Information

DCM Shriram Infrastructure Limited ('the Company') is a private limited company incorporated in India. The Holding Company, DCM Shriram Credit & Investment Limited owns 100 % of equity share capital of the Company. The registered office of the Company is located at 5<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001, India.

The financial statements are approved by Board of Directors in their board meeting dated *April 26, 2019*

### 1.2 Basis of Preparation

#### **Basis of Preparation of financial statements**

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as applicable.

#### **Going Concern Assumption**

The net worth of the company has been substantially eroded. However its holding company has also committed their full financial support for at least the next 12 months from the end of reporting period. In view of same, Management believes that it is appropriate to prepare these financial statements on going concern basis.

### 1.3 Significant Accounting Policies

#### a) **Use of Estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

#### b) **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and gains or losses on cash flow hedges related to purchase in foreign currency and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.

On the date of transition to Ind AS i.e, April 1, 2015, the Company has opted to measure all its property, plant and equipment at their previous GAAP net carrying value and use that net carrying value as its deemed cost.



## DCM Shriram Infrastructure Limited

Notes to Financial Statements for the year ended March 31, 2019

The Company is following straight line method of depreciation in respect of buildings, plant and machinery and written down value method in respect of other assets.

Depreciation on all tangible assets is provided on the basis of useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., as given below:

(i) Estimated useful lives are as under:

Asset	Useful life
Plant and Machinery	3 Years
Furniture & Fittings	10 Years
Vehicles	8 Years
Office Equipments	5 Years

Depreciation is calculated on a pro-rata basis from the date of additions, except in cases of assets costing up to Rs. 5000 each, where each asset is fully depreciated in the year of purchase. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

### c) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any. Cost of acquisition is inclusive of duties, taxes, consultancy and other directly attributable incidental expenses.

On the date of transition to Ind AS i.e. April 1, 2015, the Company has opted to measure all its intangible assets at their previous GAAP net carrying value and use that net carrying value as its deemed cost.

Amortization of intangible is provided on straight line basis over its estimated useful lives.

On assets sold, discarded, etc during the year, amortization is provided up to the date of sale/discard.

### d) Financial Instruments

#### Initial recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition



## DCM Shriram Infrastructure Limited

Notes to Financial Statements for the year ended March 31, 2019

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### Subsequent measurement:

**Financial assets carried at amortized cost:** A financial asset is subsequently measured at amortized cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets carried at Fair value through profit or loss (FVTPL):** Assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

**Financial liabilities:** Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **e) Income Taxes**

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### **(e) Recent Accounting Pronouncements**

#### IND AS 116 "Leases"

On March 29 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, "Leases" which will be effective from Accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have impact on the financial statements.



## DCM Shriram Infrastructure Limited

Notes to Financial Statements for the year ended March 31, 2019

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### **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

### **Ind AS 19 – plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

### **Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.



**DCM Shriram Infrastructure Limited**  
**Notes to Financial Statements as at March 31, 2019**

2 Property, plant and equipment	(Amount in ₹ Thousand)				
	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Gross Carrying amount(Deemed cost)</b>					
Balance at March 31, 2017	13	87	142	343	585
Additions made during the year	-	-	-	-	-
Disposals/adjustments during the year	-	-	-	-	-
Balance at March 31, 2018	13	87	142	343	585
Additions made during the year	-	-	-	-	-
Disposals/adjustments during the year	-	-	-	(343)	(343)
Balance as at March 31, 2019	13	87	142	-	242
<b>Accumulated Depreciation</b>					
	Plant and Equipment	Furniture and Fixtures	Office equipments	Vehicles	Total
Balance at March 31, 2017	-	51	65	203	319
Depreciation charge during the year	-	12	1	50	63
Disposals/adjustments during the year	-	-	-	-	-
Balance at March 31, 2018	-	63	66	253	402
Depreciation charge during the year	-	-	-	-	-
Disposals/adjustments during the year	-	-	-	(283)	(283)
Balance as at March 31, 2019	-	63	66	-	129
<b>Net carrying amount</b>					
As at March 31, 2019	13	24	55	-	92
As at March 31, 2018	13	24	55	90	182

**2.1 Other Intangible assets**

**Gross Carrying amount(Deemed cost)**

Gross carrying amount as at March 31, 2017	28
Additions made during the year	-
Disposals/adjustments during the year	-
Balance at March 31, 2018	28
Additions made during the year	-
Disposals/adjustments during the year	-
Balance as at March 31, 2019	28

**Accumulated Depreciation**

Balance at March 31, 2017	28
Depreciation charged during the year	-
Disposals/adjustments during the year	-
Balance at March 31, 2018	28
Depreciation charged during the year	-
Disposals/adjustments during the year	-
Balance as at March 31, 2019	28

**Net carrying amount**

As at March 31, 2019	-
As at March 31, 2018	-

a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment and intangible assets as its deemed cost as at the date of transition.

**2.2 Capital work in progress**

Balance at March 31, 2017	312,205
Additions made during the year	-
Disposals/adjustments during the year	-
Gross carrying amount as at March 31, 2018	312,205
Additions made during the year	-
Less: Provision for impairment	93,505
Net carrying amount as at March 31, 2019	218,700



**DCM Shriram Infrastructure Limited**  
**Notes to Financial Statements as at March 31, 2019**

Note 3: Non- Current Assets	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019		March 31, 2018	
<b>Financial Assets</b>				
- Loans & Advances (at amortised cost)				
(unsecured considered good, unless otherwise stated)				
- Security Deposits			3	3
			<u>3</u>	<u>3</u>



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**DCM Shriram Infrastructure Limited**  
**Notes to Financial Statements as at March 31, 2019**

(Amount in ₹ Thousand)

**Note 4: Cash and cash equivalents**

**Financial Assets (at amortized cost)**

Balances With Banks  
 - Current Account  
 Cash on Hand

	As March 31, 2019	At March 31, 2018
	828	299
	1	1
	<b>828</b>	<b>300</b>

**Note 5: Other current assets**

Prepaid Expenses  
 Others- Advance Recoverable

	As March 31, 2019	At March 31, 2018
	9	10
	2	1
	<b>12</b>	<b>11</b>



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**DCM Shriram Infrastructure Limited**  
**Notes to Financial Statements as at March 31, 2019**

Note 6: Share capital	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
<b>Authorised</b>				
50,007* (March 31, 2018 - 50,007) Equity shares of ₹ 10 each	500		500	
1,000,000* (March 31, 2018 - 10,00,000) Preference shares of ₹ 10 each	10,000		10,000	
6,448,993* (March 31, 2018 - 6,448,993) Unclassified shares of ₹ 10 each	64,490		64,490	
100* (March 31, 2018 - 100) Unclassified shares of ₹ 100 each	10		10	
	<b>75,000</b>		<b>75,000</b>	
<b>Issued, Subscribed and Paid up Share capital</b>				
50,007* (March 31, 2018 - 50,007 ) Equity shares of ₹ 10 each, fully paid up	500		500	
	<b>500</b>		<b>500</b>	

\* Number of shares are given in absolute numbers.

**Notes:**

i) Details of shareholders holding more than 5% shares in the company

(Amount in ₹ Thousand)

	As March 31, 2019		As March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
DCM Shriram Credit and Investment Limited**	50,001	100%	50,001	100%
	<b>50,001</b>	<b>100%</b>	<b>50,001</b>	<b>100%</b>

\*\*This includes 6 (March 31, 2018 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Credit and Investment Limited.

ii) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

(Amount in ₹ Thousand)

	As March 31, 2019		As March 31, 2018	
	DCM Shriram Credit and Investment Limited, the holding company		50,001	

a) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the capital paid upon such equity shares.

b) Reconciliation of Shares Outstanding at the Beginning and at the End of the Reporting Year (In No. of Shares)

(Amount in ₹ Thousand)

Equity Shares	As March 31, 2019		As March 31, 2018	
	Shares outstanding at the beginning of the year	50,007		50,007
Shares issued during the year	-		-	
Shares bought back during the year	-		-	
Shares outstanding at the end of the year	<b>50,007</b>		<b>50,007</b>	



# DCM Shriram Infrastructure Limited

## Notes to Financial Statements as at March 31, 2019

Note 7: Other Equity	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019		March 31, 2018	
- Equity component of other financial instruments		123,366		122,503
- Retained earnings		(196,009)		(76,289)
		<u>(72,643)</u>		<u>46,214</u>

For movement during the year in Other Equity, refer 'Statement of changes in equity'



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**DCM Shriram Infrastructure Limited**  
**Notes to Financial Statements as at March 31, 2019**

Note 8: Borrowings	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
<b>Unsecured - At Amortized Cost</b>				
Loan from Holding Company*		287,651		262,733
Liability Component of Compound Financial Instruments **		1,519		1,222
		<b>289,170</b>		<b>263,955</b>

\*\*Represents ₹ 553 (March 31, 2018 - ₹ 492)

\*Loan from Holding Company

Category and Terms of repayment	Amount	Rate of interest
Interest Free (Repayable on or before 01-03-2020)	280,497,051	0%
With interest (Repayable on or before 01-03-2020)	7,154,454	9%

\*\* Terms of Financial Instruments(Preference Shares)

Category and Date of Issue of Preference shares	Date of Redemption	Dividend
16-11-2015 (Cumulative Redeemable Preference shares)	16-Nov-35	0.01%



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**DCM Shriram Infrastructure Limited**  
**Notes to Financial Statements as at March 31, 2019**

(Amount in ₹ Thousand)

**Note 9 :Trade payables**

	As March 31, 2019	At March 31, 2018
Total outstanding dues to micro and small enterprise	-	-
Total outstanding dues of other than micro and small enterprises	38	38
	<b>38</b>	<b>38</b>

**Notes:**

(a) It does not include any amount to be transferred to Investor Education and Protection Fund.

(b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719(E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.

(The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at reporting date.)

**Note 10 : Other financial liabilities**

	As March 31, 2019	At March 31, 2018
Interest accrued but not due on loan	2,502	1,923
	<b>2,502</b>	<b>1,923</b>

**Note 11 : Other current liabilities**

	As March 31, 2019	At March 31, 2018
Statutory Liabilities	68	71
	<b>68</b>	<b>71</b>



# DCM Shriram Infrastructure Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 12: Other Income	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit on sale of Fixed assets	293	-
	<u>293</u>	<u>-</u>



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# DCM Shriram Infrastructure Limited

## Notes to Financial Statements for the year ended March 31, 2019

(Amount in ₹ Thousand)

### Note 13 : Finance cost

Interest expense on financial liabilities not classified at amortized cost  
on Financial Instruments

	For the year ended March 31, 2019	For the year ended March 31, 2018
	25,722	23,474
	<b>25,722</b>	<b>23,474</b>



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# DCM Shriram Infrastructure Limited

Notes to Financial Statements for the year ended March 31, 2019

(Amount in ₹ Thousand)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note 14 : Other expenses</b>		
- Auditors' Remuneration	41	42
- Repair And Maintenance - Others	219	409
- Retainership fee	314	-
- Provision for impairment in value of Capital work in progress *	93,505	-
- Miscellaneous Expenses	211	64
	<b>94,291</b>	<b>515</b>

\* The Chattu hydro electric power project is delayed beyond reasonable time due to lack of infrastructure, power transmission and other facilities to be provided by the Government of Himachal Pradesh. The Company is actively working with the Government of Himachal Pradesh for finalization of plans thereof. However, the Company has decided to make provision for impairment w.r.t direct expenses (including testing, survey etc) incurred till date as these activities may have to be repeated in view of delays and changed requirements as per the new code.



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## DCM Shriram Infrastructure Limited

### Notes to the financial statements for the year ended March 31, 2019

#### Note 15: Income tax expense

	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Total current tax expense	-	-
(b) Reconciliation of tax expense and the accounting profit		
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(Loss) before tax	(119,720)	(23,989)
Income tax rate	25%	25.75%
Income tax expense	(31,127)	(6,177)
Effect of tax losses on which deferred tax is not recognised	31,127	6,177
Income tax expense	-	(0)
(c) Income tax recognised directly in equity	-	-
(d) Income tax recognised in other comprehensive Income	-	-



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# DCM Shriram Infrastructure Limited

Notes to Financial Statements for the year ended Mar 31, 2019

## 16. Earning Per Share (EPS):

(Amount in ₹ Thousands)

Particulars	2018-19	2017-18
Profit as per statement of profit and Loss	(119,720)	(23,889)
Dividend on .01% redeemable cumulative preference share	#	#
Weighted average number of equity shares outstanding	50,007	50,007
Basic and diluted earning per share in rupees (Face value)	(2,394.05)	(479.71)

(# Represents ` 983 (2017-18 : ` 856)

## 17. Capital Management:

The Company endeavours to optimize debt and equity balance and provide adequate strength to the balance sheet. The Company monitors capital on the basis of debt equity ratio.

## 18. Liquidity Risk Management:

(i) **Maturities of financial liabilities:** The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities, and the amount disclosed in the table are the contractual undiscounted cash flow. :

(Amount in ₹ Thousands)

Contractual maturities of financial liabilities - 31.03.2019	Upto 1 year	Between 1 to 5 years	Total
Borrowings	-	289,170	289,170
Trade Payables	38	-	38
Other Financial Liabilities	2,502	-	2,502
<b>Total</b>	<b>2,540</b>	<b>289,170</b>	<b>291,710</b>

Contractual maturities of financial liabilities - 31.03.2018	Upto 1 year	Between 1 to 5 years	Total
Borrowings	-	263,955	263,955
Trade Payables	38	-	38
Other Financial Liabilities	1,923	-	1,923
<b>Total</b>	<b>1,961</b>	<b>263,955</b>	<b>265,916</b>

## (ii) Financial Instruments by Category

(Amount in ₹ Thousands)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
Loans & Advances	-	-	3	-	-	3
Cash and Cash Equivalents	-	-	828	-	-	300
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>831</b>	<b>-</b>	<b>-</b>	<b>303</b>
Borrowings	-	-	289,170	-	-	263,955
Trade payables	-	-	38	-	-	38
Other Financial Liabilities	-	-	2,502	-	-	1,923
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>291,710</b>	<b>-</b>	<b>-</b>	<b>265,916</b>

## 19. Contingent Liability:

Arrears of dividend on 0.01% Cumulative Preference Shares of Rs. 10 each is ₹ 2,526 (2017-18 – Rs. 1,543).



# DCM Shriram Infrastructure Limited

Notes to Financial Statements for the year ended Mar 31, 2019

20. Details of Pre-operative expenses pending allocation included under capital work in progress in note 2 is as under:

(Amount in ₹ Thousands)

Particulars	2018-19	2017-18
Consultancy and Retainership Fees		837
Telephone		99
Project Travelling & related expenses		47
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Welfare expenses		29
Depreciation		63
Detailed Project Report expenses		345
Repair and Maintenance		-
Miscellaneous expenses		273
Add: Brought Forward from the previous year	33,376	31,683
Less: Impairment of capital work in progress	(33,376)	-
<b>Total</b>	<b>-</b>	<b>33,376</b>

21. Related party disclosures under IndAS 24 "Related Party Disclosures":

A. Name of related party and nature of related party relationship

Ultimate Holding Company: Sumant Investments Private Limited

Parent Company of Holding Company: DCM Shriram Limited

Holding Company: DCM Shriram Credit and Investments Limited

B. Transactions with DCM Shriram Limited

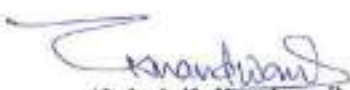
(Amount in ₹ Thousands)


Particulars	2018-19	2017-18
Interest expenses	25,722	23,474
Loan taken	-	22,708
1,000,000, 0.01% Cumulative Redeemable Preference Share of Rs. 10 each, Rs. 10 paid up (Previous year – Rs. 9 paid up)	1,000	2,000
<b>Balance payable at the year end</b>		
Unsecured loan (payable)	287,651	262,733
Interest accrued but not due	2,502	1,923

22. The figures are rounded off to the nearest thousands.

23. Notes 1 to 22 form an integral part of the financial statements.

For and on behalf of the Board of Directors of  
DCM Shriram Infrastructure Limited

  
(Ashok K. Nandwani)  
Director  
(DIN - 02469519)

  
(Ajit S. Shriram)  
Director  
(DIN - 00027918)

Place of Signature: New Delhi

Dated:

26 APR 2019



**DCM Shriram Credit and Investments Limited**  
**Balance Sheet as at March 31, 2019**

(Amount in ₹ Thousand)

Particulars	Note No	As At	
		March 31, 2019	March 31, 2018
<b>I. Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and equipment	2	80	118
(b) Investment property	3	1,866	1,866
(c) Financial assets			
- Investments	4	71,346	78,953
(d) Non-Current Tax Assets (Net)	5	2,235	2,229
<b>Current assets</b>			
(a) Inventories	6	45	50
(b) Financial assets			
(i) Cash and cash equivalents	7	7,017	2,221
(ii) Bank balances other than cash and cash equivalents	8	7	-
(iii) Loans	9	-	27,000
(iv) Others	10	45	719
(c) Other current assets	11	5	5
		<b>82,646</b>	<b>113,161</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	12	90,012	90,012
(b) Other Equity	13	(7,532)	(432)
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	1	1
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	-	20,898
(ii) Trade payables	16	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		145	146
(iii) Other Financial liabilities	17	-	2,114
(b) Other current liabilities	18	20	339
(c) Provisions	19	-	83
		<b>82,646</b>	<b>113,161</b>

**Summary of Significant Accounting Policies**

1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For B.R. Gupta & Co.**

Chartered Accountants

Firm Registration No. 008352N


  
**(Deepak Agarwal)**

Partner

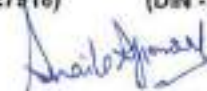
Membership No. 073696



**For and on behalf of the Board of Directors of  
DCM Shriram Credit and Investments Limited**

  
**(Ajit S. Shriram)**  
Director  
(DIN - 00027918)

  
**(Ajay S. Shriram)**  
Director  
(DIN - 00027137)

  
**(Shaila Aggarwal)**  
Membership No. 19332  
Company Secretary

Place of signature: New Delhi

Date: 26 APR 2019

**DCM Shriram Credit and Investments Limited**  
**Statement of Profit & Loss for the year ended March 31, 2019**

Particulars	Note No	(Amount in ₹ Thousand)	
		For the Year Ended March 31, 2019	For The Year Ended March 31, 2018
I Revenue from operations	20	1,453	8,265
II Other income	21	378	617
III Total income (I +II)		<u>1,829</u>	<u>8,882</u>
IV Expenses			
(a) Change in inventories of stock-in-trade	22	5	2
(b) Finance costs	23	930	5,850
(c) Depreciation and amortisation expense	2	38	58
(d) Other expenses	24	339	245
Total Expenses (IV)		<u>1,312</u>	<u>6,153</u>
V Profit/ (loss) before exceptional item and tax (III-IV)		517	2,729
VI Exceptional Items		-	-
VII Profit/ (loss) before tax (V-VI)		<u>517</u>	<u>2,729</u>
VIII Tax Expense	25		
(a) Current tax		83	323
(b) Tax adjustments related to earlier years		47	-
Total Tax Expenses		<u>130</u>	<u>323</u>
IX Profit after tax (VII-VIII)		<u>387</u>	<u>2,406</u>
X Other Comprehensive income			
- Items that will not be re-classified to profit and loss			
- Equity instruments through other comprehensive income		(7,487)	(11,408)
- Items that will be re-classified to profit and loss		-	-
Other comprehensive income for the year, net of tax		<u>(7,487)</u>	<u>(11,408)</u>
XI Total comprehensive income for the year, net of tax (IX-X)		<u>(7,100)</u>	<u>(9,002)</u>
X Earnings per share Basic/ Diluted (Amount in ₹)	26	0.04	0.27
Summary of Significant Accounting Policies	1.3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm Registration No. 006352N



(Deepak Agarwal)  
Partner

Membership No. 073696



For and on behalf of the Board of Directors of  
DCM Shriram Credit and Investments Limited



(Ajit S. Shriram)  
Director  
(DIN - 00927918)



(Ajay S. Shriram)  
Director  
(DIN - 00027137)

Place of signature: New Delhi

Date: 26 APR 2019

  
(Shaila Aggarwal)  
Membership No. 19332  
Company Secretary

**DCM Shriram Credit and Investments Limited**  
**Cash Flow Statement for the year ended March 31, 2019**

Particulars	(Amount in ₹ Thousand)	
	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Net profit/(loss) before tax	517	2,729
Adjustments for :		
Depreciation	38	56
Interest expense	929	5,850
Fair value of financial assets through Profit and loss	120	-
Less: interest and dividend income	(293)	(617)
<b>Operating profit before working capital changes</b>	<b>1,311</b>	<b>8,018</b>
Adjustments for :		
Increase/ (decrease) in trade payables	(1)	30
Increase/ (decrease) in other current liabilities & provisions	(402)	(223)
Increase/ (decrease) in other financial liabilities	(2,114)	2,114
Decrease/ (increase) in other current assets	-	3
Decrease/ (increase) in inventories	5	2
(Decrease)/ increase in inter corporate deposits	27,000	-
Decrease/ (increase) in other financial assets	539	94
<b>Cash generated from operations</b>	<b>26,338</b>	<b>10,038</b>
Income tax paid ( net of refund)	(145)	(836)
<b>Net Cash from operating activities (A)</b>	<b>26,193</b>	<b>9,202</b>
<b>B. Cash flow from investing activities</b>		
Dividend received	293	617
<b>Net Cash from investing activities (B)</b>	<b>293</b>	<b>617</b>
<b>C. Cash flow from financing activities</b>		
Repayment of loan from holding company (including interest)	(21,682)	(9,350)
<b>Net cash (used) in financing activities (C)</b>	<b>(21,682)</b>	<b>(9,350)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,804</b>	<b>469</b>
Cash and cash equivalents as at opening		
Cash and cheques in hand and balance with banks	2,220	1,751
Cash and cash equivalents as at closing		
<b>Cash and cheques in hand and balance with banks &amp; others</b>	<b>7,024</b>	<b>2,220</b>

Summary of Significant Accounting Policies

1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For B.R.Gupta & Co.**

Chartered Accountants

Firm's Registration No. 008352N



**(Deepak Agarwal)**  
Partner

Membership No.: 073696





**(Ajit S. Shriram)**  
Director  
(DIN - 00027918)



**(Ajay S. Shriram)**  
Director  
(DIN - 00027137)

Place of signature: New Delhi

Date: 25 APR 2019

  
**(Shaila Aggarwal)**  
Membership No. 19332  
Company Secretary

**DCM Shriram Credit and Investments Limited**  
**Statement of Changes in Equity as at March 31, 2019**

A. Equity share capital  
 As at March 31, 2017  
 As at March 31, 2018  
 As at March 31, 2019

(Amount in ₹ Thousand)  
 90,012  
 90,012  
 90,012

B. Other equity

(Amount in ₹ Thousand)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	Retained Earnings	Statutory Reserve	Equity instruments through other comprehensive income	
As at March 31, 2017	(43,470)	7,936	44,104	8,570
Additions:				
Profit/(loss) for the year	2,406	-	-	2,406
Other comprehensive income for the year	-	-	(11,408)	(11,408)
As at March 31, 2018	(41,064)	7,936	32,696	(432)
Additions:				
Profit/(loss) for the year	387	-	-	387
Transfer (from) to statutory reserve	(559)	559	-	-
Other comprehensive income for the year	-	-	(7,487)	(7,487)
As at March 31, 2019	(41,236)	8,495	25,209	(7,532)

Summary of Significant Accounting Policies

1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm Registration No. 008352N



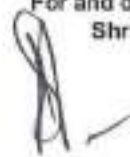
(Deepak Agarwal)  
 Partner  
 Membership No. 673896



Place of signature: New Delhi

Date: 26 APR 2019

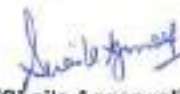
For and on behalf of the Board of Directors of DCM  
 Shriram Credit and Investments Limited



(Ajit S. Shriram)  
 Director  
 (DIN - 00027918)



(Ajay S. Shriram)  
 Director  
 (DIN - 00027137)



(Shaila Aggarwal)  
 Membership No. 19332  
 Company Secretary

# DCM Shriram Credit And Investments Limited

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## Notes to Financial Statements for the year ended March 31, 2019

### 1. Corporate Information and Accounting Policies

#### 1.1 General Information

DCM Shriram Credit and Investments Limited ('the Company') is a limited company incorporated in India. The Holding company, DCM Shriram Limited owns 100% of equity share capital of the Company. The registered office of the Company is located at 5<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001, India.

The financial statements are approved by Board of Directors in their board meeting dated

April 26, 2019.

#### 1.2 Basis of preparation

##### a) Statement of Compliance

The financial statements comply in all aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### b) Basis of Preparation and Presentation

These financial statements have been prepared on the historical cost basis, except for the following which are measured at each reporting date as under:

- Certain financial assets and liabilities - at fair value/amortized cost;
- Inventory- at lower of cost or net realizable value

The financial statements are presented in Indian Rupees (₹) and are rounded off to the thousands, except otherwise indicated

#### 1.3 Significant Accounting Policies

##### a) Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

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





# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements for the year ended March 31, 2019

**Impairment of Investments:** The Company reviews its carrying value of long term investments in equity shares of subsidiaries and other companies carried at cost/amortized cost annually. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Useful lives of property, plant and equipment:** The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This review may result in change in depreciation in future period if the present useful life differs from the previously estimated useful lives.

**Deferred tax assets:** The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### b) Property, Plant and Equipment

All tangible property, plant and equipments are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets. The Company is following written down value method of depreciation in respect of tangible fixed assets.

On the date of transition to Ind AS i.e. April 1, 2015, the Company has opted to measure all its property, plant and equipment at their previous GAAP net carrying value and use that net carrying value as its deemed cost.

Depreciation on all tangible fixed assets is provided on the basis of useful life/residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advise etc., as given below:

(i) Estimated useful lives are as under:

Asset	Useful life
Vehicles	8 Years

Depreciation is calculated on a pro-rata basis from the date of additions, except in case of assets costing upto Rs 5000 each, where each such asset is fully depreciated in the year of purchase.

### c) Investment Properties

Investment property are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

On the date of transition to Ind AS i.e. April 1, 2015, the Company has opted to measure all of its investment properties at their previous GAAP net carrying value and use that net carrying value as its deemed cost.



# DCM Shriram Credit And Investments Limited

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## Notes to Financial Statements for the year ended March 31, 2019

### d) Inventories

Inventories are valued at the lower of cost and net realizable value. The basis for determining cost (which also includes taxes and duties wherever applicable) for different categories of inventory are as under :

Stock-in-trade - Cost or net realizable value, whichever is lower

### e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

### f) Dividend and Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and 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 on initial recognition. Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of dividend can be measured reliably.

### g) Income Taxes

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### h) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.



# DCM Shriram Credit And Investments Limited

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## Notes to Financial Statements for the year ended March 31, 2019

### Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

### Measurement: Debt Instruments

Amortized cost: Assets are subsequently measured at amortized cost if these are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVTOCI): Assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses).

Fair value through profit or loss (FVTPL): Assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

### Equity Instruments

Investment in Subsidiaries: Investment in subsidiaries is measured at cost as per Ind AS 27 - Separate Financial Statements.

Investment in Other Equity Instruments: On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income (except for those investments which are held for trading). These are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from change in fair value recognized in other comprehensive income. There is no recycling of amounts from OCI to Profit or loss, even in case of sale of investment.

*The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.*



# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements for the year ended March 31, 2019

### Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability.

### Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### i) Impairment

#### Non-financial assets:

##### Tangible assets

Property, plant and equipment are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

An impairment loss is recognized in the statement of profit or loss. The Company review/assess at each reporting date if there is any indication that an asset may be impaired

### j) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. However, if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is being used, the increase in the provision due to the passage of time is recognized as a finance cost.



# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements for the year ended March 31, 2019

### k) Recent Accounting Pronouncements

#### IND AS 116 "Leases"

On March 29 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, 'Leases' which will be effective from Accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have impact on the financial statements.

#### **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

#### **Ind AS 19 – plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

#### **Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.



# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

### Note 2 : Property, plant and equipment

(Amount in ₹ Thousand)

Particulars	Vehicle
<b><u>Gross carrying amount(deemed cost)</u></b>	
As at April 1, 2017	256
Add: Additions made during the year	-
Less: Disposals / adjustments during the year	-
<b>As at March 31, 2018</b>	<b>256</b>
Add: Additions made during the year	-
Less: Disposals / adjustments during the year	-
<b>As at March 31, 2019</b>	<b>256</b>
<b><u>Depreciation and impairment</u></b>	
As at April 1, 2017	82
Add: Depreciation charge for the year	56
Less: On disposals / adjustments during the period	-
<b>As at March 31, 2018</b>	<b>138</b>
Add: Depreciation charge for the year	38
<b>As at March 31, 2019</b>	<b>176</b>
<b><u>Net carrying amount</u></b>	
<b>As at March 31, 2019</b>	<b>80</b>
As at March 31, 2018	118

a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition.

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# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

### Note 3: Investment properties (Deemed Cost)

(Amount in ₹ Thousand)

	<u>Freehold Land</u>
Balance at 31 March 2017	1,866
Additions during the year	-
Disposals during the year	-
<b>Balance at March 31, 2018</b>	<u>1,866</u>
Additions	-
Disposals	-
<b>Balance at March 31, 2019</b>	<u>1,866</u>

### Fair value

The fair value of the Company's investment properties as at March 31, 2019 have been arrived at on the basis of a valuation carried out by Government approved independent valuer. The input used in fair valuation is the circle rate of the property, prevailing market price of the similar kind of property in that area and other relevant factors.

Information about the fair value and fair value hierarchy are as follows:

	(Amount in ₹ Thousand)	
Land	March 31, 2019	March 31, 2018
Fair value	42,933	36,271
Level of hierarchy	3	3

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its investment property as its deemed cost as at the date of transition.

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# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

Note 4: Non-Current Investments	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
<b>Non Trade Investments</b>				
<b>Government securities (Unquoted)</b>				
National Saving Certificates		6		8
<b>Investment in shares, units and bonds</b>				
<b>Quoted (At fair value through other comprehensive income)</b>				
5,400 (March 31, 2018 - 5,400 ) Equity Fund Unit Scheme of Unit Trust of India of ₹10/- each fully paid up				694
1,40,000 (March 31, 2018 - 1,40,000) equity shares of IFCI Ltd. of ₹10/- each fully paid up		1,932		2,737
2,96,795 (March 31, 2018 - 2,96,795) equity shares of Bank of Baroda of ₹ 2/- each fully paid up		38,162		42,234
20,108 (March 31, 2018 - 20,108) equity shares of Gujrat State Petronel Ltd of ₹ 10 each fully paid up.		3,834		3,810
17,150 (March 31, 2018 - 17,150) equity shares of Punjab National Bank of ₹ 2 each fully paid-up		1,636		1,634
86,350 (March 31, 2018 - 86,350) equity shares of Yes Bank Ltd of ₹ 2 each fully paid up		24,580		27,236
<b>Unquoted (At fair value through other comprehensive income)</b>				
3,00,000 (March 31, 2018 - 3,00,000) equity shares of E Commodities Ltd. of ₹10 each fully paid up	3,000		3,000	
Less : Impairment in value of investment	<u>3,000</u>	-	<u>3,000</u>	-
2,00,000 (March 31, 2018 - 2,00,000) equity shares of Ellenbank Commercial Ltd. of ₹10 each fully paid-up	15,000		15,000	
Less : Impairment in value of investment	<u>15,000</u>	-	<u>15,000</u>	-
40,000 (March 31, 2018 - 40,000) Equity shares of BMD Estates P.Ltd. of ₹10 each fully paid up	7,500		7,500	
Less : Impairment in value of investment	<u>7,500</u>	-	<u>7,500</u>	-
<b>Quoted (At fair value through profit and loss)</b>				
5,400 (March 31, 2018 - 5,400 ) Equity Fund Unit Scheme of Unit Trust of India of ₹10/- each fully paid up		576		-
<b>Investment in Subsidiaries</b>				
<b>Unquoted (at cost)</b>				
50,007 (March 31, 2018 - 50,007) Equity shares of DCM Shriram Infrastructure Ltd. of ₹10 each fully paid up		500		500
10,000 (March 31, 2018 - 10,000) Equity shares of DCM Shriram Foundation (formerly Hariyali Rural Foundation) of ₹10 each fully paid up		100		100
		<u>71,346</u>		<u>78,953</u>





# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

Note 5 : Non-Current Tax Assets	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Advance Tax (Net of Provisions of 452 thousand (March 31, 2018: 322 thousand)		2,235		2,229
		<u>2,235</u>		<u>2,229</u>

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# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

(Amount in ₹ Thousand)

### Note 6: Inventories

	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
Stock-in-trade		45		50
		<u>45</u>		<u>50</u>

### Note 7: Cash and Cash Equivalents

	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
Financial assets (at amortized cost)				
Balances with banks				
- Current accounts		968		2,221
Mutual Fund Investment (Fair value through Profit and Loss) 1,326.038 (March 31, 2018: Nil) units of Reliance Liquid Fund		6,049		-
		<u>7,017</u>		<u>2,221</u>

### Note 8 : Bank balances other than cash and cash equivalents

	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
Balances with banks				
- Current accounts (Earmarked)		7		-
		<u>7</u>		<u>-</u>

### Note 9 : Loans

	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Inter Corporate Deposits		-		27,000
		<u>-</u>		<u>27,000</u>

### Note 10 : Others Financial Current Assets

	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Interest accrued on Inter corporate deposits		-		719
Security Deposit		45		-
		<u>45</u>		<u>719</u>

### Note 11 : Other Current Assets

	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Prepaid expenses		5		5
		<u>5</u>		<u>5</u>



# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

Note 12 : Equity share capital	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
<b>Authorised</b>				
6,001,208 (March 31, 2018 - 6,001,208 ) Equity shares of ₹ 10 each*		60,012		60,012
30,00,000 (March 31, 2018 - 30,00,000 ) Preference Shares of ₹ 10 each*		30,000		30,000
8 (March 31, 2018 - 8) Preference Shares of ₹100 each*		1		1
6,997,792 (March 31, 2018 - 6,997,912) Unclassified Shares of ₹ 10 each*		69,978		69,978
92 (March 31, 2018 - 92) Unclassified Shares of ₹ 100 each*		9		9
		<b>160,000</b>		<b>160,000</b>
<b>Issued, Subscribed and Paid up Share capital</b>				
60,01,208 (March 31, 2018 - 60,01,208) Equity shares of ₹ 10 each, fully paid up*		60,012		60,012
30,00,000 (March 31, 2018 - 30,00,000) 0.01% Compulsorily convertible preference share ₹ 10 each*		30,000		30,000
		<b>90,012</b>		<b>90,012</b>

\* Number of Shares are given in absolute numbers.

Notes:

### a) Details of shareholders holding more than 5% shares in the company

	As March 31, 2019		As March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
DCM Shriram Limited**	6,001,208	100.00%	6,001,208	100.00%
	<b>6,001,208</b>	<b>100.00%</b>	<b>6,001,208</b>	<b>100.00%</b>

\*\*This includes 8 (March 31, 2018 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

### b) Terms/right attached to redemption of 0.01% Compulsorily Convertible Preference Shares :-

Category of Shares	Date of issue	Terms of conversion
0.01% Compulsorily Convertible Preference Shares	March 28, 2017	Convertible into equity shares in the ratio of 1:1 on the expiry of 15 years from the date of their issue; or may be converted earlier in case the Board so decides earlier.



# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

### c) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the capital paid upon such equity shares.

### d) Reconciliation Of Shares Outstanding At The Beginning of the Year and at the End of the Year

(Amount in ₹ Thousand)

#### Equity Shares

Shares outstanding as at March 31, 2017  
Changes during the year  
Shares outstanding as at March 31, 2018  
Changes during the year  
Shares outstanding as at March 31, 2019

No. of shares	INR value
6,001,208	60,012
-	-
6,001,208	60,012
-	-
6,001,208	60,012

#### Preference Shares

Shares outstanding as at March 31, 2017  
Changes during the year  
Shares outstanding as at March 31, 2018  
Changes during the year  
Shares outstanding as at March 31, 2019

3,000,000	30,000
-	-
3,000,000	30,000
-	-
3,000,000	30,000

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# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

Note 13 : Other equity	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
(i) Equity component of compound financial instrument*		-		-
* Represent Rs 449 (March 31, 2018: ₹449)				
(ii) Retained Earnings		(41,236)		(41,064)
(iii) Statutory Reserves		8,495		7,936.00
(iv) Other Comprehensive Income		25,209		32,696.00
		<u>(7,532)</u>		<u>(432)</u>

For movement during the year in Other Equity, refer 'Statement of changes in equity'



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# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

Note 14: Borrowings	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unsecured - at amortized cost				
Liability Component of compound financial instruments*		1		1
		1		1

\* Represents Rs. 553 (March 31, 2018 - Rs. 492)

\* Terms of Financial Instruments(Preference Shares)

Date and Category of Issue of Preference shares	Date of Redemption	Dividend
July-2002 (Cumulative Redeemable Preference shares)	01-Jul-22	12%



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# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

Note 15 : Short-term borrowings	(Amount in ₹ Thousand)			
	As	At	As	At
Unsecured	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
Loan From Holding Company*	-	-	-	20,898
	-	-	-	20,898

\* Terms of loan

Category and Terms of repayment	Amount	Rate of interest
With interest (Repayable on demand)	20,898	10.50%

### Note 16 : Trade payables

Total outstanding dues to micro and small enterprise	-	-
Total outstanding dues of other than micro and small enterprise	145	146
	145	146

Note:

(a) It does not include any amount to be transferred to Investor Education and Protection Fund.

(b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719(E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.

(The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at reporting date.)

### Note 17 : Other financial liabilities

Interest accrued but not due on borrowings	-	2,114
	-	2,114

### Note 18 : Other Current Liabilities

Statutory Dues	14	332
Other Current Liabilities	7	7
	20	339

### Note 19: Short-Term Provisions

Contingent Provision for Standard Assets	-	83
	-	83



**DCM Shriram Credit And Investments Limited**  
**Notes to Financial Statements as at March 31, 2019**

Note 20 : Revenue from operations	(Amount in ₹ Thousand)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest on Inter Corporate Deposits	1,453	8,262
Liabilities/Provisions no longer required written back	-	3
	<b>1,453</b>	<b>8,265</b>



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# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2019

Note 21 : Other income	(Amount in ₹ Thousand)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Dividend Income	293	617
Liabilities/Provisions no longer required written back	83	-
	<b>376</b>	<b>617</b>



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**DCM Shriram Credit And Investments Limited**  
**Notes to Financial Statements as at March 31, 2019**

Note 22 : Change In Inventories of Stock-In-Trade	(Amount in ₹ Thousand)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Opening Stock	50	52
Less: Closing Stock	45	50
	<u>5</u>	<u>2</u>



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## DCM Shriram Credit And Investments Limited

### Notes to Financial Statements as at March 31, 2019

Note 23: Finance Costs	(Amount in ₹ Thousand)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest expense on financial liabilities at amortized cost on loans *	929	5,850
	<u>929</u>	<u>5,850</u>

\*includes interest expense on loan from related party ₹ 929 thousand (March 31, 2018: ₹ 5,850 thousand)



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## DCM Shriram Credit And Investments Limited

### Notes to Financial Statements as at March 31, 2019

Note 24 : Other expenses	(Amount in ₹ Thousand)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Auditors' remuneration		
Audit fee	124	125
Other services	59	94
Net loss on financial assets mandatorily measured at fair value through profit and loss	70	-
Membership fees	6	9
Miscellaneous expenses	80	17
	<b>339</b>	<b>245</b>



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**DCM Shriram Credit And Investments Limited**  
**Notes to Financial Statements as at March 31, 2019**

Note 25: Income tax expense

	For the Year Ended March 31, 2019	(Amount in ₹ Thousand) For the Year Ended March 31, 2018
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year	83	323
<b>Total current tax expense</b>	<b>83</b>	<b>323</b>

**(b) Reconciliation of tax expense and the accounting profit**

	For the Year Ended March 31, 2019	(Amount in ₹ Thousand) For the Year Ended March 31, 2018
Profit/(Loss) before tax	517 26%	2,729 26%
Income tax expense	134	703
-Income exempt from tax	(76)	(191)
- Non business expenses	22	56
-Effect of tax losses on which deferred tax is not recognised and others	(80)	(569)
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
Effect on current tax due to MAT	83	323

**(c) Income tax recognised directly in equity**

- -

**(d) Income tax recognised in other comprehensive income**

- -

**(e) Amount of deductible temporary difference, unused tax losses and unused tax credit for which no deferred tax asset was recognised is as follows:**

	For the Year Ended March 31, 2019	(Amount in ₹ Thousand) For the Year Ended March 31, 2018
<b>Particulars</b>		
Unabsorbed Business Loss	28,079	28,262
Unabsorbed Depreciation	6,045	6,045
Property, Plant and Equipment	1,531	1,777
<b>Total</b>	<b>35,655</b>	<b>36,084</b>
Unrecognised Tax Effect	9,270	11,150
Unrecognised MAT credit entitlement	4,407	4,325



**DCM Shriram Credit and Investments Limited**  
**Notes to Financial Statements as at March 31, 201**

**26 Earning Per Share (EPS):**

(Amount in ₹ Thousands)

Particulars	2018-19	2017-18
Profit(Loss) as per statement of profit and loss	367	2,408
Dividend on 12% redeemable cumulative Preference shares	#	#
Profit(Loss) attributable to equity shareholders	367	2,408
Weighted average number of equity shares outstanding(incs.)	8,001,208	8,001,208
Basic and diluted earning per share in rupees (Face value Rs. 10 per	0.04	0.27

# Represents ₹ 66 (2017-18 - ₹95)

- 27 Liquidity Risk Management:** Liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due and to close out market position. Due to the nature of the underlying business, Company maintains flexibility in funding by matching the maturity profiles of financial assets and liabilities, continuously monitoring forecast and actual cash flows. The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities (The amount disclosed in the table is the contractual undiscounted cash flow):

(Amount in ₹ Thousands)

Contractual Maturities of financial liabilities (Non-Derivative)-31-03-2019	Upto 1 year	Between 1 to 5 years	Total
Borrowings	-	-	-
Trade Payables	145	-	145

Contractual Maturities of financial liabilities(Non-Derivative)-31.03.2018	0-1 year	Between 1 to 5 years	Total
Borrowings	20,898	-	20,898
Trade Payables	145	-	145
Other Financial Liability	2,114	-	2,114

**28 Financial Instruments by Category**

(Amount in ₹ Thousands)

Particulars	March 31, 2019			March 31, 2018		
	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
<b>Financial Assets</b>						
Investments	-	71,348	-	-	78,953	-
Loans and Advances	-	-	-	-	-	27,000
Cash and Cash Equivalents	8,049	-	876	-	-	2,221
Others	-	-	45	-	-	719
<b>Total Financial Assets</b>	<b>8,049</b>	<b>71,348</b>	<b>1,020</b>	<b>-</b>	<b>78,953</b>	<b>29,940</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	-	20,898
Trade payables	-	-	145	-	-	145
Others	-	-	-	-	-	2,114
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>23,158</b>

**29 Capital Management**

The Company endeavors to optimize debt and equity balance and provide adequate strength to the balance sheet. The Company monitors capital on the basis of debt equity ratio.

**30 Contingent Liability**

- a. Arrears of dividend on 12% cumulative redeemable preference shares of Rs.100 each is ₹ 1,632 (2017-18 ₹ 1,536).
- b. The details of appeal filed for A.Y.-2016-17 is as under:

(Amount in ₹ Thousands)

Nature of Statue	Nature of the dues	Forum Pending where	Amount	Amount paid under protest
Income Tax Act, 1961	Income Tax	C I T(A)	2,427	NIL

**31 Related party disclosures under Ind AS 24 "Related Party Disclosures".**

- a. Name of related parties and nature of related party disclosures
- |                          |                                    |
|--------------------------|------------------------------------|
| Ultimate Holding Company | Sumant Investments Private Limited |
| Holding Company:         | DCM Shriram Limited                |
| Subsidiary Company:      | DCM Shriram Infrastructure Limited |
|                          | DCM Shriram Foundation             |



**DCM Shriram Credit and Investments Limited**  
**Notes to Financial Statements as at March 31, 201**

Particulars	(Amount in ₹ Thousand)	
	Holding Company	
	March 31, 2019	March 31, 2018
Interest expense	929	5,850
Loans Taken	-	100,000
Loans Repaid	20,898	103,500
Balance outstanding as at year end		
Unsecured Loan	-	20,898

- 32 Deferred tax has not been recognised in the books of account in respect of unabsorbed depreciation and unabsorbed business loss, keeping in view the principle of prudence since it is not probable that future taxable profit will be available against which unused tax losses and unused tax credit can be utilised.
- 33 The figures are rounded off to the nearest thousands.
- 34 Notes 1 to 33 form an integral part of the financial statements.

For and on behalf of the Board of Directors of  
 DCM Shriram Credit and Investments Limited

  
 Ajit S. Shriram  
 Director  
 (DIN - 00027918)

  
 (Ajay S. Shriram)  
 Director  
 (DIN - 00027137)

Place of Signature: New Delhi  
 Dated:

26 APR 2019



**Independent Auditors' Report**

**To the Members of DCM Shriram Aqua Foods Limited**

**Report on the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of **DCM Shriram Aqua Foods Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended, and a summary of select explanatory notes.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 2019, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





# SS KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

In preparing the Ind AS 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the audit of the Ind AS 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 a guarantee that an audit conducted in accordance with SAs 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - g) In our opinion, and according to the information and explanations given to, the company has not paid any managerial remuneration during the year ended March 31, 2019. Hence, provisions of section 197 read with Schedule V to the Act are not applicable to the Company and has not commented upon; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;



**S S KOTHARI MEHTA  
& COMPANY**

CHARTERED ACCOUNTANTS

- iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

**For S.S. KOTHARI MEHTA & Co.**

Chartered Accountants

Firm's Registration No. 000756N



**SUNIL WAHAL**

Partner

Membership No. 087294

Place: New Delhi

Date: April 26, 2019

SS KOTHARI MEHTA  
& COMPANY  
CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report to the Members of DCM Shriram Aqua Foods Limited dated April 26, 2019.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

- i.
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
  - (c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- ii. The Company's operations do not give rise to any inventory.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, clauses 3(iii) (a) to (c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act, and the Rules framed thereunder.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii.
  - a. According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
  - b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty and Service Tax which have not been deposited on account of any dispute.



**S S KOTHARI MEHTA  
& COMPANY**

CHARTERED ACCOUNTANTS

- viii. According to the information and explanations given to us and records of the Company examined by us, the Company has not taken loans from financial institutions or banks. Accordingly, clauses 3(viii) of the Order are not applicable.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans hence, reporting under clause (ix) is not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. In our opinion, and according to the information and explanations given to, the company has not paid any managerial remuneration. Hence, reporting under clause 3(xi) of the Order are not applicable and hence not commented upon.
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not commented upon.
- xiv. According to the information and explanations given to us and on an overall examination of the books of account, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence not commented upon.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.S.KOTHARI MEHTA & Co.  
Chartered Accountants  
Firm's Registration No. 000756N



**SUNIL WAHAL**  
Partner

Membership No. 087294

Place: New Delhi  
Date: April 26, 2019

Annexure B to the Independent Auditor's Report to the Members of DCM Shriram Aqua Foods Limited dated April 26, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of DCM Shriram Aqua Foods Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

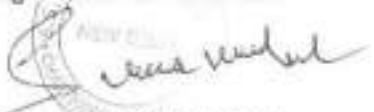
### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.S.KOTHARI MEHTA & Co.  
Chartered Accountants  
Firm's Registration No. 000756N

  
**SUNIL WAHAL**  
Partner  
Membership No. 087294

Place: New Delhi  
Date: April 26, 2019

**DCH SHRIRAM AQUA FOODS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

	Notes	As at March 31, 2019 Rs. Thousand	As at March 31, 2018 Rs. Thousand
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	2	1,183	1,183
Financial assets			
Security Deposits	3	5,233	5,233
		<u>6,416</u>	<u>6,416</u>
<b>Current Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	93	156
Loans	5	14,500	14,500
Others	6	11,577	10,313
Current tax assets (net)	7	-	829
		<u>16,170</u>	<u>25,798</u>
<b>Total assets</b>		<u><u>32,586</u></u>	<u><u>32,414</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	83,512	83,512
Other equity	9	(51,072)	(51,152)
<b>Total equity</b>		<u>32,440</u>	<u>32,360</u>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	10	1	1
		<u>1</u>	<u>1</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			45
- trade outstanding dues of micro enterprises and small enterprises		-	-
- trade outstanding dues of creditors other than micro enterprises and small enterprises	11.1	123	-
Current Tax Liability (Net)	11.2	9	-
Other current liabilities	12	13	7
		<u>145</u>	<u>52</u>
<b>Total equity and liabilities</b>		<u><u>32,586</u></u>	<u><u>32,414</u></u>

See accompanying notes to the standalone financial statements

In terms of our report of even date

**S.S. Kothari Mehta & Company**  
Chartered Accountants

**Sunil-Wahal**  
Partner  
Membership no: 087294



For and on behalf of the Board of Directors

**Vijay S. Shriram**  
Director  
DIN: 00027187

**Ajay S. Shriram**  
Director  
DIN: 00027137

**A.K. Jain**  
Company Secretary

Place: New Delhi  
Date: 26.04.2019




## DCM SHRIRAM AQUA FOODS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019


	Notes	For the year ended March 31, 2019 Rs. Thousands	For the year ended March 31, 2018 Rs. Thousands
Other income	13	1,416	1,378
<b>Total revenue</b>		<b>1,416</b>	<b>1,378</b>
<b>Expenses</b>			
Finance costs	14	-	-
*(Rs 49; March 31, 2018- Rs 45 )			
Other expenses	15	804	350
<b>Total expenses</b>		<b>804</b>	<b>350</b>
<b>Profit before tax</b>		<b>612</b>	<b>1,028</b>
Tax expense	16		
- Current tax		368	355
- Tax adjustments related to earlier years		164	-
Tax expense		<b>532</b>	<b>355</b>
<b>Profit after tax</b>		<b>80</b>	<b>673</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>80</b>	<b>673</b>
<b>Earnings per equity share-basic/diluted (Rs.)</b>	17	<b>0.01</b>	<b>0.08</b>

See accompanying notes to the financial statements


In terms of our report of even date

S.S. Kothari Mehta & Company  
Chartered Accountants



**Sunil Wahal**  
Partner  
Membership no: 087294




For and on behalf of the Board of Directors



**Vikram S. Shriram**  
Director  
DIN-00027187



**Rajay S. Shriram**  
Director  
DIN: 00027137



**A.K. Jain**  
Company Secretary

Place: New Delhi  
Date: 26.04.2019

**DCM SHRIRAM AQUA FOODS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**


A. Equity share capital	Rs. in thousand
As at March 31, 2018	83,512
As at March 31, 2019	83,512

**B. Other equity**

	Reserves and surplus
	Retained earnings
<b>As at March 31, 2017</b>	(51,825)
<b>Additions:</b>	
Profit for the year	673
<b>As at March 31, 2018</b>	<b>(51,152)</b>
<b>Additions:</b>	
Profit for the year	<b>80</b>
<b>As at March 31, 2019</b>	<b>(51,072)</b>


In terms of our report of even date


**S.S. Kothari Mehta & Company**  
Chartered Accountants


  
**Sunil Wahal**  
Partner  
Membership no: 087294



For and on behalf of the Board of Directors

  
**Vikram S. Shriram**  
Director  
DIN-00027187

  
**Ajay S. Shriram**  
Director  
DIN: 00027137

  
**A.K. Jain**  
Company Secretary

Place: New Delhi  
Date: 26-04-2019

## DCM SHRIRAM AQUA FOODS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

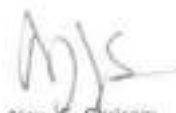
	As at March 31, 2019 Rs. Thousands	As at March 31, 2018 Rs. Thousands
<b>A. Cashflow from operating activities</b>		
Net profit before tax	512	1,028
Adjustments for :		
Interest income	(1,416)	-1,378
<b>Operating (loss) before working capital changes</b>	<b>(904)</b>	<b>-350</b>
Trade payables	83	2
Other current/non-current liabilities	-	2
<b>Cash generated from operations</b>	<b>(721)</b>	<b>-346</b>
Income tax (paid)/Refund	444	-356
<b>Net cash from operating activities</b>	<b>(277)</b>	<b>-714</b>
<b>B. Cash flow from investing activities</b>		
Interest received	259	669
<b>Net cash from Investing activities</b>	<b>259</b>	<b>669</b>
<b>C. Cash Flow from Financing Activities</b>		
Security deposit given	(45)	-
<b>Net cash from Financing activities</b>	<b>(45)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(63)</b>	<b>-45</b>
Cash and cash equivalents at the beginning of the year	156	201
Cash and cash equivalents at the end of the year	93	156


In terms of our report of even date

S.S. Kothari Mehta & Company  
Chartered AccountantsSunil Wahal  
Partner  
Membership no: 087294Place: New Delhi  
Date: 26-04-2019

For and on behalf of the Board of Directors

  
Vikram S. Shiram  
Director  
DIN: 00027187

  
Ajay S. Shiram  
Director  
DIN-00027137

  
A.K. Jain  
Company Secretary

**Notes to the Standalone financial statements**

**1.1 General Information**

DCM Shriram Aqua Foods Limited ("the Company") is a private limited company incorporated in India. The Holding company, DCM Shriram Limited owns 100% of equity share capital of the Company. The registered office of the Company is located at 5<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001, India.

The financial statements are approved by Board of Directors in their board meeting dated \_\_\_\_\_.

**1.2 Basis of preparation**

**(a) Statement of Compliance**

The financial statements comply in all aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act."

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

**(b) Basis of preparation and presentation**

These financial statements have been prepared on the historical cost basis, except for the following which are measured at each reporting date as under:

- Certain financial assets and liabilities - at fair value/amortized cost;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in the active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees ("Rs.") and are rounded off to the thousands, except otherwise indicated



**1.3 Significant accounting policies**

**(a) Investment properties**

Freehold land is carried at historical cost. Cost of acquisition is inclusive of duties, taxes and incidental expenses attributable to the acquisition of assets upto the date of commissioning of assets.

**(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**(i) Interest income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and 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 on initial recognition.

**(c) Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate.

Income tax is measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profits.

**(d) Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial Assets:**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**Classification:**

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.



**Measurement****Debt instruments**Amortized cost

Assets are subsequently measured at amortized cost if these are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability.

**(e) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

**(f) Use of Estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

**(g) Provisions, contingent liabilities and contingent assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the



passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

**(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(i) Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(j) Standards issued but not yet effective**

**IND AS 116 "Leases"**

On March 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, "Leases" which will be effective from Accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have significant impact on the financial statements.



**Investment Properties****Gross Carrying amount**

	<b>Freehold land</b>
Balance as at March 31, 2017	1,183
Balance as at March 31, 2018	1,183
Balance as at March 31, 2019	1,183
<b>Net balance as at March 31, 2018</b>	<b>1,183</b>
<b>Net balance as at March 31, 2019</b>	<b>1,183</b>

(a) The fair value of the Company's investment properties as at March 31, 2019 and March 31, 2018 have been arrived at on the basis of a valuation carried out by government approved independent valuer.

Details of the Company's investment properties and information about the fair value hierarchy are as follows:

	31.03.2019	31.03.2018
Fair value	14,525	13,944
Level of hierarchy	3	3

	<b>This Year</b>	<b>Previous Year</b>
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Income from investment properties before depreciation	-	-
Depreciation	-	-
<b>Income from investment properties after depreciation</b>	<b>-</b>	<b>-</b>





## DCM SHRIRAM AQUA FOODS LIMITED

Notes to Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 Rs. Thousand	As at March 31, 2018 Rs. Thousand
<b>Non-current assets</b>		
<b>Financial Assets</b>		
3 <b>Other Financial assets</b> (Unsecured considered good, unless otherwise stated)		
Security deposits	<u>5,233</u>	<u>5,233</u>
	<u>5,233</u>	<u>5,233</u>



**DCH SHRIRAM AQUA FOODS LIMITED**

Notes to Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 Rs. Thousand	As at March 31, 2018 Rs. Thousand
<b>CURRENT ASSETS</b>		
<b>4. Cash and cash equivalents</b>		
Balances with banks on		
- current accounts	92	155
Cash on hand	<u>1</u>	<u>1</u>
	<u>93</u>	<u>156</u>
<b>5. Loans</b>		
Loans given to Holding company	<u>14,500</u>	<u>14,500</u>
	<u>14,500</u>	<u>14,500</u>
<b>6. Other financial assets</b>		
Interest accrued but not due on loan given to holding company	3,611	2,592
Claim receivable	7,921	7,921
Security Deposit	<u>45</u>	<u>45</u>
	<u>11,577</u>	<u>10,513</u>
<b>7. Current tax assets (net)</b>		
Advance tax		1,611
Less: Provision for tax		<u>-782</u>
		<u>829</u>



**DCM SHRIRAM AQUA FOODS LIMITED**

Notes to Standalone Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 Rs. Thousand	As at March 31, 2018 Rs. Thousand
<b>B. Equity share capital</b>		
<b>Authorised</b>		
8,999,000 (March 31, 2018 - 8,999,000 Equity shares of Rs. 10 each)	89,990	89,990
100 (March 31, 2018- 100) 12% Cumulative Redeemable Preference shares of Rs. 100 each (refer note e)	10	10
	<u>90,000</u>	<u>90,000</u>
<b>Issued, subscribed and paid up</b>		
8,351,207 (March 31, 2018 - 8,351,207 Equity shares of Rs. 10 each, fully paid up)	83,512	83,512
	<u>83,512</u>	<u>83,512</u>

**Notes:**

- a. Right, preferences and restrictions on equity shares:
  - Voting right and dividend shall be in the proportion to the capital paid upon equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to the capital paid upon equity shares after distribution of all preferential amount, if any.
- b. 83,51,207 (March 31, 2018 - 83,51,207 (100%) equity shares are held by DCM Shriram Limited, the holding company and its nominees.
- c. There is no change in the shares outstanding at the beginning and at the end of the current year and corresponding previous year.
- d. The Company has neither issued bonus shares nor bought back shares during the last five years.
- e. 12% Cumulative Redeemable Preference shares are reclassified from share capital to long term borrowing according to Ind AS 109 "Financial Instrument".



**DCM SHRIRAM AQUA FOODS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2019**

	As at March 31, 2019 Rs. Thousand	As at March 31, 2018 Rs. Thousand
<b>9. Other equity</b>		
(i) Equity Component of compound financial instruments* (refer note 8-e)	-	-
(ii) Retained Earnings		
<b>Surplus in Statement of Profit and loss</b>		
Opening balance	(51,152)	(51,825)
Add: Profit during the year	80	673
	<u>(51,072)</u>	<u>(51,152)</u>
<b>Other equity</b>	<u>(51,072)</u>	<u>(51,152)</u>

\* Represent Rs. 407 (March 31, 2018 - Rs. 407)



DCM SHRIRAM AQUA FOODS LIMITED

Notes to Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 Rs. Thousand	As at March 31, 2018 Rs. Thousand
<b>NON-CURRENT LIABILITIES</b>		
10 Financial liabilities		
Long term borrowings		
Unsecured - at amortized cost Liability component of compound financial instrument*	1	1
* Represents Rs. 450 (March 31, 2018 - Rs 411)		



DCM SHRIRAM AQUA FOODS LIMITED

Notes to Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 Rs. Thousand	As at March 31, 2018 Rs. Thousand
<b>CURRENT LIABILITIES</b>		
<b>Financial Liabilities</b>		
<b>11.1 Trade Payables</b>		
Total outstanding due to micro, small and medium enterprise	-	46
Total outstanding due of other than micro, small and medium enterprise	<u>123</u>	<u>46</u>
<b>11.2 Current Tax Liability</b>		
Prov for Tax	729	-
Less: Advance Tax	<u>-714</u>	<u>-</u>
	<u>9</u>	<u>-</u>
<b>12. Other current liabilities</b>		
Statutory levies	<u>13</u>	<u>7</u>
	<u>13</u>	<u>7</u>



**DCM SHRIRAM AQUA FOODS LIMITED**

Notes to Financial Statements for the year ended March 31, 2019

	For the year ended March 31, 2019 Rs. Thousands	For the year ended March 31, 2018 Rs. Thousands
<b>13. Other Income</b>		
Interest income on loan given to Holding Company	1,378	1,378
Interest - Others	38	
	<u>1,416</u>	<u>1,378</u>



**DCM SHRIRAM AQUA FOODS LIMITED**

Notes to Financial Statements for the year ended March 31, 2019

	For the year ended March 31, 2019 Rs. Thousands	For the year ended March 31, 2018 Rs. Thousands
<b>14. Finance Costs</b>		
Interest expense on financial liabilities measured at amortized cost*	-	-
	<u>-</u>	<u>-</u>

\*Interest expense represents Rs 49 (FY 2017-18: Rs 45)





**DCM SHRIRAM AQUA FOODS LIMITED**

Notes to Financial Statements for the year ended March 31, 2019

	For the year ended March 31, 2019 Rs. Thousands	For the year ended March 31, 2018 Rs. Thousands
<b>15. Other expenses</b>		
Retainerhip fee	625	300
Traveling and conveyance	124	17
Auditors' remuneration		
Audit fee	30	30
Miscellaneous expenses	25	3
	<u>804</u>	<u>350</u>



**DCM SHRIRAM AQUA FOODS LIMITED**

Notes to Financial Statements for the year ended March 31, 2019

	For the year ended March 31, 2019 Rs. Thousands	For the year ended March 31, 2018 Rs. Thousands
<b>16 Tax expense</b>		
Current tax:	<b>368</b>	<b>355</b>
	<u>368</u>	<u>355</u>
Tax adjustments related to earlier years:	<b>164</b>	-
Total tax:	<u><b>532</b></u>	<u><b>412</b></u>



## DCM SHRIRAM AQUA FOODS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 17 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with IndAS-33, 'Earnings per Share'. Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Particulars	UOM	Year ended March 31, 2019	Year ended March 31, 2018
Profit as per Statement of Profit and Loss	Rs In Thousand	80	673
Dividend on 12% redeemable cumulative preference shares	Rs. In Thousand	0.08	0.08
Profit attributable to equity shareholders	Rs. In Thousand	80	673
Weighted average number of equity shares outstanding during the year	No's	83,51,207	83,51,207
Basic and Diluted earnings per share of face value Rs. 10 per share	Rupees	0.01	0.08

### 18 Going Concern

As on March 31, 2019, the Company has accumulated losses of Rs. 51,072 (thousands) which has substantially eroded its net worth. During the F.Y 2011-12, the Government of Puducherry had acquired significant portion of the Company's Aqua project land under the Land Acquisition Act, 1894. Accordingly, the Company's management had abandoned the Aqua project. However, as the Company is exploring other avenues for the balance portion of the land, the financial statements of the Company have been prepared on going concern basis.

- 19 In the opinion of the Board and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 20 Disclosures relating to dues of micro and small enterprises under sundry creditors have been made on the basis of information available with the Company to the extent parties have been identified under Micro, Small and Medium Enterprises (Development) Act, 2006.
- 21 Since the Company has not yet started operations, the disclosure requirements as per IndAS 108 on "Operating Segments" are not applicable. The Company does not have employees owing to which IndAS 19 on 'Employees Benefits' and other employee related laws are also not applicable to it.



## DCM SHRIRAM AQUA FOODS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 22 Related party disclosures under IndAS 24:

#### a. Name of related party and nature of related party relationship

Holding Company: DCM Shriram Limited

Key Managerial Persons: Mr. Ajay S. Shriram, Mr. Vikram S. Shriram and Mr. K.K. Kaul

Fellow Subsidiaries: DCM Shriram Credit and Investments Limited, Bioseed India Limited, DCM Shriram Infrastructure Limited, Shriram Bioseed (Thailand) Ltd., Bioseed Limited, Bioseed Vietnam Ltd., Bioseed Research Philippines Inc., Shriram Bioseed Ventures Limited, DCM Shriram Foundation, Hariyali Rural Ventures Limited, Fenesta India Limited, Shri Ganpati Fertilisers Limited, Bioseeds Holdings Pte. Ltd., Shridhar Shriram Foundation, PT. Shriram Seed Indonesia, PT. Shriram Genetics Indonesia, Bioseed Research USA Inc.

#### b. Transactions with the holding company

Particulars	(Amount in Rs. '000)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest income	1378	1,378
<b>Balance receivable at the year end</b>		
- Loan	14,500	14,500
- Interest accrued on loan	3,611	2,592

### 23 Auditors Remuneration:

Particulars	(Amount in Rs. '000)	
	Year ended March 31, 2019	Year ended March 31, 2018
Statutory Audit Fee	30	30
Other Services	-	-

### 24 Contingent Liabilities:

Particulars	(Amount in Rs. '000)	
	Year ended March 31, 2019	Year ended March 31, 2018
Claims against the company not acknowledged as debts	-	-



## DCM SHRIRAM AQUA FOODS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 25 Capital and other Commitments:

(Amount in Rs. '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	-	-
(ii) Other Commitments	-	-



**DCM SHRIRAM AQUA FOODS LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note 26 Income tax expense**

Rs in Thousands

March 31, 2019

March 31, 2018

**(a) Income tax expense****Current tax**Current tax on profits for the year  
Adjustment for earlier period

368

355

**Total current tax expense**

368

355

**(b) Reconciliation of tax expense and the accounting profit**

Rs in Thousands

March 31, 2019

March 31, 2018

Profit before tax

612

1,028

Tax rate

26.00%

25.75%

Income tax expense

159

265

Tax effect of amount which are not deductible  
in calculating taxable income

159

265

**Income tax expense**

-

(0)

**(c) Income tax recognised directly in equity**

-

-

**(d) Income tax recognised in other comprehensive income**

-

-



DCM SHRIRAM AQUA FOODS LIMITED

Notes to the financial statements for the year ended March 31, 2019

Note 27 Financial instruments by category

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Loans			14,500			14,500
Cash and cash equivalents			93			156
Others			16,810			15,746
<b>Total financial assets</b>	-	-	<b>31,403</b>	-	-	<b>30,402</b>
<b>Financial liabilities</b>						
Liability component of compound financial instruments			1			1
Trade payables			123			46
<b>Total financial liabilities</b>	-	-	<b>124</b>	-	-	<b>47</b>



**DCM SHRIRAM AQUA FOODS LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note 28 Liquidity risk management**

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities

The amount disclosed in the table are the contractual undiscounted cash flow.

<b>Contractual maturities of financial liabilities</b>	<b>Less than 1 year</b>	<b>Between 1 year to 5 year</b>	<b>Total</b>
<b>31 March 2019</b>			
<b>Non-derivatives</b>			
Borrowings	-	1	1
Trade Payables	123	-	123
<b>Total non-derivative liabilities</b>	<b>123</b>	<b>1</b>	<b>124</b>

<b>Contractual maturities of financial liabilities</b>	<b>Less than 1 year</b>	<b>Between 1 year to 5 year</b>	<b>Total</b>
<b>31 March 2018</b>			
<b>Non-derivatives</b>			
Borrowings	-	1	1
Trade Payables	46	-	46
<b>Total non-derivative liabilities</b>	<b>46</b>	<b>1</b>	<b>47</b>





**DCM SHRIRAM AQUA FOODS LIMITED**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

29 Notes 1 to 29 form an integral part of the Financial Statements.

As per our report of the even date


For S.S. KOTHARI MEHTA & Company  
Chartered Accountants

  
Sunil Wahal  
Partner  
M. No. - 087294



Place: New Delhi  
Date: 26-04-2019

  
VIKRAM S. SHRIRAM  
Director  
(DIN - 00027187)

  
A. K. JAIN  
COMPANY SECRETARY

  
AJAY S. SHRIRAM  
Director  
(DIN - 00027137)

For and on behalf of the Board of Directors

### **Independent Auditor's Report**

**To The Members of Fenesta India Limited**

**Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Fenesta India Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the **Profit** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

#### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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.

Those Board of Directors are also responsible for 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 a guarantee that an audit conducted in accordance with SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N



**(Deepak Agarwal)**

Partner

Membership Number 073696



Place of Signature: New Delhi

Date: 26 APR 2019

## Annexure 'A' to the Independent Auditors' Report of even date on the Ind-AS financial statement of Fenesta India Limited

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind-AS financial statements for the year ended 31 March 2019, we report that:

- i) In respect of fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) Fixed assets have been physically verified by the management at reasonable intervals. No discrepancies were noticed on such verification of the assets.
  - c) On the basis of information and explanation provided by the management, no immovable properties are held in the name of the Company.
- ii) In respect of its inventory:
  - a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification followed by the management is reasonable.
  - b) No material discrepancies were noticed on verification between the physical stocks and the book records
- iii) According to the information and explanations given to us the Company had not granted loan to any of the Company covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (a) to (b) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has not made any loans, investment, guarantees and securities during the year, therefore provisions of section 185 and 188 are not applicable to the company. Accordingly, paragraph 3(iv) of the Order is not applicable.
- v) The Company has not accepted any deposits from the public.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company
- vii) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, Provident Fund, Employees' State Insurance, Goods & Service Tax(GST) , cess and any other applicable statutory dues with the appropriate authorities. Further no undisputed amounts were payable in respect of income tax and other statutory dues were outstanding, as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.  
(b) According to the records of the Company examined by us and the information and explanations given to us, there is no dues of income tax and other statutory dues which have not been deposited on account of any dispute.
- viii) In our opinion and on the basis of available information and explanation provided to us, the Company has neither raised funds from any financial institution, banks, government nor dues of any debenture holders during the year. Therefore, clause 3(viii) is not applicable to the company.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) On the basis of available information and explanation provided to us, the Company has not paid any managerial remuneration during the year therefore the provisions of section 197 read with Schedule V to the Companies Act are not applicable to the Company.



- xii) The Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Ind-AS Financial Statements etc, as required by the applicable accounting standards. Further the provisions of section 177 of the Act are not applicable to the Company.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B.R. Gupta & Co.,**  
*Chartered Accountants*  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
*Partner*

Membership Number 073896



Place of Signature: New Delhi

Dated: 26 APR 2019

**Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS financial statement of Fenesta India Limited**

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**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Fenesta India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For B. R. Gupta & Co.**

*Chartered Accountants,*

Firm's Registration Number 008352N



**(Deepak Agarwal)**

*Partner*

Membership Number 073896



Place of Signature: New Delhi

Date: 26 APR 2019



**Fenesta India Limited**  
**Balance Sheet as at March 31, 2019**

(Amount in ₹ thousand)

Particulars	Notes	As At	
		March 31, 2019	March 31, 2018
<b>I. Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	2	2	2
<b>(c) Financial Assets</b>			
(i) Other Financial Assets	3	169	675
(d) Non Current Tax Assets	4	6,035	5,364
(e) Other Non Current Assets	5	-	1
(f) Deferred tax assets (net)	6	221	689
<b>Current Assets</b>			
(a) Inventories	7	29,004	34,295
<b>(b) Financial Assets</b>			
(i) Trade receivables	8	46,603	63,137
(ii) Cash and cash equivalents	9	1,489	5,046
(iii) Other Financial Assets	3	242	364
(c) Other Current assets	5	17,490	15,940
<b>Total Assets</b>		<b>101,465</b>	<b>125,515</b>
<b>II. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	10	500	500
(b) Other Equity	11	3,956	1,462
<b>Non-current liabilities</b>			
(a) Provisions	12	408	381
<b>Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
<b>(i) Trade payables</b>			
(A) total outstanding dues of micro enterprises and small enterprises; and	13	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.*;		62,099	60,838
(ii) Other Financial Liabilities	14	5	6
(b) Other current liabilities	15	34,107	62,151
(c) Provisions	12	54	77
(d) Current tax liabilities (Net)	16	336	-
<b>Total Equity and Liabilities</b>		<b>101,465</b>	<b>125,515</b>

Summary of Significant Accounting Policies 1.3  
 The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B.R. Gupta & Co,  
 Chartered Accountants  
 Firm Registration No: 008352N

  
 (Deepak Agarwal)

Partner  
 Membership No. 073696



For & on behalf of Board of Directors of  
 Fenesta India Limited



(Ajit S. Shriram)  
 Director  
 DIN 00027918



(Ajay S. Shriram)  
 Director  
 DIN No. 00027137

Place of Signature: New Delhi  
 Date: 26 APR 2019

# Fenesta India Limited

## Statement of Profit and Loss for the year ended March 31, 2019

(Amount in ₹ thousand)

Particulars	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	17	392,753	783,028
II Other Income	18	2,303	39
<b>III Total Income (I+II)</b>		<b>395,056</b>	<b>783,067</b>
<b>IV Expenses</b>			
(a) Purchases of Stock-in-Trade	19	373,355	686,469
(b) Changes in inventory of Stock-in-trade	20	7,216	26,651
(c) Employee benefits expense	21	2,014	4,448
(d) Finance Costs	22	28	-
(e) Depreciation and Amortisation	2	0	7
(f) Other Expenses	23	8,107	46,736
<b>Total Expenses</b>		<b>381,722</b>	<b>764,310</b>
<b>V Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>3,344</b>	<b>(1,243)</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/ (loss) before tax (V-VI)</b>		<b>3,344</b>	<b>(1,243)</b>
<b>VIII Tax Expense</b>	6		
(a) Current tax		404	121
(b) Deferred tax		462	(452)
(c) Tax adjustments related to earlier years		-	64
<b>Total Tax Expenses</b>		<b>866</b>	<b>(268)</b>
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>2,478</b>	<b>(976)</b>
<b>X Other Comprehensive Income</b>			
(A) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
(B) (i) Items that will not be reclassified subsequently to statement of profit and loss			
Re-measurement gains/ (losses) on defined benefit plans	24	22	115
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		(6)	(30)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>16</b>	<b>85</b>
<b>XI Total Comprehensive income for the year</b>		<b>2,494</b>	<b>(890)</b>
<b>XII Earnings Per Share</b>	25		
1) Basic (amount in Rs.)		49.66	(19.52)
2) Diluted (amount in Rs.)		49.66	(19.52)

Summary of Significant Accounting Policies 1.3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B.R. Gupta & Co,  
Chartered Accountants  
Firm Registration No: 008352N

  
(Deepak Agarwal)  
Partner

Membership No. 073696



Place of Signature: New Delhi

Date: 26 APR 2019

For & on behalf of Board of Directors of  
Fenesta India Limited

  
(Ajit S. Shriram)  
Director  
DIN 00027918

  
(Ajay S. Shriram)  
Director  
DIN No. 00027137

# Fenesta India Limited

## Cash flow statement for the year ended March 31, 2019

Particulars	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Net profit/(Loss) after tax	2,494	(890)
Adjustments for :		
Provision for current tax	404	185
Provision for deferred tax	463	(462)
Depreciation	0	7
<b>Operating profit before working capital changes</b>	<b>3,366</b>	<b>(1,181)</b>
Adjustments for :		
Decrease/ (increase) in inventories	5,291	26,651
Decrease/ (increase) in trade receivables	16,333	(25,688)
Decrease/ (increase) in long term loans & advances	505	(116)
Decrease/ (increase) in short term loans & advances	122	299
Decrease/ (increase) in other assets	(1,548)	60,884
Increase/ (decrease) in trade payables	1,161	57,788
Increase/ (decrease) in other current liabilities	(26,045)	(117,714)
Increase/ (decrease) in non current liabilities	28	(251)
Increase/ (decrease) in short term provisions	(23)	11
<b>Cash generated from operations</b>	<b>(2,808)</b>	<b>684</b>
Income taxes (paid) / refund (Net)	(740)	(1,412)
<b>Net cash flow from operating activities</b>	<b>(3,549)</b>	<b>(728)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of assets	-	(8)
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>(8)</b>
<b>C. Cash flow from financing activities</b>		
	-	-
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(3,549)</b>	<b>(734)</b>
Cash and cash equivalents as at opening		
Cash and cheques in hand and balance with banks	6,048	5,762
Cash and cash equivalents as at closing		
Cash and cheques in hand and balance with banks	1,499	5,048

Summary of Significant Accounting Policies

1.3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B.R. Gupta & Co,

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership No. 073696



For & on behalf of Board of Directors of  
Fenesta India Limited



(Ajit S. Shriram)

Director

DIN 00027918



(Ajay S. Shriram)

Director

DIN No. 00027137

Place of Signature: New Delhi

Date: 26 APR 2019

# Fenesta India Limited

## Statement of Changes in Equity for the year ended March 31, 2019

<b>A. Equity share capital</b>	(Amount in ₹ '000')
As at March 31, 2017	500
As at March 31, 2018	500
As at March 31, 2019	500
<b>B. Other equity</b>	

(Amount in ₹ thousand)

Particulars	Other Equity		
	Retained earnings	Other comprehensive Income (Actuarial Gain/Loss)	Total
As at March 31, 2017	2,387	(35)	2,352
Profit/(Loss) for the year	(976)	85	(890)
As at March 31, 2018	1,411	50	1,462
Profit/(Loss) for the year	2,478	16	2,494
As at March 31, 2019	3,889	66	3,955

### Summary of Significant Accounting Policies

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

As per our report of even date attached

For B.R.GUPTA & Co.  
Chartered Accountants  
Firm's Registration Number 008352N



(Deepak Aggrwal)  
Partner  
Membership Number: 073698

Place of Signature: New Delhi  
Date: 26 APR 2019



For and on behalf of the Board of Directors of  
Fenesta India



(Ajit S. Shriram)  
Director  
DIN 00027918



(Ajay S. Shriram)  
Director  
DIN 00027137

## 1. Corporate Information and Accounting Policies

### 1.1 General Information

Fenesta India Limited (the Company) is a public limited company incorporated in India. The Holding company, DCM Shriram Limited owns 100% of equity share capital of the Company. The registered office of the Company is located at 5<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001, India.

The Principal Activity of the company is trading and installation of UPVC and Aluminum Windows and Doors.

The financial statements are approved by Board of Directors in their board meeting dated April 26, 2019

### 1.2 Basis of Preparation

#### a) Statement of Compliance

The financial statements comply in all aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

#### b) Basis of preparation and Presentation

These financial statements have been prepared on the historical cost basis, except for the following which are measured at each reporting date as under:

- Certain Financial Assets and Liabilities –at fair value/amortized cost
- Inventory- at lower of cost or net realizable value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For Financial Reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are the quoted prices (unadjusted) in the active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are the unobservable inputs for the asset or liability

The financial statements are presented in Indian Rupees ('Rs.') and are rounded off to the thousands, except otherwise indicated



### 1.3 Significant Accounting Policies

#### a) Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

**Useful lives of property, plant and equipment and intangible assets:** The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This review may result in change in depreciation/amortization expense in future period if the present useful life differs from the previously estimated useful lives.

**Deferred tax assets:** The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**Provisions and contingent liabilities:** A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

**Allowances for doubtful receivables:** Allowances for doubtful receivables represent the Company's estimates of losses that could arise from the failure or inability of customers to make payments when due. These estimates are based on the specific credit circumstances and Company's historical bad receivables experience.

#### b) Property, plant and equipment

Property, plant and equipments are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and interest on loans attributable to the acquisition of assets upto the date of commissioning of the assets. The Company is following straight line



method of depreciation in respect of buildings, plant and machinery and written down value method in respect of other assets.

On the date of transition to Ind AS i.e, April 1, 2015, the Company has opted to measure all its property, plant and equipment at their previous GAAP net carrying value and use that net carrying value as its deemed cost.

Depreciation on all tangible fixed assets is provided on the basis of useful life/residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendors advice etc. as given below:

1) Estimated useful lives are as under

Asset	Useful Life
Office Equipment	5 Years

Depreciation is calculated on a prorate basis from the date of additions, except in case of assets costing upto Rs. 5000 each, where each such asset is fully depreciated in the year of purchase. On assets sold, discarded etc. during the year, depreciation is provided upto the year of sale/discard.

**c) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any. Cost of acquisition is inclusive of duties, taxes, consultancy and other directly attributable incidental expenses.

On the date of transition to Ind AS i.e, April 1, 2015, the Company has opted to measure all its intangible assets at their previous GAAP net carrying value and use that net carrying value as its deemed cost.

Amortization of intangible is provided on straight line basis over its estimated useful lives.

On assets sold, discarded, etc during the year, amortization is provided up to the date of sale/discard.

**d) Inventories**

Inventories are valued at the lower of cost and net realizable value. The basis for determining costs (which also includes taxes and duties wherever applicable) for different categories of inventory are as under:

Stock –in-trade	-	Cost (calculated by following Specific Identification method) or Net Realizable value, whichever is lower
-----------------	---	---

**e) Revenue Recognition**

The Company recognizes revenue from trading of windows and its installation.



Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". The standard has been applied retrospectively with the cumulative effect of initial application of this standard adjusted to the opening balance of retained earnings. There has however been no impact of Ind AS 115 on these financial statements.

Sales of goods and Revenue from the installation service are recognized, at values as per agreements, net of returns, trade discounts and volume discounts, if any, on transfer of significant risks and rewards of ownership/effective Control to the buyer, which coincides with dispatch/delivery to customers along with the installation. Sales exclude Goods and Service Tax.

- f) Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset net carrying amount on initial recognition.

**g) Employee Benefit**

- i) **Defined Contribution plans** Contribution paid/payable during the year to provident fund, superannuation fund and Employee state Insurance corporation are recognized in the Statement of profit and loss.
- ii) **Defined Benefit plans** The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit method. Re-measurements comprising actuarial gains and losses and return on plan assets are recognized in other comprehensive income for the period in which they occur and is not reclassified to profit or loss.
- iii) **Compensated Absences** The provision for earned and medical leave is determined on actuarial basis at the end of the year and is charged to statement of profit and loss each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss for the period in which they arise. The liability for casual leave is determined at the end of the year and is charged to statement of profit and loss each year.

**h) Income Taxes**

The Income Tax or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the change in deferred tax assets and liabilities attributable to temporary differences if any.

**Current Income Tax**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generates taxable income and is recognized in profit or loss, except when it relate to items that are recognized in other comprehensive income or directly in equity, in which case the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.





### **Deferred Tax**

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences. To the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. Such Deferred tax assets and liabilities are not recognized if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profits.

Deferred Tax liabilities are recognized for taxable temporary difference associated with investments in subsidiaries, except where the group is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 tax relates to the same taxable entity and the same taxation authority.

### **a) Financial Instruments**

#### **Financial Assets**

**Cash and cash equivalents** The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortised cost** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. ( w.r.t to security deposit )

A gain or loss on a financial asset that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method."



**Financial liabilities:**

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability.

**Impairment of Financial assets and Non Financial Assets****(i) Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(ii) Non-financial assets****Tangible assets**

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The company shall review/assess at each reporting date if there is any indication that an asset may be impaired

**Cash and Cash Equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial Liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(h) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are not discounted to its



present value and are determined based on best estimate required to settle the obligation at the balance sheet date. However, if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is being used, the increase in the provision due to the passage of time is recognized as a finance cost. The provision including any subsequent adjustments are accounted for in the same expenditure line items to which the claim pertains.

i) **Recent accounting pronouncements**

**IND AS 116 "Leases"**

On March 29 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, "Leases" which will be effective from Accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have impact on the financial statements.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

**Ind AS 19 – plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.



**Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.



# Fenesta India Limited

## Notes to Financial Statements as at March 31, 2019

### Note 2: Property, Plant and Equipment

	(Amount in ₹ thousand)		
	Leasehold improvements	Office & Other Equipments	Total
<b>Gross Carrying amount</b>			
<b>At Deemed Cost</b>			
Balance at March 31, 2017	59	21	80
Additions	-	6	6
Disposals	-	-	-
Balance at March 31, 2018	59	27	86
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2019	59	27	86

	Leasehold improvements	Office & Other Equipments	Total
<b>Accumulated Depreciation</b>			
Balance at March 31, 2017	59	18	77
Additions	-	7	7
Disposals	-	-	-
Balance at March 31, 2018	59	25	84
Additions	-	0	0
Disposals	-	-	-
Balance as at March 31, 2019	59	25	84

<b>Net carrying amount</b>			
As at March 31, 2019	-	2	2
As at March 31, 2018	-	2	2

### Note 2.1 : Intangible Assets

	(Amount in ₹ thousand)	
	Software	Total
<b>Gross Carrying amount</b>		
<b>At Deemed Cost</b>		
Balance at March 31, 2017	4	4
Additions	-	-
Disposals	-	-
Balance at March 31, 2018	4	4
Additions	-	-
Disposals	-	-
Balance as at March 31, 2019	4	4

	Software	Total
<b>Accumulated Amortisation</b>		
Balance at March 31, 2017	4	4
Additions	-	-
Disposals	-	-
Balance at March 31, 2018	4	4
Additions	-	-
Disposals	-	-
Balance as at March 31, 2019	4	4

<b>Net carrying amount</b>		
As at March 31, 2019	-	-
As at March 31, 2018	-	-

a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment and intangible assets as its deemed cost as at the date of transition.



# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 3: Other Financial Assets	(Amount in ₹ thousand)							
	Non - Current				Current			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
(Unsecured considered good unless otherwise stated) Security Deposit								
	169	675			242		364	
	<u>169</u>	<u>675</u>			<u>242</u>		<u>364</u>	



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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

### Note 4 : Non Current Tax Assets

Advance tax  
(Net of Provisions of ₹ 927 thousands(March 31, 2018: ₹ 927 thousands )

		(Amount in ₹ thousand)	
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
		6,035	5,364
		<u>6,035</u>	<u>5,364</u>



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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 5 : Other Assets	(Amount in ₹ thousand)							
	Non - Current				Current			
	As At	As At	As At	As At	As At	As At	As At	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Balance with statutory authorities	-	-	-	-	11,477	10,026	10,026	10,026
Prepaid Expenses	-	-	-	1	5,933	5,371	5,371	5,371
Others	-	-	-	-	79	543	543	543
	-	-	-	1	17,490	15,940	15,940	15,940



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**Fenesta India Limited**  
**Notes to Financial Statements for the year ended March 31, 2019**

**Note 6 : Income Tax Expense**

The major components of income tax expense for the year ended March 31, 2019 are:

	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	404	121
Deferred tax	462	(452)
Income tax adjustment for earlier years	-	64
<b>Income tax expense reported in the statement of profit or loss</b>	<b>867</b>	<b>(268)</b>

**OCI section**

*Deferred tax related to items recognised in OCI during the year:*

	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	(8)	(30)
<b>Income tax charged to OCI</b>	<b>(8)</b>	<b>(30)</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019.**

	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before tax from continuing operations	3,344	(1,243)
<b>Accounting profit before income tax</b>	<b>3,344</b>	<b>(1,243)</b>
At India's statutory income tax rate of 26% (March 31, 2018 : 26.75%)	869	(320)
Adjustment in respect of current income tax for previous year	-	64
Deferred tax impact of Employee Benefits	15	41
Deferred tax impact on provision for Bad and Doubtful Debts	449	(494)
Deferred tax impact on Property, Plant and Equipment	(1)	-
<b>Non-deductible expenses for tax purposes:</b>		
Property Plant and Equipment	(1)	1
Provision for Doubtful Debts	(454)	494
Provision for Employee Benefits	35	-
Finance cost	6	-
Ind AS Adjustment	7	2
<b>Deductible expenses for tax purposes:</b>		
Ind AS Adjustment	(7)	(2)
Provision for Employee Benefits	(51)	(54)
<b>At the income tax rate of 26%</b>	<b>867</b>	<b>(268)</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>867</b>	<b>(268)</b>
Variance	(0)	(0)



## Fenesta India Limited

### Notes to Financial Statements for the year ended March 31, 2019

	(Amount in ₹ thousand)			
	As Mar 31, 2019	At Mar 31, 2018	As March 31, 2018	At March 31, 2018
<b>Deferred tax assets (Net)</b>				
Deferred tax assets relates to the following:				
Defined Benefit Obligation		120		119
Others		52		73
Provision for Bad and Doubtful Debts		45		494
Property, plant and equipment		4		3
		<u>221</u>		<u>689</u>
Deferred tax liability		-		-
		<u>-</u>		<u>-</u>
<b>Total deferred tax assets/(liabilities) (Net)</b>		<u>221</u>		<u>689</u>
<b>Deferred tax expense/income:</b>			(Amount in ₹ thousand)	
Statement of profit and loss	As Mar 31, 2019	At Mar 31, 2018	As March 31, 2018	At March 31, 2018
Deferred tax assets relates to the following :				
Defined Benefit Obligation		(1)		62
Others		21		9
Provision for Bad and Doubtful Debts		449		(494)
Property, Plant and Equipment		(1)		-
		<u>488</u>		<u>(423)</u>
Deferred tax liability relates to the following :				
Property, Plant and Equipment		-		-
		<u>-</u>		<u>-</u>
<b>Net deferred tax charge</b>		<u>488</u>		<u>(423)</u>
Recognised in statement of profit and loss		482		(452)
Recognised in other comprehensive income		6		30

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



## Fenesta India Limited

### Notes to Financial Statements for the year ended March 31, 2019

Note 7: Inventories	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Stock-in-trade		27,078		31,731
Goods In transit		1,928		2,565
		<b>29,004</b>		<b>34,295</b>



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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 8 : Trade and other receivables	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
<b>Trade Receivables</b>				
- considered good - Secured;		-		-
- considered good - Unsecured;		48,803		63,137
- Receivables which have significant increase in Credit Risk;	172			1,918
Less: Loss Allowance	(172)			(1,918)
- Receivables - credit impaired.				
		<b>46,803</b>		<b>63,137</b>

Note 9: Cash and cash equivalents	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Cash and cash equivalents includes:				
Balances with banks on				
- current accounts		1,499		5,048
		<b>1,499</b>		<b>5,048</b>



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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 10 : Share capital	As At		(Amount in ₹ thousand)	
	March 31, 2019	March 31, 2018	As At	March 31, 2018
<b>Authorised</b>				
50,000 (March 31, 2018 : 50,000) Equity shares of Rs. 10 each*		500		500
		<b>500</b>		<b>500</b>
<b>Issued, subscribed and paid up share capital</b>				
50,000 (March 31, 2018 : 50,000) Equity shares of Rs. 10 each*		500		500
		<b>500</b>		<b>500</b>

\* Number of Shares are given in absolute numbers.

### Notes:

i) Details of shareholders holding more than 5% shares in the company

	As At		As At	
	March 31, 2019		March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
DCM Shriram Limited**	50,000	100%	50,000	100%
	<b>50,000</b>	<b>100%</b>	<b>50,000</b>	<b>100%</b>

\*\*This includes 50 (March 31, 2018 : 50) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

ii) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	As At		As At	
	March 31, 2019		March 31, 2018	
DCM Shriram Limited, the holding company		50,000		50,000

iii) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the capital paid upon such equity shares.

iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year

Equity shares of INR 10 each issued, subscribed and fully paid	(Amount in ₹ thousand)	
	No. of shares	INR value
Shares outstanding as at March 31, 2017	50,000	500
Changes during the year	-	-
Shares outstanding as at March 31, 2018	<b>50,000</b>	<b>500</b>
Changes during the year	-	-
Shares outstanding as at March 31, 2019	<b>50,000</b>	<b>500</b>



# FENESTA INDIA LIMITED

## Notes to Financial Statements for the year ended March 31, 2019

(Amount in ₹ thousand)

### Note 11 : Other equity

Retained Earnings  
Other comprehensive income

As At	As At
March 31, 2019	March 31, 2018
3,889	1,411
66	50
<u>3,956</u>	<u>1,462</u>

- For movement during the year in Other equity, refer 'Statement of changes in equity'.



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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 12 : Provisions	Non - Current				(Amount in ₹ thousand) Current			
	As	At	As	At	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for Gratuity		186		155		28		28
Provision for Earned leave		164		174		19		39
Provision for Medical leave		59		52		9		9
		<u>408</u>		<u>381</u>		<u>54</u>		<u>77</u>



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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 13: Trade payables	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Trade payables				
Total outstanding dues to micro and small enterprise		-		-
Total outstanding dues of other than micro and small enterprise				
-Trade payables to holding company		60,830		54,632
-Employee dues payable		201		534
-Others		1,068		5,771
		<u>62,099</u>		<u>60,938</u>

### Notes:

(a) It does not include any amount due to be transferred to Investor Education and Protection Fund under Section 125 of Companies Act

(b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2019.

(The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at the reporting date).

Note 14.: Other Financial Liabilities	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Casual Leave payable		5		6
		<u>5</u>		<u>6</u>



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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 15 : Other Current Liabilities	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Statutory dues payables		103		138
Advances from Customers		34,003		62,014
		<u>34,107</u>		<u>62,151</u>

Note 16: Current Tax Provisions(Net)	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Provision for Tax (Net of Advance tax : ₹ 90 thousands(March 31,2018: ₹Nil))		336		-
		<u>336</u>		<u>-</u>



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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 17: Revenue from operations	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from sale of products:</b>		
Sale of Traded Products	388,341	669,566
Revenue from services	4,422	21,402
Works Contract Tax Sales	-	72,059
<b>Revenue from operations*</b>	<b>392,763</b>	<b>763,028</b>

\*The above Revenue from operations includes ₹25,886 thousands against advance received from customers balance at the beginning of the period.

Note 18: Other Income	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Income Tax Refund	-	30
Interest income on Financial Asset	7	9
Excess Provision for doubtful debts written back	1,918	-
Sundry balance written back	378	-
	<b>2,303</b>	<b>39</b>

Note 19: Purchases of Stock-in-Trade	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchases of Stock-in-Trade	373,355	686,469
	<b>373,355</b>	<b>686,469</b>

Note 20: Changes in inventory of Stock-in-Trade	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock	34,295	60,946
Less: Closing Stock	27,078	34,295
	<b>7,218</b>	<b>26,651</b>

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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 21: Employee Cost	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salary, Bonus & Other Expenses	1,877	3,716
Contribution to PF & Other Funds	197	443
Gratuity	50	60
Staff & Workmen Welfare Expenses	89	229
	<b>2,014</b>	<b>4,448</b>

Note 22: Finance Cost	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest paid (Others)	28	-
	<b>28</b>	<b>-</b>



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**Fenesta India Limited****Notes to Financial Statements for the year ended March 31, 2019**

Note 23: Other Expenses	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	1,766	4,101
Rates & Taxes	66	279
Auditor's Remuneration		
Audit Fees	100	93
Tax Audit Fees	55	25
Others	-	98
Travelling expense	13	307
Telephone expenses	-	28
Bad debts/Advances written off	286	-
Provision for Doubtful debts	172	1,918
Installation charges	4,334	34,414
Insurance Charges	187	363
Legal & Professional Expense	1,965	3,155
Bank Charges	19	24
Miscellaneous expenses	145	1,931
	<b>9,107</b>	<b>46,736</b>

Note 24 : Components of Other Comprehensive Income	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Re-measurement gains/ (losses) on defined benefit plans	22	115
Income tax on items that will not be reclassified subsequently to statement of profit and loss	(6)	(30)
	<b>16</b>	<b>85</b>

Note 25 : Earning Per Share	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to the equity holders of the parent (₹ in '000')	2,478	(976)
Weighted average number of equity shares for basic and diluted EPS ('000')	50	50
Basic and diluted earnings per share(in Rs.) (face value ₹ 10 per share)	<b>49.56</b>	<b>(19.52)</b>



**Note 26: Employee Benefits**

The Company has classified the various benefits provided to employees as under:-

**i) Defined contribution plans :**

The Company has recognized the following amounts in the statement of profit and loss:

Particulars	As at Mar 31, 2019	As at March 31, 2018
Employers contribution to Provident Fund	104	218
Employers contribution to Superannuation Fund	93	225

**ii) Defined benefit plans**

- a) Gratuity
- b) Compensated absences – Earned leave/ sick leave

In accordance with Ind AS 19, actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below :-

Particulars	Gratuity (Unfunded)		Earned leave(Unfunded)		Medical leave(Unfunded)	
	As at Mar 31, 2019	As at March 31, 2018	As at Mar 31, 2019	As at March 31, 2018	As at Mar 31, 2019	As at March 31, 2018
Discount rate (per annum)	7.70%	8.00%	7.70%	8.00%	7.70%	8.00%
Future salary increase	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Expected rate of return on plan assets	-	-	-	-	-	-
In service mortality		*		*		*
Retirement age	58 years	58 years	58 years	58 years	58 years	58 years
Withdrawal rates:						
- upto 30 years	20%	20%	20%	20%	20%	20%
- upto 35 years	10%	10%	10%	10%	10%	10%
- above 35 years	3%	3%	3%	3%	3%	3%
Rate of Leave Availment (per annum)	-	-	-	-	5%	5%
<b>I. Expense recognized in statement of profit and loss</b>						
Current service cost	35	42	30	39	7	-
<b>Total expense</b>	<b>28</b>	<b>-55</b>	<b>-17</b>	<b>-153</b>	<b>7</b>	<b>-</b>

\* 100% of IALM 2006-08



Particulars	Gratuity (Unfunded)		Earned leave(Unfunded)		Medical leave (Unfunded)	
	As at Mar 31, 2019	As at March 31, 2018	As at Mar 31, 2019	As at March 31, 2018	As at Mar 31, 2019	As at March 31, 2018
<b>II. Net asset/(liability) recognised in the balance sheet</b>						
Present value of Defined benefit obligation	212	184	183	213	68	61
Net liability	212	184	183	213	68	61
Non-current liability	186	155	164	174	59	52
Current liability	26	28	19	39	9	9
<b>III. Change in the present value of obligation during the year</b>						
Present value of obligation as at the beginning of the year	184	239	213	365	-	
Interest cost	15	18	17	27	-	
Current service cost	35	42	30	39	-	
Benefits paid			-12			
Actuarial (gains) / losses on obligation	-22	-115	-65	-220	-	
Past service cost						
Present value of obligation as at the end of the year	212	184	183	213	68	61

A quantitative sensitivity analysis for significant assumption as is as shown below:

Particulars	Gratuity (Unfunded)		Earned leave(Unfunded)		Medical leave(Unfunded)	
	As at Mar 31, 2019	As at March 31, 2018	As at Mar 31, 2019	As at March 31, 2018	As at Mar 31, 2019	As at March 31, 2018
<b>A. Discount rate</b>						
Effect on DBO due to + 1% in Discount Rate	190	166	162	194	63	57
Effect on DBO due to -1 % in Discount Rate	239	205	208	236	73	66
<b>B. Salary Growth rate</b>						
Effect on DBO due to + 1% in Salary Growth rate	239	204	208	236	73	66
Effect on DBO due to - 1% in Salary Growth rate	189	166	162	193	63	57
<b>C. Attrition Rate</b>						
Effect on DBO due to + 50% of attrition rates	213	184	184	216	54	47
Effect on DBO due to - 50% of attrition rates	209	181	181	206	88	83
<b>D. Mortality Rate</b>						
Effect on DBO due to +10% of mortality rates	212	184	183	213	67	61
Effect on DBO due to - 10% of mortality rates	212	184	183	212	68	61



# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2019

### Note 27 : Financial Risk Management

The Company's financial risk management is carried out under policies approved by the Board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as credit risk and investment of excess liquidity.

a) **Credit Risk Management:** Credit risk refers to the risk that counterparty might default on its contractual obligations resulting in financial loss to the company. Credit risk arises through credit exposure to deposits with banks and financial institutions etc. The company's exposure and credit worthiness of the counterparty is continuously monitored and the credit limits are reviewed/revised periodically based on the evaluation of the financial position of the counterparty. The company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding looking information e.g. Actual or expected adverse change in the operating results, financial or economic condition that are expected to cause a significant change to the borrower's ability to meet its obligations and the result of regular follow up with the party.

b) **Liquidity risk management:** includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due and to close out market position. Due to the nature of the underlying business, Company maintains flexibility in funding by matching the maturity profiles of financial assets and liabilities, continuously monitoring forecast and actual cash flows. The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities (The amount disclosed in the table is the contractual undiscounted cash flow):

(Amount in ₹ thousand)

Contractual maturities of financial liabilities (Non Derivative)- 31.03.19	Less than 3 months	3 to 6 months	6 months to 1 year	1 to 2 year	Between 2 to 5 year	Total
Trade Payables-Payable to Holding Company	60,830	-	-	-	-	60,830
Trade Payables-Employee Dues Payables	201	-	-	-	-	201
Trade Payables-Others	1,068	-	-	-	-	1,068

Contractual maturities of financial liabilities (Non Derivative)- 31.03.18	Less than 3 months	3 to 6 months	6 months to 1 year	1 to 2 year	Between 2 to 5 year	Total
Trade Payables-Payable to Holding Company	54,632	-	-	-	-	54,632
Trade Payables-Employee Dues Payables	534	-	-	-	-	534
Trade Payables-Others	5,771	-	-	-	-	5,771

### C) Financial Instruments by Category:

(Amount in ₹ thousand)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
<b>Financial Assets</b>						
Other Financial Assets (Non-Current)	-	-	159	-	-	676
Trade and other receivables	-	-	48,803	-	-	63,137
Cash and cash equivalents	-	-	1,499	-	-	5,048
Other Financial Assets (Current)	-	-	242	-	-	364
<b>Total Financial Assets</b>	-	-	<b>48,713</b>	-	-	<b>69,223</b>
<b>Financial Liabilities</b>						
Trade payables	-	-	62,099	-	-	60,938
<b>Total Financial Liabilities</b>	-	-	<b>62,099</b>	-	-	<b>60,938</b>

## **Independent Auditor's Report**

**To The Members of DCM Shriram Foundation**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **DCM Shriram Foundation** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the **loss** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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.

Those Board of Directors are also responsible for 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 a guarantee that an audit conducted in accordance with SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since in our opinion and according to information and explanations given to us, the said order is not applicable to the company.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' report under Section 197(16) :

In our opinion and according to the information and explanation given to us, the Company has not paid or provided any managerial remuneration to any director during the year.

**For B. R. Gupta & Co.**  
*Chartered Accountants*  
Firm's Registration Number 008352N



**(Deepak Agarwal)**  
*Partner*  
Membership Number 073696



Place of Signature: New Delhi  
Date: 19 JUN 2019

**Annexure 'A' to the Independent Auditors' Report of even date on the Ind AS financial statement of DCM Shriram Foundation**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **DCM Shriram Foundation ("the Company")** as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.



### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B. R. Gupta & Co.**

*Chartered Accountants,*

Firm's Registration Number 008352N

**(Deepak Agarwal)**

*Partner*

Membership Number 073696



Place of Signature: New Delhi

Date: 19 JUN 2019

**DCM Shriram Foundation**  
**Balance Sheet as at March 31, 2019**

(Amount in ₹ Thousand)

Particulars	Notes	(Amount in ₹ Thousand)	
		As At March 31, 2019	As At March 31, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	33	-
<b>Total Non-Current Assets</b>		<b>33</b>	<b>-</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
(a) Cash and Cash Equivalents	3.1	12,946	590
(b) Others	3.2	10	-
<b>Total Current Assets</b>		<b>12,956</b>	<b>590</b>
<b>Total Assets</b>		<b>12,989</b>	<b>590</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	4	100	100
(b) Other Equity	5	182	259
<b>Total Equity</b>		<b>282</b>	<b>359</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
<b>(i) Trade payables</b>			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	6	7,243	231
<b>(b) Other Current Liabilities</b>	7	5,464	-
<b>Total Current Liabilities</b>		<b>12,707</b>	<b>231</b>
<b>Total Liabilities</b>		<b>12,707</b>	<b>231</b>
<b>Total Equity and Liabilities</b>		<b>12,989</b>	<b>590</b>

**Significant Accounting Policies** 1.3

The accompanying notes are integral part of the financials statements

As per our report of even date attached.

For B.R.Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number : 073696



For and on behalf of the Board of Directors of  
DCM Shriram Foundation



(Ajit S. Shriram)

Director

(DIN: 00027918)



(Ajay S. Shriram)

Director

(DIN: 00027137)

Place of Signature: New Delhi

Date: 19 JUN 2019

# DCM Shriram Foundation

## Statement of Income and Expenditure for the year ended March 31, 2019

(Amount in ₹ Thousand)

Particulars	Notes	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Revenue from operations	8	29,850	1,867
<b>Total Income</b>		<b>29,850</b>	<b>1,867</b>
<b>Expenses:</b>			
Operating Expenses	9	29,846	1,409
Depreciation Expenses	2	10	-
Other expenses	10	71	34
<b>Total Expenses</b>		<b>29,927</b>	<b>1,443</b>
<b>Profit/ (Loss) Before Exceptional Items and Tax</b>		<b>(77)</b>	<b>424</b>
Exceptional Items		-	-
<b>Profit/ (Loss) before Tax</b>		<b>(77)</b>	<b>424</b>
<b>Tax expense:</b>			
Current tax		-	-
<b>Profit/(Loss) For The Year</b>		<b>(77)</b>	<b>424</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive Income , Net of Tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income For The Year Comprising Profit (Loss) and Other comprehensive Income for the year</b>		<b>(77)</b>	<b>424</b>
<b>Earnings Per Share (Face Value ₹ 10)</b>	11		
1) Basic (amount in ₹)		(7.70)	42.36
2) Diluted (amount in ₹)		(7.70)	42.36
<b>Significant Accounting Policies</b>	1.3		

The accompanying notes are integral part of the financial statements

As per our report of even date attached.

For B.R.Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number : 073696



For and on behalf of the Board of Directors of  
DCM Shriram Foundation



(Ajit S. Shriram)

Director

(DIN: 00027918)



(Ajay S. Shriram)

Director

(DIN: 00027137)

Place of Signature: New Delhi

Date: 19 JUN 2019

**DCM Shriram Foundation**  
**Cash Flow Statement for the year ended March 31, 2019**

(Amount in ₹ Thousand)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activity</b>		
Net Profit / (Loss) before tax	(77)	424
Add: Depreciation	10	-
<b>Operating (loss) before working capital changes</b>	<b>(67)</b>	<b>424</b>
Adjustments for:		
Increase/(Decrease) in trade payables	7,012	6
Increase/(Decrease) in Other Financial liability	-	-
Increase/(Decrease) in Other Current liability	5,464	-
Decrease/(Increase) in Other Financial Assets	(10)	-
Cash flow from operating activities	12,399	430
Direct tax paid	-	-
<b>Net cash flow from operating activity</b>	<b>(A) 12,399</b>	<b>430</b>
<b>B. Cash flow from investing activity</b>		
Purchase of Fixed assets	(43)	-
<b>Net cash flow from investing activities</b>	<b>(B) (43)</b>	<b>-</b>
<b>C. Cash flow from financing activities</b>		
<b>Net cash flow from financing activities</b>	<b>(C) -</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) 12,356</b>	<b>430</b>
Opening Balance of Cash and Cash Equivalents	590	160
<b>Total Cash And Cash Equivalent</b>	<b>12,946</b>	<b>590</b>

**Significant Accounting Policies**

1.3

The accompanying notes are integral part of the financials statements

As per our report of even date attached.

**For B.R.Gupta & Co.**

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number: 073896



**For and on behalf of the Board of Directors of  
DCM Shriram Foundation**



(Ajit S. Shriram)

Director

(DIN: 00027918)



(Ajay S. Shriram)

Director

(DIN: 00027137)

Place of Signature: New Delhi

Date: 19 JUN 2019

# DCM Shriram Foundation

## Statement of Changes in Equity for the year ended March 31, 2019

(Amount in ₹ Thousand)

### A. Equity share capital

As at March 31, 2017	100
As at March 31, 2018	100
As at March 31, 2019	100

### B. Other equity

Particulars	Reserves and surplus
	Retained earnings
As at April 1, 2017	(165)
Additions:	
Profit/(Loss) for the year	424
As at March 31, 2018	259
Additions:	
Profit/(Loss) for the year	(77)
As at March 31, 2019	182

### Significant Accounting Policies

1.3

The accompanying notes are integral part of the financials statements

As per our report of even date attached.

### For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696



### For and on behalf of the Board of Directors of DCM Shriram Foundation

(Ajit S. Shriram)

Director

(DIN: 00027918)

(Ajay S. Shriram)

Director

(DIN: 00027137)

Place of Signature: New Delhi

Date: 19 JUN 2019



# DCM Shriram Foundation

## Notes to Financial Statements for the year ended March 31, 2019

### 1. Corporate Information and Accounting Policies

#### 1.1 General Information

DCM Shriram Foundation, a non-profit organization, registered under section 8 of the Companies Act, 2013 incorporated on November 30, 2007 under the relevant provision of the Act.

The Holding company, DCM Shriram Credit and Investments Limited owns 100% of equity share capital of the Company. The Principal Activity of the company is doing charitable work and CSR activities.

The financial statements are approved for issue by Board of Directors in their board meeting dated \_\_\_\_\_.

#### 1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and relevant presentation requirements of the Companies Act 2013. The financial statements have been prepared on the historical cost convention on accrual and going concern basis except for certain financial instruments which are measured at fair value as required by relevant Ind AS at the end of each reporting period, as explained in the relevant accounting policies mentioned.

The financial statements are presented in ₹ and all values are rounded to the nearest Thousand except otherwise stated.

#### 1.3 Significant Accounting Policies

##### a) Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

**Useful lives and residual value of property, plant and equipment, intangible assets and investment properties :** The Company reviews the useful life and residual value of property, plant and equipment and intangible assets at the end of each reporting period. This review may result in change in depreciation in future period if the present useful life differs from the previously estimated useful lives.

**Deferred tax assets:** The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

##### b) Property, Plant and Equipment

All tangible property, plant and equipments are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets. The Company is following written down value method of depreciation in respect of tangible fixed assets.

On the date of transition to Ind AS i.e, April 1, 2015, the Company has opted to measure all its property, plant and equipment at their previous GAAP net carrying value and use that net carrying value as its deemed cost.

Depreciation on all tangible fixed assets is provided on the basis of useful life/residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advise etc., as given below:

(i) Estimated useful lives are as under:

Asset	Useful life
Furniture & Fixtures	10 years

Depreciation is calculated on a pro-rata basis from the date of additions, except in case of assets costing upto ₹ 5000 each, where each such asset is fully depreciated in the year of purchase.



# DCM Shriram Foundation

## Notes to Financial Statements for the year ended March 31, 2019

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### c) Recognition of Income and Expenses

Income and Expenses are recorded on accrual basis. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

### d) Income Taxes

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### e) Financial Instruments

#### Initial recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

#### Subsequent measurement:

**Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial liabilities:** Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### f) Earning per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### g) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. However, if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is being used, the increase in the provision due to the passage of time is recognized as a finance cost.

### h) Cash Flow Statement

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Indian Accounting Standard 7 - Cash Flow Statement.



# DCM Shriram Foundation

## Notes to Financial Statements for the year ended March 31, 2019

### i) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### j) Standards issued but not yet effective

#### IND AS 116 "Leases"

On March 29 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, "Leases" which will be effective from Accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have impact on the financial statements.

#### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

#### Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

#### Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.



# DCM Shriram Foundation

## Notes to financial statements as at March 31, 2019

### Note 2 : Property, Plant and Equipment

(Amount in ₹ Thousand)

	<u>Furniture &amp; Fixture</u>	<u>Total</u>
<b>Gross Carrying Value *</b>		
As at April 1, 2017	9	9
Add: Additions made during the year	-	-
Less: Disposals /adjustments during the year	-	-
<b>As at March 31, 2018</b>	<b>9</b>	<b>9</b>
Add: Additions made during the year	43	43
Less: Disposals/adjustments during the year	-	-
<b>As at March 31, 2019</b>	<b>52</b>	<b>52</b>
		-
<b>Depreciation and Amortisation</b>		
As at April 1, 2017	9	9
Add: Depreciation charge for the year	-	-
Less: On disposals / adjustments during the year	-	-
<b>As at March 31, 2018</b>	<b>9</b>	<b>9</b>
Add: Depreciation charge for the year	10	10
Less: Disposals/adjustments during the year	-	-
<b>As at March 31, 2019</b>	<b>19</b>	<b>19</b>
		-
<b>Net Carrying Value</b>		
As at March 31, 2019	33	33
As at March 31, 2018	-	-

\* On the date of transition to Ind AS i.e, April 1, 2015, the Company had opted to measure all its property, plant and equipment at their previous GAAP net carrying value and use that net carrying value as its deemed cost.

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**DCM Shriram Foundation**  
**Notes to financial statements as at March 31, 2019**

(Amount in ₹ Thousand)

	As At	As At
	March 31, 2019	March 31, 2018

**Note 3.1 : Cash and Cash Equivalents**

Balance with Banks

Current Account

12,946

590

**12,946**

**590**

**Note 3.2 : Other Financials Assets**

Current

Security Deposit

10

-

**10**

**-**

\* The Company has determined its security deposits not to be in the nature of loans, and accordingly have been classified as part of other financial assets.



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**DCM Shriram Foundation**  
**Notes to financial statements as at March 31, 2019**

	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
<b>Note 4 : Share capital</b>				
<b>Authorised</b>				
1,000,000 (March 31, 2018; ₹ 1,000,000 ) Equity shares of Rs. 10 each	10,000		10,000	
	<b>10,000</b>		<b>10,000</b>	
<b>Issued, subscribed and paid up share capital</b>				
10,000 (March 31, 2018; ₹ 10,000) Equity shares of Rs. 10 each	100		100	
	<b>100</b>		<b>100</b>	

**Notes:**

i) Details of shareholders holding more than 5% shares in the company

	As March 31, 2019		As March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
DCM Shriram Credit and Investments Limited**	10,000	100%	10,000	100%
	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>

\*\*This includes 7 (March 31, 2018 ; 7) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

ii) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	As March 31, 2019		As March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
DCM Shriram Credit and Investments Limited	10,000	100	10,000	100
	<b>10,000</b>	<b>100</b>	<b>10,000</b>	<b>100</b>

iii) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year

	(Amount in ' Thousand)	
	No. of shares'	INR value
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
Shares outstanding as at April 1, 2017	10,000	100
Changes during the year	-	-
Shares outstanding as at March 31, 2018	10,000	100
Changes during the year	-	-
Shares outstanding as at March 31, 2019	10,000	100

\* Number of Shares are given in absolute numbers.



# DCM Shriram Foundation

## Notes to financial statements as at March 31, 2019

	(Amount in ₹ Thousand)			
	As	At	As	At
Note 5 : Other Equity	March 31, 2019		March 31, 2018	
<b>Retained Earnings</b>				
Balance at the beginning of the year		259		(165)
Add: Profit/(Loss) for the year		(77)		424
<b>Total Other Equity</b>		<b>182</b>		<b>259</b>



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**DCM Shriram Foundation**  
**Notes to financial statements as at March 31, 2019**

**Note 6 : Trade Payables**

(Amount in ₹ Thousand)				
	As	At	As	At
	March 31, 2019		March 31, 2018	
- Total outstanding dues to micro and small enterprises (Refer note)		-		-
- Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note (i) & (ii) below)		7,243		231
		<u>7,243</u>		<u>231</u>

(i) The above amount due to others include ₹ 156 thousand (March 31, 2018: ₹ 156 thousand) payable to DCM Shriram Limited, being the Fellow subsidiary company.

(ii) The above amount does not include any amount due to be transferred to Investor Education & Protection Fund.

(iii) As per Schedule III of the Companies Act, 2013 and as certified by the management, the amount due to Micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	Principal Amount	Interest	Total
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
	-	-	-

(iv) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.

(The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at the reporting date).

**Note 7 : Other Current Liabilities**

Revenue received in advance	5,250	-
Statutory Dues payable	214	-
	<u>5,464</u>	<u>-</u>





# DCM Shriram Foundation

## Notes to Financial Statements for the year ended March 31, 2019

Note 8 : Revenue from Operations	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Other Operating Income</b>		
Donation Received	29,850	1,867
	<b>29,850</b>	<b>1,867</b>



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# DCM Shriram Foundation

## Notes to Financial Statements for the year ended March 31, 2019

	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note9 : Operating Expenses</b>		
CSR Activities against Donation receipt	29,848	1,409
	<u>29,846</u>	<u>1,409</u>
<b>Note 10 : Other Expenses</b>		
Auditors' remuneration		
Audit fee (Refer note (a) below)	30	30
Consultancy charges	15	-
Bank charges	-	2
Others	26	2
	<u>71</u>	<u>34</u>
<b>a) Details of Payments to Auditors:</b>		
<b>As Auditor:</b>		
Statutory audit	30	30
<b>In other capacity</b>	-	-
	<u>30</u>	<u>30</u>
<b>Note 11 : Earning Per Shares</b>		
<b>Basic/ Diluted Earning Per Share</b>		
Profit attributable to Equity Shareholders	(A) (77)	424
	(B) 10,000	10,000
Weighted average number of equity shares for Basic & Diluted EPS		
Basic and Diluted earnings per share (in ₹) (face value ₹ 10 per share)	(A/B) (7.70)	42.36

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# DCM Shriram Foundation

## Notes to Financial Statements for the year ended March 31, 2019

Note 12 : Related party disclosure required under Ind AS – 24:

a. Name of related parties and nature of related party relationship

Name	Relationship
Ultimate Holding Company	Sumant Investments Private Limited
DCM Shriram Credit and Investments Limited	Holding Company
DCM Shriram Limited	Fellow Subsidiary

b. Transactions with related parties

(Amount in ₹ Thousand)

Nature of transactions-	Party	2018-19	2017-18
Donation Received	DCM Shriram Limited	29,850	1,887.00
Income to be applied in Subsequent year for CSR Activities	DCM Shriram Limited	5,250	-
Amount Payable	DCM Shriram Limited	156	156

Note 13 : Capital Management

The Company endeavours to optimize debt and equity balance and provide adequate strength to the balance sheet. The Company monitors capital on the basis of debt equity ratio

Note 14 : Financial Instruments by Category

(Amount in ₹ Thousand)

Particulars	As At March 31, 2019			As At March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Cash and Cash Equivalents (Refer Note 3.1)	-	-	12,946	-	-	590
Security Deposit (Refer Note 3.2)			10			-
<b>Total Financial Assets</b>	-	-	<b>12,956</b>	-	-	<b>590</b>
<b>Financial Liabilities</b>						
Trade Payables (Refer Note 6)	-	-	7,243	-	-	231
<b>Total Financial Assets</b>	-	-	<b>7,243</b>	-	-	<b>231</b>

Note 15 : Liquidity Risk Management

Liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due and to close out market position. Due to the nature of the underlying business, Company maintains flexibility in funding by matching the maturity profiles of financial assets and liabilities, continuously monitoring forecast and actual cash flow. The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities (The amount disclosed in the table is the contractual undiscounted cash flow):

(Amount in ₹ Thousand)

Contractual maturities of financial liabilities ; 31.03.2019	0-1 year	More than 1 year	Total
Trade Payable	7,243	-	7,243
Other Financial Liability	-	-	-
<b>Total</b>	<b>7,243</b>	<b>-</b>	<b>7,243</b>

Contractual maturities of financial liabilities - 31.03.2018	0-1 year	More than 1 year	Total
Trade Payable	231	-	231
<b>Total</b>	<b>231</b>	<b>-</b>	<b>231</b>



## DCM Shriram Foundation

### Notes to Financial Statements for the year ended March 31, 2019

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#### Note 16. Contingent Liability

(a) Company does not hold any liability of contingent nature as on March 31, 2019. Further Company does not any pending litigation on balance sheet date.

(b) Company did not have any long-term contracts including derivalive contracts for which there were any material foreseeable losses.

**Note 17 :** The figures are rounded off to the nearest thousands.

*For and on behalf of the Board of Directors of  
DCM Shriram Foundation*

(Ajit S. Shriram)  
Director  
DIN - 00027918

(Ajay S. Shriram)  
Director  
DIN - 00027137

Place of Signature: New Delhi

Date: 19 JUN 2019



## **Independent Auditor's Report**

**To The Members of Hariyali Rural Ventures Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **Hariyali Rural Ventures Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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.

Those Board of Directors are also responsible for 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 a guarantee that an audit conducted in accordance with SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B.R. Gupta & Co.**

*Chartered Accountants,*

Firm's Registration Number 008352N



**(Deepak Agarwal)**

*Partner*

Membership Number 073695



Place of Signature: Delhi

Date: 26 APR 2019

## **Annexure 'A' to the Independent Auditors' Report of even date on the Ind-AS financial statements of Hariyali Rural Ventures Limited**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind-AS financial statements for the year ended 31 March 2019, we report that:

- i) In respect of fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. (Assets held for disposal)
  - b) The fixed assets (Assets held for disposal) have been physically verified by the management during the year and in our opinion, is reasonable having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such verification.
  - c) On the basis of information and explanation provided by the management, title deeds of immovable property (Assets held for disposal) are held in the name of the Company.
- ii) In respect of its inventory:

The Company does not have inventory. Therefore, the provisions of clause 3 (ii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- iii) According to the information and explanations given to us the Company had not granted loan to any of the Company covered in the register maintained under section 189 of the Companies Act, 2013, Therefore, the provisions of clause 3(ii) (a) to (b) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, The Company has not made any loans, investment, guarantees and securities during the year, therefore provisions of section 185 and 186 are not applicable to the company.
- v) The Company has not accepted any deposits from the public.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company
- vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, cess and any other applicable statutory dues with the appropriate authorities. Further no undisputed amounts were payable in respect of income tax and other statutory dues were outstanding, as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.  
  
(b) According to the records of the Company examined by us and the information and explanations given to us, there is no dues of income tax and other statutory dues which have not been deposited on account of any dispute.
- viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) On the basis of available information and explanation provided to us, the Company has not paid any managerial remuneration during the year therefore this clause is not applicable to the Company.
- xii) The Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Ind-AS Financial Statements etc, as required by the applicable accounting standards. Further the provisions of section 177 of the Act are not applicable to the Company.





- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B.R. Gupta & Co.,**

*Chartered Accountants*

Firm's Registration Number 008352N



**(Deepak Agarwal)**

*Partner*

Membership Number 073696



Place of Signature: New Delhi

Dated: 26 APR 2019

**Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS financial statement of Hariyali Rural Ventures Limited**

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**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Hariyali Rural Ventures Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those



policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For B. R. Gupta & Co.**

*Chartered Accountants,*  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
*Partner*

Membership Number 073696

Place of Signature: New Delhi

Date: 26 APR 2019



# Hariyali Rural Ventures Limited

## Balance Sheet as at March 31, 2019

(Amount in ₹ thousand)

Particulars	Notes	As	At	As	At
		March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
<b>I. Assets</b>					
<b>Non-Current Assets</b>					
<b>(a) Financial Assets:</b>					
(i) Investment Property	2		7,956		-
<b>Total non-current assets</b>			<b>7,956</b>		<b>-</b>
<b>Current Assets</b>					
<b>(a) Financial Assets:</b>					
(i) Cash and cash equivalents	3		866		441
(i) Other Financial Assets	4		10,106		-
<b>(b) Other Current assets</b>	5		273		-
<b>(c) Assets classified as held for sale</b>	6		31,618		77,446
<b>Total</b>			<b>42,863</b>		<b>77,887</b>
<b>Total Assets</b>			<b>50,819</b>		<b>77,887</b>
<b>II. Equity And Liabilities</b>					
<b>Equity</b>					
(a) Equity Share capital	7		10,000		10,000
(b) Other Equity	8		(26,643)		(18,034)
<b>Total equity</b>			<b>(16,643)</b>		<b>(8,034)</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Trade payables	9				
- Total outstanding dues of micro enterprises and small enterprises			-		-
- Total outstanding dues of creditors other than micro enterprises and small enterprises			36		77
(ii) Other Financial Liabilities	10		67,341		80,833
<b>(b) Other current liabilities</b>	11		85		11
<b>(c) Liabilities directly associated with assets classified as held for sale</b>			-		5,000
<b>Total liabilities</b>			<b>67,462</b>		<b>85,921</b>
<b>Total equity and liabilities</b>			<b>50,819</b>		<b>77,887</b>

Summary of Significant Accounting Policies 1.3

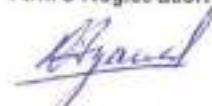
The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number 073696



Place of Signature: New Delhi

Date: 26 APR 2019

For and on behalf of the Board of Directors of  
Hariyali Rural Ventures Limited



(Ajit S. Shriram)

Director

DIN 00027918



(Ajay S. Shriram)

Director

DIN 00027137

**Hariyali Rural Ventures Limited**  
**Statement of Profit and Loss for the year ended March 31, 2019**

Particulars		Notes	(Amount in ₹ thousand)	
			For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	12	75	-
II	Other Income	13	1,453	490
III	<b>Total Income</b>		<b>1,528</b>	<b>490</b>
IV	<b>Expenses</b>			
	Finance Costs	14	5	29
	Other Expenses	15	10,114	43
	<b>Total Expenses</b>		<b>10,119</b>	<b>72</b>
V	<b>Profit/ (loss) before tax</b>		<b>(8,591)</b>	<b>418</b>
VI	<b>Tax Expense</b>	16		
	(a) Current tax		7	-
	(b) Deferred tax		-	-
	(c) Tax adjustments related to earlier years		11	(16)
VII	<b>Profit/(Loss) after tax</b>		<b>(8,609)</b>	<b>434</b>
VIII	<b>Other Comprehensive Income</b>			
	(A) Items that will be reclassified subsequently to statement of profit and loss		-	-
	(B) Items that will not be reclassified subsequently to statement of profit and loss		-	-
	<b>Other Comprehensive Income for the year, net of tax</b>		<b>-</b>	<b>-</b>
IX	<b>Total Comprehensive Income for the year</b>		<b>(8,609)</b>	<b>434</b>
X	<b>Earnings per equity share: (Face Value ₹ 10 per share)</b>	17	<b>(8.61)</b>	<b>0.43</b>
	Summary of Significant Accounting Policies	1.3		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number 073696



For and on behalf of the Board of Directors of  
 Hariyali Rural Ventures Limited



(Ajit S. Shriram)

Director

DIN 00027918



(Ajay S. Shriram)

Director

DIN 00027137

Place of Signature: New Delhi

Date: 26 APR 2019

**Hariyali Rural Ventures Limited**  
**Statement of Cash Flows for the year ended 31 March 2019**

Particulars	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I. Cash flows from operating activities:</b>		
Net (loss)/ profit after tax	(8,609)	434
Adjustments for:		
Income tax expense recognised in profit or loss	18	(16)
Loss on fair valuation of property	10,067	(490)
<b>Movements in working capital:</b>		
(Increase)/ decrease in other current assets	17,699	-
(Decrease) / increase in trade and other payables	(41)	(16)
(Decrease)/ increase in other Financial liabilities	(13,482)	(5,000)
(Decrease)/ increase in other liabilities	(4,929)	5,000
<b>Cash generated from operations</b>	<b>716</b>	<b>(88)</b>
Income taxes paid	(291)	(294)
<b>Net cash (used in) / generated by operating activities</b>	<b>425</b>	<b>(382)</b>
Net increase in cash and cash equivalents	425	(382)
Cash and cash equivalents at the beginning of the year	441	824
<b>Cash and cash equivalents at the end of the year</b>	<b>866</b>	<b>441</b>

Summary of Significant Accounting Policies

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

As per our report of even date attached

For B.R. Gupta & Co.  
Chartered Accountants  
Firm's Registration Number 008352N

  
**(Deepak Agarwal)**  
Partner  
Membership Number 073695



Place of Signature: New Delhi  
Date: 26 APR 2019

For and on behalf of the Board of Directors of  
Hariyali Rural Ventures Limited

  
**(Ajit S. Shriram)**  
Director  
DIN 00027918

  
**(Ajay S. Shriram)**  
Director  
DIN 00027137

# Hariyali Rural Ventures Limited

## Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital	mount in ₹ thousand)
As at March 31, 2017	10,000
As at March 31, 2018	10,000
As at March 31, 2019	10,000
B. Other equity	

Particulars	(Amount in ₹ thousand)
	Other Equity
As at March 31, 2017	(18,468)
Profit/(Loss) for the year	434
As at March 31, 2018	(18,034)
Profit/(Loss) for the year	(8,609)
As at March 31, 2019	(26,643)

### Summary of Significant Accounting Policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696



For and on behalf of the Board of Directors of  
Hariyali Rural Ventures Limited

(Ajit S. Shriram)

Director

DIN 00027918

(Ajay S. Shriram)

Director

DIN 00027137

Place of Signature: New Delhi

Date: 26 APR 2019

# Hariyali Rural Ventures Limited

## Notes to Ind-AS Financial Statements for the year Ended March 31, 2019

### 1. Corporate Information and Accounting Policies

#### 1.1 General Information

Hariyali Rural Ventures Limited ('the Company') is a public limited company incorporated in India. The Holding company, DCM Shriram Limited owns 100% of equity share capital of the Company. The registered office of the Company is located at 5<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001, India.

The financial statements are approved by Board of Directors in their board meeting held on *April 26, 2019*

#### 1.2 Basis of preparation

##### a) Statement of Compliance

The Ind-AS Financial statements comply in all aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### b) Basis of Preparation and Presentation

These financial statements have been prepared on the historical cost basis, except for the following which are measured at each reporting date as under:

- Non Current Assets Held for Sale-at lower of carrying amount or fair value less cost to sale

Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in the active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Ind-AS Financial statements are presented in Indian rupees (Rs.) and are rounded off to the thousands, except otherwise indicated.

#### Going Concern Assumption

The net worth of the company has been substantially eroded and its current liabilities have exceed the total assets. However its holding company has committed their full financial support for at least the next 12 months from the end of reporting period. In view of same, Management believes that it is appropriate to prepare these financial statement on Going Concern basis.





# Hariyali Rural Ventures Limited

## Notes to Ind-AS Financial Statements for the year Ended March 31, 2019

### 1.3 Significant Accounting Policies

#### a) Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the Ind-AS Financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

*Deferred tax assets: The Company reviews the carrying amount of deferred tax assets including MAT Credit at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.*

#### b) Revenue Recognition

The company recognizes revenue from rental services on accrual basis, taking into account contractually defined terms.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". The standard has been applied retrospectively with the cumulative effect of initial application of this standard adjusted to the opening balance of retained earnings. There has however been no impact of Ind AS 115 on these financial statements.

#### c) Income Taxes

The Income Tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences; if any.

#### Current Income Tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generates taxable income and is recognized in profit and loss, except when it relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



# Hariyali Rural Ventures Limited

## Notes to Ind-AS Financial Statements for the year Ended March 31, 2019

### **Deferred Tax**

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities in the Ind-AS Financial statements and the corresponding tax base used in computation of taxable profits. Deferred tax liabilities are generally recognized for all temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profits.

Deferred tax assets and deferred tax liabilities are recognized for taxable temporary difference associated with investments in subsidiaries, except where the group is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from the deductible temporary difference associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 tax relates to the same taxable entity and the same taxation authority.

### **d) Financial Instruments**

#### **Financial Assets**

**Cash and cash equivalents** The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortised cost** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. ( w.r.t to security deposit )

A gain or loss on a financial asset that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.\*

#### **Financial liabilities:**

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability.



## Hariyali Rural Ventures Limited

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### Notes to Ind-AS Financial Statements for the year Ended March 31, 2019

**e) Impairment of Financial assets**

**Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance.

**f) Investment Property**

Investment Property are stated at cost less accumulated depreciation and impairment loss, if any. Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

**g) Non-current asset held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the assets to fair value less cost to sell. A Gain is recognized for any subsequent increase in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current assets is recognized at the date of de-recognition.

Non Current Assets are not depreciated or amortized while they are classified as held for sale.

Non Current Assets classified as held for sale are presented separately from the other assets in the balance sheet.

Non-current asset that ceases to be classified as held for sale is measured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

**h) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. However, if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is being used, the increase in the provision due to the passage of time is recognized as a finance cost.



## Hariyali Rural Ventures Limited

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### Notes to Ind-AS Financial Statements for the year Ended March 31, 2019

#### i) Recent accounting pronouncements

##### IND AS 116 "Leases"

On March 29 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, "Leases" which will be effective from Accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have impact on the financial statements.

##### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

##### Ind AS 19 - plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

##### Ind AS 12 - Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.



# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2019

### Note 2: Investment Property

	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Investment property (Freehold Land)		7,956		-
		<b>7,956</b>		<b>-</b>

### Investment Property disclosures under Ind AS 40

(a) Amount recognized in Statement of Profit and Loss on account of Investment property

Particulars	(Amount in ₹ thousand)	
	2018-19	2017-18
Rental Income	75	-
Direct operating expenses from property that generated rental income	-	-
Income from investment properties before	75	-
Depreciation	-	-
Income from investment properties after depreciation	75	-

(b) Fair value

The fair value as on March 31, 2019 has been carried out by government approved independent valuers. The inputs used in fair valuation are circle rate of the property, prevailing market price of the similar kind of property in that area and other relevant factors.

Information about the fair value of the Company's investment properties and fair value hierarchy are as follows:

Particulars	(Amount in ₹ Thousands)	
	2018-19	2017-18
Fair value of the property	7,956	-
Fair valuation Hierarchy	Level 3	-

### Note 3: Cash and cash equivalents

	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Balances with banks on -current accounts		866		441
		<b>866</b>		<b>441</b>

### Note 4: Other Financial assets

	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Other receivables		10,108		-
		<b>10,108</b>		<b>-</b>



# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2019

Note 5: Other Current Assets	(Amount in ₹ thousand)			
	As	At	As	At
	March 31, 2019		March 31, 2018	
Tax Deducted At Source		273		-
(Net of provision of Tax ₹ 7,000(March 31,2018:₹ Nil)		-		-
		<u>273</u>		<u>-</u>



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# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2019

(Amount in ₹ thousand)

Note 6: Assets classified as held for sale	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
Land		24,118		68,350
Building		7,500		9,096
		<u>31,618</u>		<u>77,446</u>

Refer Note 22 for other information relating to assets classified as held for sale.



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# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2019

### Note 7: Share Capital

	Amount in ₹ thousand			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
<b>Authorised</b>				
10,00,000 (March 2018 - 10,00,000) Equity shares of Rs.10 each		10,000		10,000
	<b>10,000</b>	<b>10,000</b>		
<b>Issued, Subscribed and fully paid up</b>				
10,00,000 (March 2018 - 10,00,000) Equity shares of Rs.10 each		10,000		10,000
	<b>10,000</b>	<b>10,000</b>		

\* Number of shares are given in absolute numbers.

Notes:

#### i) Details of shareholders holding more than 5% shares in the company

	As March 31, 2019		As March 31, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
DCM Shriram Limited*	1,000,000	100%	1,000,000	100%
	<b>1,000,000</b>	<b>100%</b>	<b>1,000,000</b>	<b>100%</b>

\* This includes 6 (March 31, 2018 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

#### ii) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	As March 31, 2019		As March 31, 2018	
	No. of Shares	%	No. of Shares	%
DCM Shriram Limited, the holding company	1,000,000	100.00%	1,000,000	100.00%

#### iii) Terms/rights attached to each class of shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### iv) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	Amount in ₹ thousand	
	No. of shares	INR Value
<b>Equity shares of ₹10 each issued, subscribed and fully paid</b>		
Shares outstanding at the beginning of the year	1,000,000	10,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,000,000	10,000

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# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2019

Note 8: Other Equity	Amount in ₹ thousand)			
	As	At	As	At
	March 31, 2019		March 31, 2018	
<b>Retained Earnings</b>				
Balance at beginning of year		(18,034)		(18,486)
Add: Comprehensive income during the year		(8,609)		434
Balance at end of year		<u>(26,643)</u>		<u>(18,034)</u>

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**Hariyali Rural Ventures Limited**  
**Notes to the Financial Statements as at March 31, 2019**

Note 9: Trade payables	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
Total outstanding dues to micro and small enterprise			-	-
Total outstanding dues of other than micro and small enterprise			36	77
			<u>36</u>	<u>77</u>

**Notes:**

- (a) It does not include any amount due to be transferred to Investor Education and Protection Fund.
  - (b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.
- (The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at the reporting date).



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**Hariyali Rural Ventures Limited**  
**Notes to the Financial Statements as at March 31, 2019**

Note 10: Other Financial liabilities	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Security Deposits(Unsecured ) From Holding Company (Refer Note 20C)		67,341		80,833
		<b>67,341</b>		<b>80,833</b>

Note 11 : Other Current Liabilities	(Amount in ₹ thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Advance rent received from Holding Company		75		-
Others		10		11
		<b>85</b>		<b>11</b>



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## Hariyali Rural Ventures Limited

### Notes to the Financial Statements as at March 31, 2019

Note 12: Revenue from operations	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental Income	75	-
	<u>75</u>	<u>-</u>

Note 13: Other Income	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Assets held for sale recognised at fair value	-	490
Profit on sale of Assets held for disposal	1,453	-
	<u>1,453</u>	<u>490</u>



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# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2019

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Note 14: Finance Costs	(Amount in ₹ thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on delayed payment of taxes	5	29
	<u>5</u>	<u>29</u>



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**Harivali Rural Ventures Limited**  
**Notes to the Financial Statements as at March 31, 2019**

Note 15: Other Expenses	(Amount in ₹ '000')			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Provision for Impairment in value of assets		10,067		-
Auditors Remuneration				
- Audit Fees		35		36
- Other Services		-		-
Bank Charges		1		2
Other Misc. Expenses		11		4
		<b>10,114</b>		<b>43</b>



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**Hariyali Rural Ventures Limited**  
**Notes to the Financial Statements as at March 31, 2019**

**Note 16: Income tax expense**

(Amount in ₹ thousand)

	March 31, 2019	March 31, 2018
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year	-	-
<b>Total current tax expense</b>	-	-
<b>(b) Reconciliation of tax expense and the accounting profit</b>		
		(Amount in ₹ thousand)
	March 31, 2019	March 31, 2018
Profit/(Loss) before tax	(8,591)	418
	26%	26%
Income tax expense	(2,234)	129
-Effect of tax losses on which deferred tax is not recognised and others	(2,234)	(129)
<b>Income tax expense</b>	-	-
<b>(c) Income tax recognised directly in equity</b>	-	-
<b>(d) Income tax recognised in other comprehensive income</b>	-	-
<b>(e) Amount of deductible temporary difference, unused tax losses and unused tax credit for which no deferred tax asset was recognised is as follows:</b>		

Particulars	March 31, 2019	March 31, 2018
Unabsorbed Long term capital Loss	59,809	34,250
Unabsorbed business losses	(28)	-
Provision for impairment in value of assets	27,834	
<b>Total</b>	<b>87,615</b>	<b>34,250</b>
Unrecognised Tax Effect	17,521	6,850



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# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2019

### 17 Earning Per Share (EPS):

(Amount in ₹ thousand)

Particulars	2018-19	2017-18
Profit/(Loss) as per statement of profit and Loss	(8,809)	434
Weighted average number of equity shares outstanding	1,000,000	1,000,000
Basic and diluted earning per share in rupees (Face value ₹10 per share)	(8.61)	0.43

### 18 Liquidity Risk Management:

Liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed support from its holding company to meet obligation when due.

(Amount in ₹ thousand)

Contractual maturities of financial liabilities (Non Derivative)- 31.03.2019	Less than 3 Months	3 to 6 Months	6 Months to 1 year	1 to 2 years	Between 2 to 5 Years	Total
Security Deposits	67,341	-	-	-	-	67,341
Trade Payables	36	-	-	-	-	36

Contractual maturities of financial liabilities (Non Derivative)- 31.03.2018	Less than 3 Months	3 to 6 Months	6 Months to 1 year	1 to 2 years	Between 2 to 5 Years	Total
Security Deposits	80,833	-	-	-	-	80,833
Trade Payables	77	-	-	-	-	77

### 19 Financial Instruments by Category:

(Amount in ₹ thousand)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
<b>Financial Assets</b>						
Investment property			7856			-
Cash and Cash Equivalents	-	-	886	-	-	441
Other Receivables			10106			-
<b>Total Financial Assets</b>	-	-	<b>18,828</b>	-	-	<b>441</b>
<b>Financial Liabilities</b>						
Security deposits	-	-	67,341	-	-	80,833
Trade payables	-	-	36	-	-	77
<b>Total Financial Liabilities</b>	-	-	<b>67,377</b>	-	-	<b>80,910</b>

### 20 Capital Management

The company manages its capital based on the management judgement of its day to day needs with a focus on total equity so as to maintain buyer's confidence. The management and the Board of Directors monitors the return on capital.

### 21 Related party disclosures under Ind AS 24 "Related Party Disclosures":

A. Name of related party and nature of related party relationship

Ultimate Holding Company: Sumant Investments Private Limited

Holding Company : DCM Shriram Limited

B. Transactions with DCM Shriram Limited

(Amount in ₹ thousand)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Security deposits repaid	13,492	5,000
Rent received	75	-
Advance received on account of rent	75	-





**Hariyali Rural Ventures Limited**  
**Notes to the Financial Statements as at March 31, 2019**

C. Balance outstanding		(Amount in ₹ thousand)
C. Amounts payable to DCM Shriram Limited	As at March 31,2019	As at March 31,2018
Security deposits payable	67,341	80,833
Advance rent received	75	-
	<b>67,416</b>	<b>80,833</b>

**22 Assets Classified as Held for Sale:**

Assets classified as held for sale is measured at the lower of the carrying amount and fair value less costs to sell at the reporting date. The fair value of the assets held for sale is determined using level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. Amounts recognised in the statement of profit and loss on assets held for sale is as under:

Particulars	(Amount in ₹ thousand)	
	2018-19	2017-18
Provision for impairment in value of assets held for sale included in 'Other Expenses' in the statement of Profit and Loss	(10,023)	490
Profit recognised in 'Other income' in the statement of profit and loss on sale of assets held for sale	1,453	-
Provision for impairment in value of assets recognised in 'Other expenses' in the statement of profit and loss on reclassification of assets held for sale into Investment Property(Refer note below)*	(44)	

\* During the year, Barwala property is reclassified from assets held for sale to investment property as the same was given on rent from 1st October,2018 for a period of 15 years.

- 23 Deferred tax asset has not been recognised in the books of account in respect of unabsorbed depreciation and unabsorbed business loss, keeping in view that it is not probable that taxable profits will be available against which the taxable temporary differences can be utilised.
- 24 Land of Bharatpur is compulsory acquired by Rajasthan government , Jaipur vide order 17/735 dated 19.12.2017 recieved in May 2018. As per order, compensation of ₹10,106 thousands is recoverable from the authorities. Profit of ₹ 717 thousand has been shown under Note 11 of Financial statements as at March 31,2019. The company has filed an appeal for the enhanced compensation on 18.6.2018 and the matter is still pending with the relevant authority.
- 25 The figures are rounded off to the nearest thousands.
- 26 Notes 1 to 25 form an integral part of the financial statements.

For and on behalf of the Board of Directors of  
 Hariyali Rural Ventures Limited

  
**(Ajit S. Shriram)**  
 Director  
 DIN 00027918

  
**(Ajay S. Shriram)**  
 Director  
 DIN 00027137

Place of Signature: New Delhi  
 Date: 26 APR 2019



**Independent Auditor's Report**

**To The Members of Shridhar Shriram Foundation**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Shridhar Shriram Foundation** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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.

Those Board of Directors are also responsible for 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 a guarantee that an audit conducted in accordance with SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since in our opinion and according to information and explanations given to us, the said order is not applicable to the company.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has not paid or provided any managerial remuneration to any director during the year.

**For B. R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration Number 008352N



**(Deepak Agarwal)**  
Partner

Membership Number 073696



Place of Signature: New Delhi  
Date: 19 JUN 2019

**Annexure 'A' to the Independent Auditors' Report of even date on the Ind AS financial statement of Shridhar Shriram Foundation**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Shridhar Shriram Foundation ("the Company")** as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.



### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B. R. Gupta & Co.**

*Chartered Accountants,*

Firm's Registration Number 008352N



**(Deepak Agarwal)**

*Partner*

Membership Number 073696



Place of Signature: New Delhi

Date: 19 JUN 2019

# Shridhar Shriram Foundation

## Balance Sheet as at March 31, 2019

(Amount in ₹ Thousand)

Particulars	Notes	As At	
		March 31, 2019	March 31, 2018
<b>Assets</b>			
<b>Current Assets</b>			
Financial Assets			
(a) Cash and Cash Equivalents	2	324	353
<b>Total Current Assets</b>		<b>324</b>	<b>353</b>
<b>Total Assets</b>		<b>324</b>	<b>353</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	3	500	500
(b) Other Equity	4	(194)	(165)
<b>Total Equity</b>		<b>306</b>	<b>335</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	5	18	18
<b>Total Liabilities</b>		<b>18</b>	<b>18</b>
<b>Total Equity and Liabilities</b>		<b>324</b>	<b>353</b>

### Significant Accounting Policies

1.3

The accompanying notes are integral part of the financials statements

As per our report attached to the balance sheet

For B.R.Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number: 073696



For and on behalf of the Board of Directors of  
Shridhar Shriram Foundation



(Ajit S. Shriram)

Director

(DIN: 00027918)



(Ajay S. Shriram)

Director

(DIN: 00027137)

Place of Signature: New Delhi

Date: 19 JUN 2019

# Shridhar Shriram Foundation

## Statement of Income and Expenditure for the year ended March 31, 2019

Particulars	Notes	(Amount in ₹ Thousand)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Expenses:</b>			
Other expenses	6	29	19
<b>Total Expenses</b>		<b>29</b>	<b>19</b>
<b>Profit/ (Loss) before Tax</b>		<b>(29)</b>	<b>(19)</b>
<b>Tax Expense:</b>		-	-
<b>Profit(Loss) For The Year</b>		<b>(29)</b>	<b>(19)</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income For The Year Comprising Profit (Loss) and Other comprehensive Income for the year</b>		<b>(29)</b>	<b>(19)</b>
<b>Earnings Per Share: (Face Value ₹ 10 Per Share)</b>			
1) Basic (amount in ₹)	7	(0.58)	(0.38)
2) Diluted (amount in ₹)		(0.58)	(0.38)

### Significant Accounting Policies

1.3

The accompanying notes are integral part of the financials statements

As per our report attached to the balance sheet

### For B.R.Gupta & Co.

Chartered Accountants

Firm's Registration Number 006352N

(Deepak Agarwal)

Partner

Membership Number: 073896



For and on behalf of the Board of Directors of  
Shridhar Shriram Foundation

(Ajit S. Shriram)

Director

(DIN: 00027918)

(Ajay S. Shriram)

Director

(DIN: 00027137)

Place of Signature: New Delhi

Date: 19 JUN 2019



# Shridhar Shriram Foundation

## Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital	(Amount in ₹ Thousand)
As at March 31, 2017	500
As at March 31, 2018	500
As at March 31, 2019	500

### B. Other equity

Particulars	Reserves and surplus
	Retained earnings
As at March 31, 2017	(146)
Additions: Profit/ (Loss) For The Year	(19)
As at March 31, 2018	(165)
Additions: Profit/ (Loss) For The Year	(29)
As at March 31, 2019	(194)

### Significant Accounting Policies

1.3

The accompanying notes are integral part of the financial statements

As per our report attached to the balance sheet

### For B.R.Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number: 073696

Place of Signature: New Delhi

Date:

19 JUN 2019



For and on behalf of the Board of Directors of  
Shridhar Shriram Foundation

(Ajit. S. Shriram)

Director

(DIN: 00027918)

(Ajay. S. Shriram)

Director

(DIN: 00027137)

# Shridhar Shriram Foundation

## Cash Flow Statement for the year ended March 31, 2019

(Amount in ₹ Thousand)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activity</b>		
Net Profit / (Loss) before tax	(29)	(19)
<b>Operating profit /(loss) before working capital changes</b>	<u>(29)</u>	<u>(19)</u>
Adjustments for:		
Increase/(Decrease) in trade payables	-	-
<b>Net Cash Generated From Operations</b>	<u>(A) (29)</u>	<u>(14)</u>
<b>B. Cash flow from investing activities</b>		
Net cash flow from investing activities	<u>(B) -</u>	<u>-</u>
<b>C. Cash flow from financing activities</b>		
Net cash flow from financing activities	<u>(C) -</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(A+B+C) (29)</u>	<u>(14)</u>
Cash And Cash Equivalents At The Beginning Of The Year	353	367
<b>Cash And Cash Equivalents At The End Of The Year</b>	<u>324</u>	<u>353</u>

### Significant Accounting Policies

1.3

The accompanying notes are integral part of the financials statements

As per our report attached to the balance sheet

### For B.R.Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number: 073696



For and on behalf of the Board of Directors of  
Shridhar Shriram Foundation

(Ajit S. Shriram)

Director

(DIN: 00027918)

(Ajay S. Shriram)

Director

(DIN: 00027137)

Place of Signature: New Delhi

Date: 19 JUN 2019

# Shridhar Shriram Foundation

Notes to Financial Statements for the year ended March 31, 2019

## 1. Corporate Information and Accounting Policies

### 1.1 General Information

Shridhar Shriram Foundation, a non-profit organization, registered under section 8 of the Companies Act, 2013 incorporated on February 9, 2010 under the relevant provision of the Act.

The Holding company, DCM Shriram Limited owns 100% of equity share capital of the Company. The registered office of the Company is located at 5<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi -110001, India.

The financial statements are approved for issue by Board of Directors in their board meeting dated .....

### 1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and relevant presentation requirements of the Companies Act 2013. The financial statements have been prepared in accordance with the historical cost convention on accrual and going concern basis except for certain financial instruments which are measured at fair value as required by relevant Ind AS at the end of each reporting period, as explained in the relevant accounting policies mentioned.

The financial statements are presented in ₹ and all values are rounded to the nearest Thousand except otherwise stated.

### 1.3 Significant Accounting Policies

#### a) Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

**Useful lives and residual value of property, plant and equipment, intangible assets and investment properties :** The Company reviews the useful life and residual value of property, plant and equipment and intangible assets at the end of each reporting period. This review may result in change in depreciation in future period if the present useful life differs from the previously estimated useful lives.



# Shridhar Shriram Foundation

## Notes to Financial Statements for the year ended March 31, 2019

**Deferred tax assets:** The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### b) Income Taxes

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### c) Financial Instruments

#### Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

#### Subsequent measurement:

##### A. Non-derivative financial instruments

- (i) **Financial assets carried at amortised cost :** A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial Assets carried at Fair Value through profit or loss (FVTPL)**  
A Financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.
- (iii) **Investment in subsidiary:** Investment in subsidiary is carried at cost less impairment, if any, in the separate financial statements
- (iv) **Financial liabilities:** Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**B. Derivative financial instruments:** The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

**Fair Value Hedge:** Changes in fair value of derivatives including forward exchange contracts that qualify as fair value hedge are recognized in profit or loss.



## Shridhar Shriram Foundation

Notes to Financial Statements for the year ended March 31, 2019

### De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

#### (i) Dividend and interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and 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 on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of dividend can be measured reliably.

### e) Provisions

A Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are not required.

### f) Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### g) Cash Flow Statement

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Indian Accounting Standard 7 - Cash Flow Statement.

### h) Standards issued but not yet effective

#### IND AS 116 "Leases"

On March 29 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, "Leases" which will be effective from Accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have impact on the financial statements.



## Shridhar Shriram Foundation

Notes to Financial Statements for the year ended March 31, 2019

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### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

### Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

### Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.



# Shridhar Shriram Foundation

## Notes to Financial Statement as at March 31, 2019

Note 2 : Cash and Cash Equivalents	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
Balance With Banks :				
Current Account		324		353
		<b>324</b>		<b>353</b>



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# Shridhar Shriram Foundation

## Notes to Financial Statement as at March 31, 2019

Note 3 : Share capital	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
<b>Authorised</b>				
50,000 (March 31, 2018 : 50,000) Equity shares of Rs. 10 each*	500		500	
	<b>500</b>		<b>500</b>	
<b>Issued, subscribed and paid up</b>				
50,000 (March 31, 2018 : 50,000) Equity shares of Rs. 10 each*	500		500	
	<b>500</b>		<b>500</b>	

\* Number of Shares are given in absolute numbers.

### Notes:

i) Details of shareholders holding more than 5% shares in the company	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
	No. of Shares	% holding	No. of Shares	% holding
DCM Shriram Limited**	50,000	100%	50,000	100%
	<b>50,000</b>	<b>100%</b>	<b>50,000</b>	<b>100%</b>

\*\*This includes 60 (March 31, 2018 : 60) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

### ii) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
	No. of Shares	Amount	No. of Shares	Amount
DCM Shriram Limited	50,000	500	50,000	500
	<b>50,000</b>	<b>500</b>	<b>50,000</b>	<b>500</b>

### iii) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year

Equity shares of ₹ 10 each issued, subscribed and fully paid	(Amount in ₹ Thousand)	
	No. of shares	INR value
Shares outstanding as at March 31, 2017	50,000	500
Changes during the year	-	-
Shares outstanding as at March 31, 2018	<b>50,000</b>	<b>500</b>
Changes during the year	-	-
Shares outstanding as at March 31, 2019	<b>50,000</b>	<b>500</b>





# Shridhar Shriram Foundation

## Notes to Financial Statement as at March 31, 2019

Note 4 : Other Equity	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
Retained Earnings				
Surplus in Statement of Profit or loss				
Opening balance		(165)		(146)
Add: Profit/(Loss) during the year		(29)		(19)
<b>Total</b>		<b>(194)</b>		<b>(165)</b>



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**Shridhar Shriram Foundation**  
**Notes to Financial Statement as at March 31, 2019**

**Note 5 : Trade payables**

(Amount in ₹ Thousand)			
	As At	As At	
	March 31, 2019	March 31, 2018	
Total outstanding dues to micro enterprises and small enterprises	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	18	
	<u>18</u>	<u>18</u>	

(j) The above amount does not include any amount due to be transferred to Investor Education & Protection Fund.

(ii) As per Schedule III of the Companies Act, 2013 and as certified by the management, the amount due to Micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	Principal Amount	Interest	Total
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

(iii) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.

(The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at the reporting date.)

(b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719(E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.

(The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at reporting date.)

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# Shridhar Shriram Foundation

## Notes to Financial Statement for the year ended March 31, 2019

Note 6 : Other Expenses	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditors' Remuneration		
Audit fee	18	17
Filing Fees	2	1
Professional Charges	9	1
	<u>29</u>	<u>19</u>

### a) Details of Payments to Auditors:

#### As Auditor:

Statutory audit	18	17
In other capacity	-	-
	<u>18</u>	<u>17</u>

Note 7 : Earning Per Shares	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic/ Diluted Earning Per Share		
Profit attributable to Equity Shareholders	(A)	(19)
Weighted average number of equity shares for Basic & Diluted EPS	(B)	50,000
Basic and Diluted earnings per share (in ₹) (face value ₹ 10 per share)	(A/B)	(0.38)



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# Shridhar Shriram Foundation

## Notes to Financial Statement for the year ended March 31, 2019

### Note 8 : Related party disclosure required under Ind AS – 24

Name	Relationship
DCM Shriram Limited	Holding Company

No transaction has been occurred with related party during the financial year ended March 31, 2019 and also in the previous financial year.

### Note 9 : Capital Management

The Company endeavours to optimize debt and equity balance and provide adequate strength to the balance sheet. The Company monitors capital on the basis of debt equity ratio

### Note 10 : Financial Instruments by Category

Particulars	As At March 31, 2019			As At March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Cash and Cash Equivalents	-	-	324	-	-	353
<b>Total Financial Assets</b>	-	-	324	-	-	353
<b>Financial Liabilities</b>						
Trade Payables	-	-	18	-	-	18
<b>Total Financial Assets</b>	-	-	18	-	-	18

### Note 11 : Liquidity Risk Management

Liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due and to close out market position. Due to the nature of the underlying business, Company maintains flexibility in funding by matching the maturity profiles of financial assets and liabilities, continuously monitoring forecast and actual cash flow. The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities (The amount disclosed in the table is the contractual undiscounted cash flow):

Contractual maturities of financial liabilities ; 31.03.2019	0-1 year	More than 1 year	Total
Trade Payable	18	-	18
<b>Total</b>	18	-	18

Contractual maturities of financial liabilities - 31.03.2018	0-1 year	More than 1 year	Total
Trade Payable	18	-	18
<b>Total</b>	18	-	18

### Note 12. Contingent Liabilities

(a) Company does not hold any liability of contingent nature as on March 31,2019. Further Company does not any pending litigation on balance sheet date.

(b) Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



# Shridhar Shriram Foundation

## Notes to Financial Statement for the year ended March 31, 2019

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Note 13 : The figures are rounded off to the nearest thousands.

*For and on behalf of the Board of Directors of  
Shridhar Shriram Foundation*



(Ajit S. Shriram)  
Director  
DIN - 00027918



(Ajay S. Shriram)  
Director  
DIN - 00027137

Place of Signature: New Delhi

Date: 19 JUN 2019



**Independent Auditor's Report**

**To The Members of Shri Ganpati Fertilizers Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Shri Ganpati Fertilizers Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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.

Those Board of Directors are also responsible for 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 a guarantee that an audit conducted in accordance with SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B. R. Gupta & Co.**

*Chartered Accountants*

Firm's Registration Number 008352N



**(Deepak Agarwal)**

*Partner*

Membership Number 073696



Place of Signature: New Delhi

Date: 26 APR 2019



**Annexure 'A' To the Independent Auditors' Report of even date on the Ind AS financial statements of Shri Ganpati Fertilizers Limited**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report that:

- i) In respect of fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at regular intervals. In accordance with this programme, all fixed assets were verified during the year and no material discrepancies were noticed on such verification *except as adjusted in the Property, Plant and Equipment note of Balance Sheet*. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) On the basis of information and explanation provided by the management, title deeds of immovable properties are held in the name of the Company.
- ii) In respect of its inventory:
  - a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification followed by the management is reasonable.
  - b) No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) According to the information and explanation given to us, the Company had not granted loan to any of the Company covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (ii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company had not granted any loan to Directors and made investment as per the section 185 and 186 of the Companies Act, 2013. However Company has given guarantee on loan given by financial institution to the Holding Company. The company has complied with requisite procedures as laid down under section 186 of The Companies Act, 2013.
- v) The Company has not accepted any deposits from the public.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Service Tax (GST), cess and any other applicable statutory dues with appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.  
  
(b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of income tax or GST that have not been deposited on account of any dispute.



- viii) In our opinion and on the basis of available information and explanation provided to us, the Company has neither raised funds from any financial institution, banks, government nor had dues of any debenture holders during the year. Therefore, clause 3(viii) is not applicable to the Company.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has not paid or provided any managerial remuneration to any director during the year. Accordingly the provisions of section 197 read with Schedule V to the Companies Act are not applicable to the Company.
- xii) The Company is not a Nidhi Company; accordingly paragraph 3(xii) of the Order is not applicable.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards. Further the provision of section 177 of the Act is not applicable to the Company.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B. R. Gupta & Co,**  
*Chartered Accountants,*  
Firm's Registration Number 008352N



**(Deepak Agarwal)**  
*Partner*  
Membership Number 073696



Place of Signature: New Delhi

Date: 26 APR 2019

**Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS financial statement of Shri Ganpati Fertilizers Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Shri Ganpati Fertilizers Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.



**Shri Ganpati Fertilizers Limited**  
**Balance Sheet as at March 31, 2019**

(Amount in ₹ '000)

Particulars	Note No.	As At	
		March 31, 2019	March 31, 2018
<b>Assets</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	2	30,893	34,193
(b) Financial assets			
(i) Other Financial Assets	3	968	996
(c) Non-Current Tax Assets (Net)	4	21	63
		<u>31,882</u>	<u>35,252</u>
<b>Current assets</b>			
(a) Inventories	5	71,563	50,923
(b) Financial assets			
(i) Trade receivables	6	-	17,086
(ii) Cash and bank balances	8	1,070	780
(iii) Others	3	25,710	-
(c) Others Current Assets	7	25,846	13,342
<b>Total current assets</b>		<u>124,189</u>	<u>82,131</u>
<b>Total Assets</b>		<u>156,071</u>	<u>117,383</u>
<b>II. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	9	21,500	21,500
(b) Other equity	10	(351,434)	(291,073)
<b>Total equity</b>		<u>(329,934)</u>	<u>(269,573)</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	11	362	298
<b>Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	12	70,096	70,096
(ii) Trade payables	13		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		25,479	119,861
(iii) Others	14	457	77
(b) Other current liabilities	15	389,584	196,499
(c) Provisions	11	7	124
<b>Total - Current liabilities</b>		<u>485,623</u>	<u>386,657</u>
<b>Total Liabilities</b>		<u>156,071</u>	<u>117,383</u>
Summary of significant accounting policies	1.3		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

**For B.R. Gupta & Co.**

Chartered Accountants

Firm's Registration Number 008352N



**(Deepak Agarwal)**

Partner

Membership Number: 073696



**For and on behalf of the Board of Directors of  
Shri Ganpati Fertilizers Limited**



**(Vivek Srivastava)**

Director

DIN No :2123322



**(Sanjay Chhabra)**

Director

DIN No :144564

Place of Signature: New Delhi

Date: **26 APR 2019**

**Shri Ganpati Fertilizers Limited**  
**Statement of profit and loss for the year ended March 31, 2019**

(Amount in ₹ '000)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Revenue from operations	16	242,381	204,766
II. Other income	17	353	532
<b>III. Total Revenue (I+II)</b>		<b>242,714</b>	<b>205,298</b>
<b>IV. Expenses</b>			
(a) Cost of materials consumed	18	189,964	140,488
(b) Change in inventory of finished goods, work in progress	19	(11,193)	1,604
(c) Excise duty	20	-	338
(d) Employee benefits expenses	21	4,461	3,531
(e) Finance cost	22	33,553	26,146
(f) Depreciation and amortisation expense	2	3,300	3,344
(g) Other expenses	23	83,017	75,657
<b>Total expenses</b>		<b>303,102</b>	<b>251,608</b>
<b>V Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>(60,388)</b>	<b>(46,210)</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/ (loss) before tax (V-VI)</b>		<b>(60,388)</b>	<b>(46,210)</b>
<b>VIII. Tax expense:</b>	24		
(a) Current tax		-	-
(b) Deferred tax		-	-
(c) Tax adjustments for earlier years		-	2,837
<b>Total Tax Expense</b>		-	2,837
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>(60,388)</b>	<b>(49,047)</b>
<b>X Other comprehensive income</b>	25		
(A) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
(B) (i) Items that will not be reclassified subsequently to statement of profit and loss		-	-
(a) Re-measurement gains/ (losses) on defined benefit plans		27	6
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		-	-
<b>Other Comprehensive income for the year, net of tax</b>		<b>27</b>	<b>6</b>
<b>XI Total comprehensive income</b>		<b>(60,361)</b>	<b>(49,041)</b>
<b>XII Earnings per share: (Face value ₹ 10 per share)</b>	26		
Basic (amount in ₹)		(28.09)	(22.81)
Diluted (amount in ₹)		(28.09)	(22.81)

Summary of significant accounting policies 1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.  
 Chartered Accountants  
 Firm's Registration Number 008352N

  
 (Deepak Agarwal)  
 Partner

Membership Number: 073896

Place of Signature: New Delhi

Date: 26 APR 2019



For and on behalf of the Board of Directors of  
 Shri Ganpati Fertilizers Limited



(Vivek Srivastava)  
 Director  
 DIN No :2123322



(Sanjay Chhabra)  
 Director  
 DIN No :144564

**Shri Ganpati Fertilizers Limited**  
**Cash Flow Statement For The Year Ended March 31, 2019**

(Amount in ₹ '000)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities :</b>		
Net (loss)/profit for the year	(60,361)	(49,041)
<b>Adjustment for :</b>		
Tax expense for the year	-	2,837
Components of Other comprehensive income	(27)	(8)
Depreciation and amortisation	3,300	3,344
Interest income	-	(35)
Interest paid	33,553	26,146
<b>Operating loss before working capital changes</b>	<b>(23,535)</b>	<b>(16,755)</b>
<b>Adjustments for :</b>		
Decrease/ (Increase) in Inventories	(20,640)	5,300
Decrease/ (Increase) in Trade receivables	17,086	(17,086)
Decrease/ (Increase) in Other receivables	-	1,312
Decrease/ (Increase) in Loans and advances - Current	(25,710)	(294)
Decrease/ (Increase) in Loans and advances - Non Current	(10)	
Decrease/ (Increase) in Other current assets	(12,504)	(7,954)
Increase/ (Decrease) in Trade payables	(94,382)	6,528
Increase/ (Decrease) in Other Financial liabilities	380	13
Increase/ (Decrease) in Other current liabilities	193,085	57,137
Increase/ (Decrease) in Provisions	(6)	98
<b>Cash generated (used in) Operating Activities (A)</b>	<b>33,763</b>	<b>28,299</b>
Income tax paid (net of refunds)	42	(2,837)
<b>Net Cash Flow from (used in) Operating Activities (A)</b>	<b>33,805</b>	<b>25,461</b>
<b>B. Cash Flow from Investing Activities :</b>		
Other Financial Asset - Fixed Deposit	38	-
Interest Income	-	35
<b>Net Cash Flow from (used in) Investing Activities (B)</b>	<b>38</b>	<b>35</b>
<b>C. Cash Flow from Financing Activities :</b>		
Interest paid	(33,553)	(26,146)
<b>Net Cash Flow from (used in) Financing Activities (C)</b>	<b>(33,553)</b>	<b>(26,146)</b>
Net (Decrease)/Increase in cash and cash equivalents (A)+(B)+(C)	290	(650)
Cash and cash equivalents - Opening	780	1,430
Cash and cash equivalents - Closing	<b>1,070</b>	<b>780</b>
<b>Cash and cash equivalents include</b>		
Cash in Hand	60	60
Balance with Scheduled Bank:		
In Current Accounts	1,010	720
<b>Summary of Significant Accounting Policies</b>	<b>1.3</b>	

The accompanying notes form an integral part of these financial statements

As per our separate report of even date attached

**For B.R. Gupta & Co.,**

Chartered Accountants

Firm's Registration Number 008352N

  
**(Deepak Agarwal)**

Partner

Membership No. 073696



**For and on behalf of the Board of Directors of  
Shri Ganpati Fertilizers Limited**

  
**Vivek Srivastava**

**(Vivek Srivastava)**

Director

DIN No :2123322



**(Sanjay Chhabra)**

Director

DIN No :144564

Place of Signature: New Delhi

Date: **26 APR 2019**

# Shri Ganpati Fertilizers Limited

## Statement Of Changes In Equity For The Year Ended March 31, 2019

### A. Equity share capital

As at March 31, 2017	(Amount in ₹ '000)
As at March 31, 2018	21,500
As at March 31, 2019	21,500

### B. Other Equity

(Amount in ₹ '000)

Particulars	Other Equity			Total Equity
	Reserve and Surplus		OCI	
	Capital Reserve	Retained earnings	Actuarial Gain/(Loss)	
As at March 31, 2017	51,075	(293,093)	(14)	(242,032)
Additions:				
Profit/ (Loss) for the year	-	(49,047)	6	(49,041)
As at March 31, 2018	51,075	(342,140)	(8)	(291,073)
Additions:				
Profit/ (Loss) for the year	-	(60,388)	27	(60,361)
As at March 31, 2019	51,075	(402,528)	19	(351,434)

### Summary of Significant Accounting Policies

1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number: 073696



Place of Signature: New Delhi

Date: 25 APR 2019

For and on behalf of the Board of Directors of  
Shri Ganpati Fertilizers Limited



(Vivek Srivastava)

Director

DIN No :2123322



(Sanjay Chhabra)

Director

DIN No :144564

# SHRI GANPATI FERTILIZERS LIMITED

## Notes to Financial Statements for the year ended March 31, 2019

### 1. Corporate Information and Accounting Policies

#### 1.1 General Information

Shri Ganpati Fertilizers Limited is engaged in the business of manufacturing of fertilizers. The Company originally entered into an umbrella agreement dated 30<sup>th</sup> January 2006 with M/s DCM Shriram Limited through financial assistance by way of loan and working capital advances. It was duly secured by first ranking equitable mortgage on all immovable assets and first ranking hypothecation/charge created on all movable assets of the Company and pledge of equity shares held by the erstwhile promoters of the Company constituting 81.4% of the total paid up and issued capital of the Company, in favour of DCM Shriram Ltd. On continuous non-compliance with the terms and conditions of the said agreement, DCM Shriram Ltd invoked the security clause and got 81.4% equity shares (1,750,280 equity shares) of the Company held by the promoters, transferred in its name on May 5, 2008. The new shareholders brought about a complete change in the management by removing Mr. Raj Kumar Joshi, Managing Director, Mr. Prakash Chand Purohit, Mr. Manoj Kumar Dandlodia and Mrs. Kusum Joshi as Directors and the appointment of four nominee Directors in addition to one nominated earlier at the time of signing the umbrella agreement.

#### 1.2 Basis of preparation

##### a) **Statement of Compliance**

The financial statements comply in all aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements are approved by Board of Directors in their board meeting dated 26 April 2019.

##### b) **Basis of preparation and presentation**

These financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in the active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.





# SHRI GANPATI FERTILIZERS LIMITED

## Notes to Financial Statements for the year ended March 31, 2019

The financial statements are presented for individual entity and figures are in Indian Rupees ('INR'), except otherwise indicated. The date of the end of reporting period is 31<sup>st</sup> March, 2019.

### Going Concern Assumption

The net worth of the company has been substantially eroded and its current liabilities have exceeded the total assets. However its holding company has committed their full financial support for at least the next 12 months from the end of reporting period. In view of same, Management believes that it is appropriate to prepare these financial statement on Going Concern basis.

### 1.3 Significant accounting policies

#### a) Property, Plant and Equipment:

Tangible assets are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. (Read para 30 of Ind AS 16- Cost model) Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and gains or losses on cash flow hedges related to purchase in foreign currency and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

On the date of transition to Ind AS i.e. April 1, 2015, the company has adopted to measure all of its property, plant and equipment at their previous GAAP net carrying value and used at net carrying value as its deemed cost.

Depreciation is provided on a pro-rata basis on the straight line method in respect of Building and Plant & Machinery and written down value in respect of other fixed assets from the date of addition except in case of fixed assets costing up to Rupees five thousand, where such asset is fully depreciated in the year of purchase. Depreciation is provided on the basis of useful lives of the assets, including applying component approach on assets having significant components having different useful lives, based on requirements of Schedule II of the Companies Act, 2013, the Guidance Note on 'Accounting for Depreciation in companies in the context of Schedule II to the Companies Act, 2013' issued by the Institute of Chartered Accountants of India and technical evaluation, done by the management which are as follows:

Asset	Useful life (Years)
Building	30
Plant and Machinery	4 – 15
Office Equipment	5
Furniture & Fixtures	10
Vehicles	8



# SHRI GANPATI FERTILIZERS LIMITED

## Notes to Financial Statements for the year ended March 31, 2019

### b) Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

### c) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The basis of determining cost for inventories is as follows:

- Cost in case of Work-in-Progress and finished goods are inclusive of allocable manufacturing overheads.
- Finished goods are inclusive of excise duty.

Provision for obsolescence is made whenever necessary.

### d) Revenue Recognition

The company derives revenue from Manufacturing of fertilizers.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". The standard has been applied retrospectively with the cumulative effect of initial application of this standard adjusted to the opening balance of retained earnings. There has however been no impact of Ind AS 115 on these financial statements.

- i) Sales are recognized, at values as per agreements, net of returns, trade discounts and volume discounts, if any, on transfer of significant risks and rewards of ownership/effective Control to the buyer, which coincides with dispatch/delivery to customers, as applicable. Sales exclude Goods and Service Tax.
- ii) Under the retention pricing scheme, the Government of India reimburses to the fertilizer industry, the difference between the retention price based on the cost of production and selling price (as realized from the farmers) as fixed by the Government from time to time, in the form of subsidy. The Company has recognized Government Subsidy on periodic basis at the time of sale of goods to its customer.

### e) Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other income is recognized on accrual basis.



# SHRI GANPATI FERTILIZERS LIMITED

## Notes to Financial Statements for the year ended March 31, 2019

### f) Employee Benefit

a) **Provident Fund** Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

b) **Gratuity** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

c) **Short Term Compensated Absences** The provision for earned and medical leave is determined at the end of the year and is charged to statement of profit and loss each year.

### g) Income Taxes

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognized only to the extent that there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### h) Provision and Contingent Liabilities

**Provisions:** Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.



# SHRI GANPATI FERTILIZERS LIMITED

## Notes to Financial Statements for the year ended March 31, 2019

**Contingent Liabilities** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### i) Financial Instruments

#### Financial Assets

**Cash and cash equivalents** The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortised cost** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. ( w.r.t to security deposit )

A gain or loss on a financial asset that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method."

#### **Financial liabilities:**

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability.

#### **Impairment of Financial assets and Non Financial Assets**

##### **(i) Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



# SHRI GANPATI FERTILIZERS LIMITED

## Notes to Financial Statements for the year ended March 31, 2019

### (ii) Non-financial assets

#### Tangible assets

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The company shall review/assess at each reporting date if there is any indication that an asset may be impaired.

### j) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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. The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

**Useful lives of property, plant and equipment and intangible assets:** The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This review may result in change in depreciation/amortization expense in future period if the present useful life differs from the previously estimated useful lives.

**Deferred tax assets:** The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**Provisions and contingent liabilities:** A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.



## SHRI GANPATI FERTILIZERS LIMITED

### Notes to Financial Statements for the year ended March 31, 2019

**Allowances for doubtful receivables:** Allowances for doubtful receivables represent the Company's estimates of losses that could arise from the failure or inability of customers to make payments when due. These estimates are based on the specific credit circumstances and Company's historical bad receivables experience.

#### k) Recent accounting pronouncements

##### **Ind AS 116 Leases:**

In March 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Indian Accounting Standard (Ind AS) 116, Leases which will be effective from accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS is not likely to have significant impact on the financial statement.

##### **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

##### **Ind AS 19 - plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.



## SHRI GANPATI FERTILIZERS LIMITED

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### Notes to Financial Statements for the year ended March 31, 2019

**Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.



## Shri Ganpati Fertilizers Limited

### Notes to Financial Statements as at March 31, 2019

Note - 2 Property, plant and equipment	Land Freehold	Building	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	(Amount in ₹ '000)
							Total
<b>Gross Carrying amount</b>							
(At Deemed Cost)							
As at March 31, 2017	888	23,140	19,273	193	122	13	43,609
Add: Additions made during the year	-	-	-	-	-	-	-
Less: Disposals/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2018	888	23,140	19,273	193	122	13	43,609
Add: Additions made during the year	-	-	-	-	-	-	-
Less: Disposals/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2019	888	23,140	19,273	193	122	13	43,609
<b>Accumulated Depreciation &amp; Impairment</b>							
As at March 31, 2017	-	2,063	3,917	49	12	10	6,071
Add: Depreciation charged for the year	-	1,160	2,069	37	46	-	3,344
Less: Disposals/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2018	-	3,243	6,016	86	60	10	9,415
Add: Depreciation charged for the year	-	1,152	2,094	28	26	-	3,300
Less: Disposals/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2019	-	4,395	8,110	114	87	10	12,715
<b>Net carrying amount</b>							
As at March 31, 2019	888	18,744	11,164	79	35	3	30,893
As at March 31, 2018	888	19,886	13,257	107	61	3	34,193

a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment and intangible assets as its deemed cost as at the date of transition.

b) Refer note no. 36 for information on property plant and equipment mortgaged as security.





# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

Note - 3 Other Financial Assets	(Amount in ₹ '000)			
	As March 31, 2019	At March 31, 2018	As March 31, 2018	At March 31, 2018
<b>Non-current</b>				
(Unsecured considered good, unless otherwise stated)				
Security deposits		968		996
		<b>968</b>		<b>996</b>
<b>Current</b>				
Interest accrued on deposits				
Considered Good		61		-
Claims and Other Receivables				
Unsecured Considered good		25,659		
Unsecured Considered doubtful		1,786		1,786
Less: Allowances for doubtful claims and receivables		(1,786)		(1,786)
		<b>25,710</b>		<b>-</b>

a) Refer note no. 36 for hypothecation of movable assets as security.

Note - 4 Non Current Tax Assets	(Amount in ₹ '000)			
	As March 31, 2019	At March 31, 2018	As March 31, 2018	At March 31, 2018
Advance income tax		21		63
(Net of Provision-nil, March 31, 2018-nil)				
		<b>21</b>		<b>63</b>

Note - 5 Inventories	(Amount in ₹ '000)			
	As March 31, 2019	At March 31, 2018	As March 31, 2018	At March 31, 2018
(As taken, valued and certified by the Management)				
-Raw materials		8,895		2,955
-Work in progress		53,044		39,484
-Finished goods		2,485		4,852
-Stores and spares		7,139		3,632
		<b>71,563</b>		<b>50,923</b>

a) Refer note no. 36 for hypothecation of movable assets as security.

Note -6 Trade receivables	(Amount in ₹ '000)			
	As March 31, 2019	At March 31, 2018	As March 31, 2018	At March 31, 2018
(a) Trade Receivable considered good - Secured		-		-
(b) Trade Receivable considered good - Unsecured		-		17,066
(c) Trade Receivable which have significant increase in Credit Risk		-		-
(d) Trade Receivable - credit impaired		661		661
Less: Loss Allowance		(661)		(661)
		<b>-</b>		<b>17,066</b>

a) Refer note no. 36 for hypothecation of movable assets as security.

Note - 7 Other Assets - Current	(Amount in ₹ '000)			
	As March 31, 2019	At March 31, 2018	As March 31, 2018	At March 31, 2018
Advances recoverable in cash or in kind or for value to be received				
- Unsecured Considered good		6,879		3,001
- Unsecured Considered doubtful		5,972		5,972
Less: Allowances for doubtful advances		(5,972)		(5,972)
		<b>6,879</b>		<b>3,001</b>
Prepaid expenses		-		336
Balance with government authorities		18,967		10,005
		<b>25,846</b>		<b>13,342</b>

a) Refer note no. 36 for hypothecation of movable assets as security.



# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

(Amount in ₹ '000)

Note - 8 Cash and bank balances	Non-current				Current			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
<b>Balance with Scheduled Banks:</b>								
- In Current account		-	-	-	1,010			720
- Cash on hand		-	-	-	60			60
<b>Total</b>		-	-	-	<b>1,070</b>			<b>780</b>



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# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

### Note - 9 Equity share capital

	(Amount in ₹ '000)			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
<b>Authorised</b>				
2,200,000 (March 31, 2018: 22,00,000) Equity shares of ₹ 10/- each*	22,000	22,000	22,000	22,000
<b>Issued, Subscribed and Paid up</b>				
2,150,000 (March 31, 2018: 21,50,000) Equity shares of ₹ 10/- each*	21,500	21,500	21,500	21,500

\* Number of Shares are given in absolute numbers.

#### a) Reconciliation of Shares at the beginning and at the end of the year (in no. of shares)

No. of shares at the beginning of the year	2,150,000	2,150,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
No. of shares at the end of the year	2,150,000	2,150,000

#### b) Shareholders holding more than 5% equity shares are as under:

	As March 31, 2019		As March 31, 2018	
	No. of shares*	% holding	No. of shares*	% holding
- DCM Shriram Limited., (The holding company) (Formerly known as DCM Shriram Consolidated Limited)	1,750,280	81%	1,750,280	81%
- Prakash Purohit	123,160	6%	123,160	6%

\*No. of shares are in absolute figures

#### c) Terms/Rights attached to Equity Shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the capital paid upon such equity shares.

#### d) Shares held by holding company and/ or their subsidiaries/ associates

	(Shares in Nos)			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
- DCM Shriram Limited., (The holding company)	1,750,280	1,750,280		

### Note - 10 Other equity

	(Amount in ₹ '000)			
	As March 31, 2019	At March 31, 2018	As March 31, 2019	At March 31, 2018
(i) Capital Reserve			51,075	51,075
(ii) Surplus in Statement of Profit and loss			(402,528)	(342,140)
(iii) Actuarial Gain/(Loss)			19	(8)
<b>Total</b>			<b>(351,434)</b>	<b>(291,073)</b>

- For movement during the year in Other equity, refer 'Statement of changes in equity'.



# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

Note - 11 Provisions	(Amount in ₹ '000)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2017
<b>Non Current</b>				
Provision for Gratuity		382		298
<b>Total (A)</b>		<b>382</b>		<b>298</b>
<b>Current</b>				
Provision for Gratuity		7		124
<b>Total (B)</b>		<b>7</b>		<b>124</b>
<b>Total (A+B)</b>		<b>389</b>		<b>422</b>



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# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

(Amount in ₹ '000)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note 12: Borrowings</b>			
<b>Current</b>			
	70,096		70,096
	<b>70,096</b>		<b>70,096</b>

\* Loan is repayable on demand and rate of interest is nil.

(Amount in ₹ '000)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note 13: Trade payable</b>			
Total outstanding dues of micro and small enterprise	-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	25,479		119,861
	<b>25,479</b>		<b>119,861</b>

### Notes:

(a) It does not include any amount to be transferred to Investor Education and Protection Fund.

(b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719(E) dated November 16, 2007, there is no amount due as at March 31, 2019 to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.

(The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at reporting date.)

(Amount in ₹ '000)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note 14: Other financial liabilities</b>			
Other deposits	-		30
Employee dues payable	457		47
	<b>457</b>		<b>77</b>

(Amount in ₹ '000)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note - 15 Other current liabilities</b>			
Advance from customers**	387,950		192,726
Statutory dues payable	1,634		3,773
<b>Total</b>	<b>389,584</b>		<b>196,499</b>

\*\* Due to Holding company



# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

Note - 16: Revenue From Operations	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
Sales	143,224	131,721
Government subsidy	98,920	72,632
Other Operating Revenue		
Scrap Sales	217	413
<b>Total</b>	<b>242,361</b>	<b>204,766</b>

\*The above Revenue from operations includes ₹ 143,224 against advance received from customers balance at the beginning of the period.

Note - 17: Other Income	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
Interest on Fixed Deposits	-	35
Sundry Balance Written back	283	3
Interest on Security Deposit	51	51
Miscellaneous Receipt	19	444
<b>Total</b>	<b>353</b>	<b>532</b>

Note - 18: Raw Materials Consumed	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
Opening Stock	2,955	3,816
Add: Purchases	195,904	139,628
	198,859	143,443
Less: Closing stock	8,895	2,955
Raw material consumed	189,964	140,488

Note - 19: Change In Inventory Of Finished Goods, Work In Progress	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Work In Progress</b>		
Opening Stock	39,484	39,915
Less: Closing Stock	53,044	39,484
	(13,560)	431
<b>Finished Goods</b>		
Opening Stock	4,852	6,225
Less: Closing Stock	2,485	4,852
	2,367	1,373
<b>Total</b>	<b>(11,193)</b>	<b>1,804</b>

Note - 20: Excise Duty	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
Excise Duty on Sales & Inventory	-	338
<b>Total</b>	<b>-</b>	<b>338</b>



# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

Note - 21: Employee Benefit Expenses	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
Salary & Wages Expenses	3,943	3,082
Contribution to P.F. & Other funds	307	245
Staff Welfare Expenses	91	100
Gratuity	120	104
<b>Total</b>	<b>4,461</b>	<b>3,531</b>

Note - 22: Finance Cost	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
Interest on		
- Advance from Customers	33,553	28,146
<b>Total</b>	<b>33,553</b>	<b>28,146</b>

Note - 23: Other Expenses	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Packing Material and Stores &amp; spares consumed:</b>		
Opening stock	3,632	6,267
Add: Purchases	15,820	11,169
	19,452	17,436
Less: Closing stock	7,139	3,632
	12,313	13,804
Power & fuel	11,786	12,896
Manufacturing Expenses - Job Contract	20,081	14,231
Other Manufacturing Expenses	97	11
Rates & Taxes	-	4
Repair & Maintenance		
- Buildings	-	1
- Plant and machinery	852	1,779
- Others	248	204
Freight outwards	35,893	30,510
Bank Charges	7	292
Insurance	311	505
Communication expenses	463	334
Printing & Stationery	49	65
Legal and Professional charges	104	502
Auditors Remuneration		
Statutory Audit	120	107
Tax Audit	45	41
Other Services	150	49
Travelling and conveyance	201	265
Miscellaneous expenses	297	259
<b>Total</b>	<b>83,017</b>	<b>75,857</b>



# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

### Note 24: Income Tax

The major components of income tax expense for the period ended March 31, 2019 and March 31, 2018 are:

#### Statement of profit and loss:

##### Profit or loss section

	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Tax Expense:</b>		
a) Current tax	-	-
b) Adjustments in respect of current income tax of previous year	-	2,837
c) Deferred tax	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>-</b>	<b>2,837</b>

#### OCI section

Deferred tax related to items recognised in OCI during the year:

	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
Net loss/(gain) on remeasurements of defined benefit plans	27	6
Amount charged to OCI	27	6

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31,2018
Accounting profit before tax from continuing operations	(60,388)	(49,047)
Accounting profit before income tax	(60,388)	(49,047)
At India's statutory income tax rate of 28% (March 31, 2018: 25.75%)	-	-
Adjustments in respect of current income tax of previous years	-	2,837
<b>Deductible expenses for tax purposes:</b>		
Others	-	-
At the effective income tax rate	-	2,837
Income tax expense reported in the statement of profit and loss	-	2,837
Difference	-	-

The Following Deferred Tax Assets are not Recognised

	As March 31, 2019	At March 31, 2018
	Amount	Amount
Unabsorbed Depreciation	16,419	15,695
Unabsorbed Tax Losses	75,176	59,776
MAT Credit Entitlement	-	2,548
Provision - Gratuity	101	109
	<b>91,696</b>	<b>78,130</b>





# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2019

Note 25 : Components of Other Comprehensive Income	(Amount in ₹ '000)	
	For the year ended March 31,2019	For the year ended March 31, 2018
Re-measurement gains/ (losses) on defined benefit plans	27	6
Income tax expense	-	-
<b>Total</b>	<b>27</b>	<b>6</b>

### Note 26 : Earnings per share (EPS)

Profit attributable to the equity holders of the parent (In ₹ )  
Weighted average number of equity shares for basic and diluted EPS  
Basic and diluted earnings per share(In ₹) (face value ₹ 10 per share)

	For the year ended March 31,2019	For the year ended March 31, 2018
Profit attributable to the equity holders of the parent (In ₹ )	(60,387,502)	(49,047,213)
Weighted average number of equity shares for basic and diluted EPS	2,150,000	2,150,000
Basic and diluted earnings per share(In ₹) (face value ₹ 10 per share)	<b>(28.09)</b>	<b>(22.81)</b>



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## SHRI GANPATI FERTILIZERS LIMITED

Notes to Financial Statements for the Year Ended March 31, 2019

27. **Financial Risk Management:** The Company's financial risk management is carried out under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as credit risk and investment of excess liquidity.

- **Credit Risk Management:** Credit risk refers to the risk that a counter party might default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is limited as the entire sales are being made to the holding company.
- **Liquidity Risk Management:** Liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of advances received from the holding company. Company maintains flexibility in funding by matching the maturity profiles of financial assets and liabilities, continuously monitoring forecast and actual cash flows.

(Amount in ₹ '000)

Contractual maturities of financial liabilities (Non Derivative)-31.03.2019	Less than 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 2 Year	Between 2 to 5 years	Total
Borrowings	-	-	70,096	-	-	70,096
Trade Payables	-	25,479	-	-	-	25,479
Other Financial Liabilities	-	457	-	-	-	457

(Amount in ₹ '000)

Contractual maturities of financial liabilities (Non Derivative)-31.03.2018	Less than 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 2 Year	Between 2 to 5 years	Total
Borrowings	-	-	70,096	-	-	70,096
Trade Payables	-	119,861	-	-	-	119,861
Other Financial Liabilities	-	47	-	30	-	77

28. **Financial Instruments by Category**

(Amount in ₹ '000)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
<b>Financial Assets</b>						
Other Financial Assets – Non Current	-	-	968	-	-	996
Cash & Bank Balances	-	-	1,070	-	-	780
Others	-	-	25,710	-	-	17,086
<b>Total Financial Assets</b>	-	-	<b>27,748</b>	-	-	<b>18,862</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	70,096	-	-	70,096
Trade payables	-	-	25,479	-	-	119,861
Other Financial Liabilities	-	-	457	-	-	77
<b>Total Financial Liabilities</b>	-	-	<b>96,032</b>	-	-	<b>190,034</b>

**SHRI GANPATI FERTILIZERS LIMITED**

Notes to Financial Statements for the Year Ended March 31, 2019

**29. Provisions, Contingent Liabilities and Contingent Assets:**

- i) Guarantees given to a financial institution in respect of loan availed by DCM Shriram Limited.

(Amount in ₹ '000)

Particulars	2018-19		2017-18	
	INR	USD	INR	USD
Amount Guaranteed *	1,382,964	20,000	1,303,500	20,000
Amount Outstanding *	1,301,647	18,824	1,303,500	20,000

Restated at 1USD = INR (FY 2018-19 1 USD = INR 69.1482 & FY 2017-18 1 USD = INR 65.1750

\* This indicates the total amount of guarantee given to the financial institution by four subsidiary companies namely; Bioseed India Limited, Shri Ganpati Fertilizers Limited, Bioseeds Limited and Bioseeds Limited Holding Pte. Ltd for loan taken by its holding Co. i.e. DCM Shriram Limited

- ii) Other Contingent liabilities: Claims against the Company not acknowledged as debts:-

(Amount in ₹ '000)

Disclosure in respect of contingent Liabilities	Period to which amount relates	Forum where the dispute is pending	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Interest on delayed payment of VAT	2000-01	Anti evasion Commercial taxes, Bhilwara	574	574
b) Interest on delayed payment of CST	2001-02	Anti evasion Commercial taxes, Bhilwara	865	865

**30. Employee Benefits**

The Company has classified the various benefits provided to employees as under:-

- i) **Defined contribution plans** : The Company has recognized the following amounts in the statement of profit and loss:

Particulars	As At March 31, 2019	As At March 31, 2018
Employers' contribution to provident fund	276	227
Employers' contribution to ESIC	31	18

- ii) **Defined benefit plans**

(a) Gratuity

In accordance with Ind As 19, actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below :-

Particulars	Gratuity (Unfunded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate (per annum)	7.60%	7.75%
Future salary increase	7.50%	7.50%
Expected rate of return on plan assets	-	-

**SHRI GANPATI FERTILIZERS LIMITED**
**Notes to Financial Statements for the Year Ended March 31, 2019**

In service mortality	*	*
Retirement age		
- Officer	58 years	58 years
- Non Officer	60 years	60 years
Withdrawal rates:		
- upto 30 years	3%	3%
- 31-44 years	2%	2%
- above 44 years	1%	1%
<b>I. Expense recognized in statement of profit and loss</b>		
On Current service cost	92	79

\* 100% of IALM 2006-08 Ultimate

Particulars	Gratuity (Un funded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>II. Net asset/(liability) recognised in the balance sheet</b>		
Present value of Defined benefit obligation	389	422
Net liability	389	422
Non-current liability	382	298
Current liability	7	124
<b>III. Change in the present value of obligation during the year</b>		
Present value of obligation as at the beginning of the year	422	325
Interest cost	28	25
Current service cost	92	79
Benefits paid	(126)	-
Actuarial (gains) / losses on Financial	-	-
Actuarial (gains) / losses on Experience	(27)	(6)
Past service cost	-	-
Present value of obligation as at the end of the year	389	422

Defined Benefit Obligation	01-04-2018 to 31-03-2019	01-04-2017 to 31-03-2018
Discount Rate -		
a) Discount Rate – 100 basis points	435	458
a) Discount Rate – 100 basis points impacts (%)	11.55%	8.58%
b) Discount Rate + 100 basis points	353	392
b) Discount Rate + 100 basis points impacts (%)	-9.52%	-7.12%
Salary Increase Rate -		
b) Discount Rate – 100 basis points	352	392
c) Discount Rate – 100 basis points impacts (%)	-9.61%	-7.20%
d) Discount Rate + 100 basis points	434	458
c) Discount Rate + 100 basis points impacts (%)	11.44%	8.52%



**SHRI GANPATI FERTILIZERS LIMITED**

**Notes to Financial Statements for the Year Ended March 31, 2019**

36. The Companies all immovable assets are secured by first ranking equitable mortgage and all movable assets are secured by first ranking hypothecation/charge against the financial assistance provided by DCM Shriram Limited as per the umbrella agreement dated 30<sup>th</sup> January 2006.
37. The figures are rounded off to the nearest rupees thousands.
38. Notes 1 to 37 form an integral part of the financial statements.

**For and on behalf of Board of Directors  
of Shri Ganpati Fertilizers Limited**

*Vivek Srivastava*

**(Vivek Srivastava)**  
*Director*  
DIN – 2123322



**(Sanjay Chhabra)**  
*Director*  
DIN – 144564

Place of Signature

Dated: **26 APR 2019**



**Shriram Bioseed Ventures Limited**  
**Balance Sheet as at March 31, 2019**

(Amount in ₹ Thousand)

Particulars	Notes	As At March 31, 2019	As At March 31, 2018
<b>I. Assets</b>			
<b>Non-current assets</b>			
(a) Investment Property	2	172,226	107,889
<b>(b) Financial assets</b>			
(i) Investments	3	546,435	575,685
(ii) Loans	3.1	332,951	460,461
(c) Other non-current assets	4	915	915
(d) Non-Current tax assets (net)	5	473	1,252
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Trade Receivables	6	294,487	226,173
(ii) Cash and cash equivalents	6.1	4,227	2,828
(iii) Loans	6.2	383,776	215,078
(iv) Others	6.3	30,093	-
		<b>1,765,582</b>	<b>1,590,291</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	7	40,500	40,500
(b) Other Equity	8	160,214	159,332
<b>Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	9	95,500	786,122
(ii) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10.2	3,817	
(b) Provisions	11.1	832	-
<b>Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	10.1	1,047,861	268,739
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10.2	405,193	322,792
(iii) Other Financial liabilities	10.3	-	2,713
(b) Other current liabilities	11	9,969	10,093
(c) Provisions	11.1	1,698	-
		<b>1,765,582</b>	<b>1,590,291</b>
Summary of significant accounting policies	1.3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For B.R. Gupta & Co.**  
 Chartered Accountants  
 Firm's Registration No 008352N



**(Deepak Agarwal)**  
 Partner  
 Membership No. 073696



For and on behalf of the Board of Directors of  
 Shriram Bioseed Ventures Limited



**(Ajit S. Shriram)**  
 Director  
 DIN - 00027918



**(Ajay S. Shriram)**  
 Director  
 DIN - 00027137

Place of signature: New Delhi

Date: 26 APR 2019

**Shriram Bioseed Ventures Limited**  
**Statement of Profit & Loss for the year ended March 31, 2019**

Particulars	Notes	(Amount in ₹ Thousand)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
I. Revenue from operations	12	55,137	51,368
II. Other income	13	45,781	31,135
III. Total Revenue (I+II)		<u>100,918</u>	<u>82,503</u>
IV. Expenses			
(a) Finance costs	14	96,431	97,882
(b) Other expenses	15	2,792	350
Total Expenses (a+b)		<u>99,223</u>	<u>98,232</u>
V. Profit/(Loss) before tax (III-IV)		1,695	(15,729)
VI. Tax Expense	18		
(a) Current tax		813	-
(b) Tax adjustments related to earlier years		-	-
Total Tax Expenses		<u>813</u>	<u>-</u>
VII. Profit/(Loss) for the year (V-VI)		882	(15,729)
VIII. Other Comprehensive Income			
(i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Items that will not be reclassified subsequently to statement of profit and loss		-	-
Other Comprehensive Income for the year, net of tax		<u>-</u>	<u>-</u>
IX. Total Comprehensive Income for the year		<u>882</u>	<u>(15,729)</u>
X. Earnings Per Share Basic/Diluted (Amount in ₹)	17		
1) Basic (amount in ₹)		0.22	(3.88)
2) Diluted (amount in ₹)		0.22	(3.88)
Summary of significant accounting policies	1.3		
The accompanying notes form an integral part of these financial statements			

As per our Report of even date attached

For B.R. Gupta & Co.  
Chartered Accountants  
Firm's Registration No 008352N

  
(Deepak Agarwal)  
Partner  
Membership No. 073586



For and on behalf of the Board of Directors of  
Shriram Bioseed Ventures Limited

  
(Ajit S. Shriram)  
Director  
DIN - 00027918

  
(Ajay S. Shriram)  
Director  
DIN - 00027137

Place of signature: New Delhi  
Date: 26 APR 2019

# Shriram Bioseed Ventures Limited

## Cash flow statement for the year ended March 31, 2019

(Amount in ₹ Thousand)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	1,685	(15,729)
<b>Adjustments for :</b>		
Unrealised foreign exchange (gain)	(87,171)	21,520
Interest expense	96,431	97,882
Interest income	(55,137)	(51,368)
Provision for standard assets	2,528	-
Operating profit before working capital changes	<b>(41,654)</b>	<b>52,305</b>
<b>Adjustments for :</b>		
Increase/(decrease) in Trade Payables	(10,212)	(7,793)
Increase/(decrease) in Loans and Other Assets	-	5,923
Increase/(decrease) in other current liabilities	(124)	(67)
Interest received on loan given to subsidiary	-	3,598
Cash generated from operations	<b>(51,990)</b>	<b>53,966</b>
Income taxes paid(net of refunds)	(35)	13,582
<b>Net cash (used) in operating activities (A)</b>	<b>(52,025)</b>	<b>67,548</b>
<b>B. Cash flow from investing activities</b>		
Redemption of Investment in mutual funds	29,250	(5,193)
Purchase/(Sale)of Land	(64,326)	(2,052)
Capital advances	-	2,052
<b>Net cash (used) in investing activities (B)</b>	<b>(35,076)</b>	<b>(5,193)</b>
<b>C. Cash flow from financing activities</b>		
Loan taken/(Repayment) from holding company	95,500	(60,128)
Loan taken/(Repayment) from Others	(7,000)	-
<b>Net cash from financing activities (C)</b>	<b>88,500</b>	<b>(60,128)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,399</b>	<b>2,227</b>
<b>Cash and cash equivalents as at opening</b>		
Cash and cheques in hand and balance with banks and others	2,828	601
<b>Cash and cash equivalents as at closing</b>	<b>4,227</b>	<b>2,828</b>

Summary of Significant Accounting Policies

1.3

The accompanying notes form an integral part of these financial statements

As per our separate report of even date attached

For B.R.Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership No. 073696



For and on behalf of the Board of Directors of  
Shriram Bioseed Ventures Limited

  
(Ajit S. Shriram)

Director

DIN - 00027918

  
(Ajay S. Shriram)

Director

DIN - 00027137

Place of Signature : New Delhi

Date: 25 APR 2019



**Shriram Bioseed Ventures Limited**  
**Statement Of Changes In Equity For The Year Ended March 31, 2019**

Statement Of Changes In Equity as at March 31, 2019

**A. Equity share capital**

(Amount in ₹ Thousand)

As at March 31, 2017	40,500
As at March 31, 2018	40,500
As at March 31, 2019	40,500

**B. Other equity**

(Amount in ₹ Thousand)

	Reserves and Surplus			Total
	Securities premium	Retained earnings	Statutory Reserves	
As at March 31, 2017	160,000	15,061	-	175,061
Additions:				
Profit/ (Loss) for the year	-	(15,729)	-	(15,729)
As at March 31, 2018	160,000	(668)	-	159,332
Additions:				
Profit/ (Loss) for the year	-	882	-	882
Transfer (from)/ to statutory reserve	-	(176)	176	-
As at March 31, 2019	160,000	38	176	160,214

Summary of Significant Accounting Policies

1.3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For B.R. Gupta & Co.**

Chartered Accountants  
 Firm's Registration No 008352N



(Deepak Agarwal)  
 Partner  
 Membership No. 073696



**For and on behalf of the Board of Directors of  
 Shriram Bioseed Ventures Limited**



(Ajit S. Shriram)  
 Director  
 DIN - 00027918



(Ajay S. Shriram)  
 Director  
 DIN - 00027137

Place of signature: New Delhi

Date: 26 APR 2019

# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

### 1.1 General Information

Shriram Bioseed Ventures Limited ('the Company') is a limited company incorporated in India. The Holding company, DCM Shriram Limited owns 100% of equity share capital of the Company. The registered office of the Company is located at 5<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001, India.

The financial statements are approved by Board of Directors in their board meeting dated 26 April 2019.

### 1.2 Basis of preparation

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("The Act") and other relevant provisions of the Act, as applicable

### 1.3 Significant accounting policies

#### a) Investment properties

Investment property are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

On the date of transition to Ind AS i.e. April 1, 2015, the Company has opted to measure all of its investment properties at their previous GAAP net carrying value and use that net carrying value as its deemed cost.

#### b) Revenue recognition

**Interest income:** Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and 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 on initial recognition.

#### c) Income taxes

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



## Shriram Bioseed Ventures Limited

### Notes to Financial Statements for the year ended March 31, 2019

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

#### d) Financial Instruments

##### Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

##### Subsequent measurement:

###### A. Non-derivative financial instruments

- (i) **Financial assets carried at amortised cost** : A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial assets carried at Fair value through profit or loss (FVTPL)**: Assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss
- (iii) **Investment in subsidiary**: Investment in subsidiary is carried at cost less impairment, if any, in the separate financial statements
- (iv) **Financial liabilities**: Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**B. Derivative financial instruments**: The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

**Fair Value Hedge**: Changes in fair value of derivatives including forward exchange contracts that qualify as fair value hedge are recognized in profit or loss.



# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

### De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### e) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

**Impairment of investments:** The Company reviews its carrying value of long term investments in equity shares of subsidiaries and other companies carried at cost/amortized cost annually. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### f) Foreign Currency

The functional currency of the Company is Indian rupee. Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Monetary items (i.e. receivables, payable, loans etc) denominated in foreign currency are reported using the closing exchange rate on each reporting date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognized as income/expense in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in the foreign currency are not reported at the closing exchange rate.



## Shriram Bioseed Ventures Limited

### Notes to Financial Statements for the year ended March 31, 2019

#### g) Recent Accounting Pronouncements

##### IND AS 116 "Leases"

On March 29 2019, the Ministry of Corporate Affairs issued the companies (Indian Accounting Standard) Amendment, Rules 2019, notifying Indian Accounting Standard (Ind AS) 116, "Leases" which will be effective from Accounting period beginning on or after April 1, 2019. As per the present evaluation, the application of the said Ind AS-116 is not likely to have impact on the financial statements.

##### **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

##### **Ind AS 19 – plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

##### **Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.



# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

2 Investment Property (Deemed Cost)	(Amount in ₹ Thousand)	
	<u>Freehold Land</u>	
<u>Gross Carrying amount</u>		
Balance as at April 1, 2017		105,847
Additions		2,052
Balance as at March 31, 2018		<u>107,899</u>
Additions		64,326
Disposal		-
Balance as at March 31, 2019		<u><u>172,225</u></u>

### Fair value

The fair value of the Company's investment properties as at March 31, 2019 have been arrived at on the basis of a valuation carried out by Government approved independent valuer. The input used in fair valuation is the circle rate of the property, prevailing market price of the similar kind of property in that area and other relevant factors

Information about the fair value and fair value hierarchy are as follows:

Land	(Amount in ₹ Thousand)	
	March 31, 2019	March 31, 2018
Fair value	292,976	190,255
Level of hierarchy	3	3

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its investment property as its deemed cost as at the date of transition.



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## Shriram Bioseed Ventures Limited

### Notes to Financial Statements for the year ended March 31, 2019

Note 3: Non-current assets	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
<b>Non current investments (Unquoted)</b>				
<b>Investment in Mutual Funds</b>				
<b>(At fair value through profit and loss)</b>				
Reliance Liquid Fund - Growth Plan		-		29,250
<b>Investment in Shares at amortized cost</b>				
<b>Subsidiary</b>				
250 (March 31, 2018: 250) Equity shares of Bioseed Research USA of USD 1 each, fully paid up		1,291		1,291
<b>Fellow Subsidiary</b>				
<b>Bioseed Limited</b>				
1,128,490 (March 31, 2018 - 1,128,490) Equity shares of USD 1 each, fully paid up		10,096		10,096
1,32,500 (March 31, 2018 - 132,500) Preference shares of USD 1 each, fully paid up		535,048		535,048
		<b>546,435</b>		<b>575,685</b>
Aggregate book value unquoted		<b>546,435</b>		<b>575,685</b>



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# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 3.1 Loans (at amortized cost)	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Loans to related party</b>				
a) Loans Receivables considered good - Secured;		-		-
b) Loans Receivables considered good - Unsecured;		332,951		460,461
c) Loans Receivables which have significant increase in Credit Risk		-		-
d) Loans Receivables - credit impaired		-		-
		<b>332,951</b>		<b>460,461</b>

Note 4: Other non-current assets	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Capital advances		915		915
		<b>915</b>		<b>915</b>

Note 5: Other non-current tax assets	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance Tax (Net of Provisions of ₹ 813 thousand(March 31, 2018: ₹1,488 thousand)		473		1,252
		<b>473</b>		<b>1,252</b>





# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

Financial assets (at amortized cost)	(Amount in ₹ Thousand)			
	As March 31, 2019	At March 31, 2019	As March 31, 2018	At March 31, 2018
<b>Note 5: Trade receivables</b>				
(a) Trade Receivable considered good - Secured		-		-
(b) Trade Receivable considered good - Unsecured		294,487		226,173
(c) Trade Receivable which have significant increase in Credit Risk		-		-
(d) Trade Receivable - credit impaired		-		-
		<b>294,487</b>		<b>226,173</b>
<b>Note 6.1 : Cash and cash equivalents</b>				
- Balances with banks on				
-current accounts		474		2,828
- Mutual Fund Investment (Fair value through Profit and Loss)		3,753		-
821.511 (March 31, 2018: Nil) units of Reliance Liquid Fund				
		<b>4,227</b>		<b>2,828</b>
<b>Note 6.2 : Loans</b>				
- Loans to related party				
(a) Loans Receivables considered good - Secured;		-		-
(b) Loans Receivables considered good - Unsecured;		383,776		216,078
(c) Loans Receivables which have significant increase in Credit Risk; and		-		-
(d) Loans Receivables - credit impaired;		-		-
		<b>383,776</b>		<b>216,078</b>
<b>Note 6.3 : Others</b>				
- Foreign exchange forward contracts		30,093		-
		<b>30,093</b>		<b>-</b>



## Shriram Bioseed Ventures Limited

### Notes to Financial Statements for the year ended March 31, 2019

Note 7: Share capital	As At		(Amount in ₹ Thousand)	
	March 31, 2019	March 31, 2018	As At	March 31, 2018
<b>Authorised</b>				
45,00,000 (March 31, 2018 - 45,00,000) Equity shares of Rs. 10 each*	45,000		45,000	
	45,000		45,000	
<b>Issued, subscribed and paid up share capital</b>				
4,050,000 ( March 31, 2018 - 4,050,000) Equity shares of Rs. 10 each*	40,500		40,500	
	40,500		40,500	

\* Number of Shares are given in absolute numbers.

#### Notes:

##### i) Details of shareholders holding more than 5% shares in the company

	As At		As At	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	No. of Shares	% holding	No. of Shares	% holding
DCM Shriram Limited**	4,050,000	100%	4,050,000	100%
	4,050,000	100%	4,050,000	100%

\*\*This includes 6 (March 31, 2018 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

##### ii) Shares held by holding company and/ or their subsidiaries/ associates

	As At	As At
	March 31, 2019	March 31, 2018
DCM Shriram Limited, the holding company	4,050,000	4,050,000

##### iii) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the capital paid upon such equity shares.

##### iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year

Equity shares of INR 10 each issued, subscribed and fully paid	(Amount in ₹ Thousand)	
	No. of shares	INR value
Shares outstanding as at March 31, 2018	4,050,000	40,500
Issued during the year	-	-
Bought back during the year	-	-
Shares outstanding as at March 31, 2019	4,050,000	40,500



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# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 8 : Other equity	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2017
(i) Retained Earnings		38		(668)
(ii) Securities Premium		160,000		160,000
(iii) Statutory Reserves		176		-
		<b>160,214</b>		<b>159,332</b>

For movement during the year in Other Equity, refer 'Statement of changes in equity'



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## Shriram Bioseed Ventures Limited

### Notes to Financial Statements for the year ended March 31, 2019

Note 9 : Non-current liabilities

	(Amount in ₹ Thousand)			
	As	At	As	At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial liabilities				
Unsecured - at amortized cost				
*Loan from Holding Company		95,500		785,122
		<u>95,500</u>		<u>785,122</u>

\*Terms of Loan

Category and Terms of repayment	Amount	Rate of interest
With interest (Repayable on or before October-2021)	95,500	9%



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**Shriram Bioseed Ventures Limited**  
Notes to Financial Statements for the year ended March 31, 2019

(Amount in ₹ Thousand)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note 10.1: Short-term borrowings (Unsecured)</b>			
- From Holding Company	1,047,861		281,738
- From Others	-		7,000
	<b>1,047,861</b>		<b>288,738</b>

**\*Terms of Loan**

Category and Terms of repayment	Amount	Rate of interest
(With interest/Repayable within a year)	1,047,861	8% to 9%

(Amount in ₹ Thousand)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note 10.2: Trade payables</b>			
<b>Non-current</b>			
Total outstanding dues to micro and small enterprise	-		-
Total outstanding dues of creditors other than micro and small enterprise	3,817		-
<b>Current</b>			
Total outstanding dues to micro and small enterprise	-		-
Total outstanding dues of creditors other than micro and small enterprise	405,193		322,792
	<b>409,010</b>		<b>322,792</b>

**Notes:**

(a). It does not include any amount due to be transferred to Investor Education and Protection Fund.

(b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, there is no amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.

(The above information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at the reporting date).

(Amount in ₹ Thousand)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note 10.3: Other financial liabilities</b>			
Foreign exchange forward contracts	-		2,713
	-		<b>2,713</b>

(Amount in ₹ Thousand)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note 11 : Other current liabilities</b>			
Statutory liability	9,612		9,738
Rent Received in Advance	357		357
	<b>9,969</b>		<b>10,093</b>

(Amount in ₹ Thousand)			
As	At	As	At
March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
<b>Note 11.1 : Provisions</b>			
<b>Non-current</b>			
Provision for standard asset	832		-
	<b>832</b>		-
<b>Current</b>			
Provision for standard asset	1,696		-
	<b>1,696</b>		-
	<b>2,528</b>		-



## Shriram Bioseed Ventures Limited

### Notes to Financial Statements for the year ended March 31, 2019

Note 12: Revenue from operations	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest from loan to related party	55,137	51,368
	<b>55,137</b>	<b>51,368</b>



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# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 13: Other income	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Foreign Exchange gain	44,377	26,250
Interest on Income Tax Refund	186	1,239
Profit on sale of non trade investment	218	2,735
Investments at fair value through P&L	48	(41)
Rent	952	952
	<b>45,781</b>	<b>31,135</b>



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## Shriram Bioseed Ventures Limited

### Notes to Financial Statements for the year ended March 31, 2019

#### Note 14: Finance costs

Interest expense on financial liabilities measured at amortized cost

- Holding company
- others

	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
	96,005	97,042
	426	840
	<b>96,431</b>	<b>97,882</b>



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# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

Note 15: Other expenses	(Amount in ₹ Thousand)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditors' remuneration		
- Audit fee	94	95
- Certification charges	71	144
Bank charges	12	32
Legal and Professional fees	80	65
Provision for Standard Asset	2,528	-
Miscellaneous expenses	7	13
	<b>2,792</b>	<b>350</b>



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# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

### Note 16: Income tax expense

(Amount in ₹ Thousand)

	March 31, 2019	March 31, 2018
(a) Income tax expense		
<u>Current tax</u>		
Current tax on profits for the year	813	-
Adjustments for current tax of prior year	-	-
<b>Total current tax expense</b>	<b>813</b>	<b>-</b>

### (b) Reconciliation of tax expense and the accounting profit

(Amount in ₹ Thousand)

	March 31, 2019	March 31, 2018
Profit/(Loss) before tax	1,695	(15,729)
Income tax rate	26%	26%
Income tax expense	441	(4,860)
Effect of tax losses on which deferred tax is not recognised	(441)	4,860
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
Effect of Tax due to MAT	813	-

### (c) Income tax recognised directly in equity

-

### (d) Income tax recognised in other comprehensive income

-

### (e) Amount of deductible temporary difference, unused tax losses and unused tax credit for which no deferred tax asset was recognised is as follows:

(Amount in ₹ Thousand)

Particulars	March 31, 2019	March 31, 2018
Business Loss	19,004	23,181
Unrecognised Tax Effect	4,941	5,969
Unrecognised MAT credit entitlement	813	-



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# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

### 17. Earnings per Share

(Amount in ₹ Thousand)

Particulars	2018-19	2017-18
Profit as per statement of profit and loss	662	(15,729)
Weighted average equity shares outstanding (nos.)	40,50,000	40,50,000
Earnings per share-basic/diluted (₹)	0.22	(3.88)

### 18. Capital Management

The Company endeavours to optimize debt and equity balance and provide adequate strength to the balance sheet. The Company monitors capital on the basis of debt equity ratio.

### 19. Related party disclosures under IndAS 18 "Related Party Disclosures".

Name of related parties and nature of related party relationship

Ultimate Holding Company: Sumant Investments Private Limited

Holding Company: DCM Shriram Limited

Subsidiary Company: Bioseed Research, USA

Fellow Subsidiary: Bioseed Limited

### Transactions with related parties

(Amount in ₹ Thousand)

Type of transactions	Holding Company		Fellow Subsidiary	
	2018-19	2017-18	2018-19	2017-18
Loans Taken/(Repaid)	95,500	(60,128)	0	0
Interest expense-Holding Company	96,005	97,042	0	0
Rent	952	952	0	0
Interest income	0	0	55,137	51,368
<b>Balance outstanding as at year end</b>				
Loan receivable/ (payable)	(11,43,361)	(10,47,661)	7,16,727	6,75,539
Trade Receivable/(Payable)	(4,09,010)	(3,22,792)	2,94,487	2,26,173
Rent Received in Advance	357	357		

### 20. Financial Instruments by Category

(Amount in ₹ Thousand)

Particulars	March 31, 2019			March 31, 2018		
	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
<b>Financial Assets</b>						
Investments	-	-	5,46,435	-	-	5,75,685
Loans	-	-	7,16,727	-	-	6,75,539
Trade Receivable	-	-	2,94,487	-	-	2,26,173
Cash and Cash Equivalents	3,753	-	474	-	-	2,826
Others	-	-	30,093	-	-	-
<b>Total Financial Assets</b>	<b>3,753</b>	<b>-</b>	<b>15,88,217</b>	<b>-</b>	<b>-</b>	<b>14,80,225</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	11,43,361	-	-	10,54,851
Trade payables	-	-	405,193	-	-	322,792
Others	-	-	-	-	-	2,713
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>15,48,554</b>	<b>-</b>	<b>-</b>	<b>13,80,366</b>

### 21. Liquidity Risk Management:

(i) **Maturities of financial liabilities:** The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities, and the amount disclosed in the table are the contractual undiscounted cash flow. :

(Amount in ₹ Thousand)

Contractual maturities of financial liabilities - 31.03.2019	0-1 years	Between 1 to 5 years	Total
Borrowings	10,47,861	95,500	11,43,361
Trade Payables	4,05,193	3,817	4,09,010
Others	-	-	-
<b>Total</b>	<b>14,53,054</b>	<b>99,317</b>	<b>15,52,371</b>

Contractual maturities of financial liabilities - 31.03.2018	0-1 years	Between 1 to 5 years	Total
Borrowings	2,68,739	7,86,122	10,54,861
Trade Payables	3,22,792	-	3,22,792
Others	2,713	-	2,713
<b>Total</b>	<b>5,94,244</b>	<b>7,86,122</b>	<b>13,80,366</b>



# Shriram Bioseed Ventures Limited

## Notes to Financial Statements for the year ended March 31, 2019

### 22. Additional information

(Amount in ₹ Thousand)

Particulars	2018-19	2017-18
Earnings in Foreign exchange		
Interest Income	55,137	51,368

23. The Company has become a Non Banking Financial Institution within the purview of Section 45(IC) of Reserve Bank of India Act 1934. The company is in the process of obtaining the Certificate of Registration with Reserve Bank of India under Section 45-IA of Reserve Bank of India Act 1934. The Company has applied online for the same vide Company registration reference no. 4493 dated May 6, 2016. However, the Company has filed a revised application for registration on March 3, 2017 under section 45-IA of Reserve Bank of India Act, 1934. The company has not received registration as on reporting date.

### 24. Derivative Instruments and Unhedged Foreign Currency Exposure

#### A. Category wise quantitative data about Derivative Instruments

Amount in ₹ Thousand

Nature of Contract	Number of Deals		Purpose	Amount in Foreign Currency (USD)		Amount in ₹	
	2018-19	2017-18		2018-19	2017-18	2018-19	2017-18
Forward Contract	12	11	Hedging	8,365	8,385	5,78,427	5,45,189

#### B. Foreign Currency exposures that are not hedged by Derivative Instrument or otherwise is as follow:

Amount in ₹ Thousand

Particulars	2018-19		2017-18	
	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Loan Receivable	2,000	1,38,300	2,000	1,30,350
Trade Receivable	4,259	2,94,487	3,470	2,25,173

25. Deferred tax has not been recognised in the books of account in respect of unabsorbed depreciation and unabsorbed business loss, keeping in view the principle of prudence since it is not probable that future taxable profit will be available against which unused tax losses and unused tax credit can be utilised.

26. The figures are rounded off to the nearest thousands.

27. Notes 1 to 28 form an integral part of the financial statements.

For and on behalf of the Board of Directors of  
Shriram Bioseed Ventures Limited

  
(Ajit S. Shriram)  
Director  
DIN : 00027918

  
(Ajay S. Shriram)  
Director  
DIN : 00027137

Place: New Delhi  
Date:

26 APR 2019



**BIOSEEDS HOLDINGS PTE. LTD.**  
(Registration Number 200823250E)

**DIRECTORS' STATEMENT AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**PRUDENTIAL PUBLIC ACCOUNTING CORPORATION  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS  
SINGAPORE**

**BIOSEEDS HOLDINGS PTE. LTD.**

(Registration Number: 200823250E)

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

# **BIOSEEDS HOLDINGS PTE. LTD.**

## **DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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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 2019.

### 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- 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 2019 and the financial performance, changes in equity and cash flows of the company for the year then ended; and
- at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

### 2. DIRECTORS

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

Jitender Kumar Jain  
RM Murthaiah  
Dr. Paresh Kumar Verma

### 3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year was the company a party to any arrangement whose objects 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:

<u>Name of director and related corporation in which interests are held</u>	<u>At beginning of year</u>	<u>At end of year</u>	<u>At beginning of year</u>	<u>At end of year</u>
	<u>Number of ordinary shares with Baht 100 per share</u>			
	<u>Direct</u>		<u>Deemed</u>	
Shriram Bioseed (Thailand) Limited				
Jitender Kumar Jain	1	1	-	-
Paresh Kumar Verma	1	1	-	-
	<u>Number of ordinary shares with Peso 100 per share</u>			
	<u>Direct</u>		<u>Deemed</u>	
Bioseed Research Philippines Inc.				
Jitender Kumar Jain	1	1	-	-
	<u>Number of ordinary shares with INR 2 per share</u>			
	<u>Direct</u>		<u>Deemed</u>	
DCM Shriram Ltd.				
Jitender Kumar Jain	76,260	76,260	13,400	13,400
Paresh Kumar Verma	75,000	75,000	-	-



## 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



.....  
Parash Kumar Verma  
Director



.....  
RM Muthaiah  
Director

Date: 18 April 2019

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

*Report on the Audit of 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 2019, 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 2019 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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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOSEEDS HOLDINGS PTE. LTD. – cont'd**

### **Other Information – 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 a 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 may 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 management.

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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**

- (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 management.
- (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: 18 April 2019



## BIOSEEDS HOLDINGS PTE. LTD.

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	<u>Note</u>	<u>2010</u> US\$	<u>2010</u> US\$
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Investment in subsidiaries	(7)	26,139,428	26,139,428
Loans	(8a)	498,200	420,500
<b>Total non-current assets</b>		<b>26,637,628</b>	<b>26,559,928</b>
<b>Current assets:</b>			
Loans	(8b)	3,945,000	900,000
Other receivables	(9)	3,022,631	3,166,619
Bank balances	(10)	72,071	26,948
<b>Total current assets</b>		<b>7,039,702</b>	<b>4,093,567</b>
<b>Total assets</b>		<b>35,677,330</b>	<b>32,653,495</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Share capital	(11)	16,119,456	13,489,455
Accumulated losses		(3,932,686)	(2,622,333)
<b>Total equity</b>		<b>12,186,769</b>	<b>10,867,122</b>
<b>Non-current liability:</b>			
Loan from shareholder	(12)	16,400,228	16,400,228
Other payables	(14)	6,189,961	5,091,022
<b>Total non-current liability</b>		<b>22,590,189</b>	<b>21,491,250</b>
<b>Current liabilities:</b>			
Loan from holding company	(13)	710,740	210,740
Other payables	(14)	189,632	84,383
<b>Total current liabilities</b>		<b>900,372</b>	<b>295,123</b>
<b>Total liabilities</b>		<b>23,490,561</b>	<b>21,786,373</b>
<b>Total equity and liabilities</b>		<b>35,677,330</b>	<b>32,653,495</b>

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 2019

	<u>Note</u>	<u>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
Revenue		-	-
Other income	(15)	132,336	392,623
Administrative expense		(313,535)	(243,680)
Finance expenses		<u>(1,129,154)</u>	<u>(1,266,281)</u>
Loss before income tax		(1,310,353)	(1,117,418)
Income tax expense	(16)	-	-
Loss for the year		(1,310,353)	(1,117,418)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(1,310,353)</u>	<u>(1,117,418)</u>

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 2019

	Share Capital US\$	Accumulated Losses US\$	Total US\$
Balance as at 1 April 2017	7,139,455	(1,504,915)	5,634,540
Issue of shares (Note 11)	6,350,000	-	6,350,000
Total comprehensive loss for the year	-	(1,117,418)	(1,117,418)
Balance as at 31 March 2018	13,489,455	(2,622,333)	10,867,122
Issue of shares (Note 11)	2,630,000	-	2,630,000
Total comprehensive loss for the year	-	(1,310,353)	(1,310,353)
Balance as at 31 March 2019	16,119,455	(3,932,686)	12,186,769

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 2019

	<u>Note</u>	<u>2019</u> US\$	<u>2018</u> US\$
<b>Cash flow from operating activities:</b>			
Loss before income tax		(1,310,353)	(1,117,418)
Adjustment for:			
Interest income		(132,336)	(392,523)
Interest expense		1,129,154	1,266,261
Operating loss before working capital changes		(313,535)	(243,680)
Other receivable – Short term		-	(181,854)
Other payables – Long term		-	4,091,022
Other payables – Short term		75,034	(3,172,120)
Cash (used in)/from operations		(238,501)	493,368
Interest paid		-	(1,266,261)
<b>Net cash used in operating activities</b>		<b>(238,501)</b>	<b>(772,893)</b>
<b>Cash flow from investing activities:</b>			
Investment in subsidiaries		-	(6,185,000)
Loans – Long Term	(8)	(77,700)	(420,500)
Loans – Short Term	(8)	(3,045,000)	6,405,172
Interest received		276,324	392,523
<b>Net cash (used in)/from investing activities</b>		<b>(2,846,376)</b>	<b>192,195</b>
<b>Cash flow from financing activities:</b>			
Loan from shareholder – Long Term:			
- Proceeds from	(12)	-	15,200,228
Loan from shareholder – Short Term:			
- Repayment to	(12)	-	(15,220,228)
Loan from holding company – Short Term:			
- Proceeds from/(Repayment to)	(13)	500,000	(5,768,591)
Issue of shares		2,630,000	6,350,000
<b>Net cash from financing activities</b>		<b>3,130,000</b>	<b>563,409</b>
Net increase/(decrease) in bank balances		45,123	(17,289)
Bank balances at beginning of year		26,948	44,237
<b>Bank balances at end of year</b>		<b>72,071</b>	<b>26,948</b>

The annexed notes form an integral part of these financial statements



## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019

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) Authorisation of financial statements for issue

The financial statements of the company for the financial year ended 31 March 2019 were authorised for issue by the Board of the Directors on 18 April 2019

#### 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 and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purpose, fair value measurements are described in Note 5.

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 assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 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 2018. 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.

*FRS 109 - Financial Instruments, effective for annual periods beginning on or after 1 January 2018*

FRS 109 supersedes FRS 39 Financial Instruments: Recognition and Measurement with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL) or at amortised cost. The classification depends on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, ie whether the contractual cash flows represent solely payments of principal and interest (SPPI). FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39.

FRS 109 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments and financial guarantees.

The accounting policies for financial instruments under FRS 109 are disclosed in Note 3.

The following are the changes in the classification and measurement of the company's financial assets

- Loans to related parties and bank balances classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as financial assets at amortised cost beginning 1 April 2018.

There are no changes in classification and measurement for the company's financial liabilities

###### b) Standards issued but not yet effective

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

Effective for annual periods beginning on or after 1 January 2019

- INT FRS 123 *Uncertainty over Income Tax Treatments*

## 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 management anticipates that adoption of the above FRSs, INT FRS and amendments to FRS in future periods standards will not have material impact on the financial statements of the company in the period of their initial application.

##### 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.

###### 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.

## 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

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.

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.

##### 2.6. 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 met 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.

##### 2.7. 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 or substantively enacted by the end of reporting period.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.7. Income Taxes – cont'd

###### b) Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

##### 2.8 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

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.8. Related Party – cont'd

(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.

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 – Related Party Disclosures.

##### 2.9. Bank Balances

Bank balances comprise short term bank deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value. These are classified and accounted as measured at amortised cost under FRS 109. The accounting policy for this category of financial assets is stated in Note 3.

##### 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.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.10. Provisions – cont'd

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.

##### 2.11. 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.

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.

##### 2.12 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 to 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.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 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.

##### 3.1. Financial Assets

###### *Classification and Measurement*

*These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:*

###### Debt Instruments

###### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

###### Subsequent measurement

###### *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

As at the reporting date, the company's financial assets at amortised cost consist of bank balances.



## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

##### Subsequent measurement – cont'd

##### *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

As at the reporting date, the company does not have debt instruments measured at FVOCI.

##### *Financial assets at fair value through profit and loss (FVPL)*

Financial assets with cash flows that are not solely payments of principal and interest, or do not meet the criteria for amortised cost or FVOCI are classified and measured at fair value through profit or loss, irrespective of the business model.

As at the reporting date, the company does not have debt instruments measured at FVPL.

##### Equity Instruments

Regular way purchases and sales of these financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset. Dividends from equity investments are recognised in profit or loss as "dividend income" when the right of payment has been established.

On disposal, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

##### *Financial assets designated at fair value through OCI (FVOCI)*

On initial recognition of an investment in equity instrument that is not held for trading, the company may elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. The election is determined on an instrument-by-instrument basis and is irrevocable. Movement in fair values of investments classified as FVOCI are presented as "fair value gain and losses" in other comprehensive income.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

###### Equity Instruments – cont'd

As at the reporting date, the Company does not have equity investments measured at FVOCI

###### Financial assets designated at fair value through profit or loss (FVPL)

For investments in equity instruments which the company has not elected to present: subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss

As at the reporting date, the company does not have equity investments measured at FVPL

*The accounting for financial assets before 1 January 2018 under FRS 39 is as follow:*

###### Recognition and Measurement

Financial assets within the scope of FRS 39 – Recognition and Measurement, 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 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.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. "Loans to related parties", "Other receivables" and "bank balances" are classified within loans and receivables in the statement of financial position

Loans to related parties and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impairment if any. An allowance for impairment of loans to related parties and other receivables are established when there are objective evidences 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.

###### Impairment of financial assets

*These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:*

The company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

##### Impairment of financial assets – cont'd

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*The accounting for financial assets before 1 January 2018 under FRS 39 is as follow:*

Financial assets are assessed for indicators of impairment at the end of the 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 are 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 through 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.

##### Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or its transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

##### 3.2 Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.2. Equity and Financial Liabilities – cont'd

###### 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.

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

###### Financial liabilities

Financial liabilities consist of other payables, loans from shareholder and holding company.

Other payables, loans from shareholder and holding company are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

###### i) Other payables

Other payables, are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

###### ii) Loans from shareholder and holding company

Loans from shareholder and holding company are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the loans using the effective interest method.

Loans from shareholder and holding company which are due to be settled within twelve months after the end of the reporting period are included in current liabilities in the statement of financial position. Other loans due to be settled more than twelve months after the end of the reporting period are included in non-current liabilities in the statement of financial position.

###### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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.

##### a) 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.

##### 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 2019 was US\$28,139,428 (2018: US\$28,139,428).

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

##### 5.1. The categories of financial assets and liabilities

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

	<u>2019</u> US\$	<u>2018</u> US\$
<b>Financial assets</b>		
<u>At amortised cost:</u>		
- Loans	4,443,200	1,320,500
- Other receivables	3,022,831	3,166,619
- Bank balances	72,071	29,948
	<u>7,537,902</u>	<u>4,517,067</u>
<b>Financial liabilities</b>		
<u>At amortised cost:</u>		
- Loan from shareholder	16,400,228	16,400,228
- Loan from a related party	710,740	210,740
- Other payables	6,379,593	5,175,405
	<u>23,490,561</u>	<u>21,786,373</u>

## 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. The categories of financial assets and liabilities - cont'd

Further quantitative disclosures are included throughout these financial statements

##### 5.2. 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 management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The company is not significantly exposed to interest rate risk and foreign currency risk.

There has been no change to the company's exposure to the financial risks or the manner in which it manages and measures the risk.

##### a) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's exposure to credit risk arises primarily from its bank balances. The company transacts only with recognised and creditworthy counterparties. The company place the cash deposits with reputable banks and financial institutions.

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

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

###### a) Credit Risk – cont'd

###### *Low credit risk*

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company also considers a financial asset to have low credit risk when it has an investment grade credit rating with at least one major rating agency for those investments with credit rating.

###### *Credit impaired*

A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

###### *Default event*

The company has determined the default event on a financial asset to be when the counterparty is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

###### *Write-off*

The company categorises a receivable for potential write-off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or when a debtor fails to make contractual payments more than 365 days past due.

## 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 Financial Risks Management Policies and Objectives – cont'd

###### a) Credit Risk – cont'd

###### Write-off – cont'd

Where receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are qualitative information about amounts arising from expected credit losses for bank balances.

- Impairment on bank balances are measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on bank balances is insignificant.

###### b) Interest rate risk

Interest rate risk arises from the potential change in interest rates that may have an adverse effect on the company's current results in the current reporting period and in future years.

The company is exposed to interest rate risk through the impact of rate changes on interest bearing loans in Singapore. The company's policy is to obtain most favourable interest rate available in the market. The company ensures that it obtains borrowings at competitive interest rates under the most favourable terms and conditions. The interest rates and terms of repayment of borrowings of the company are disclosed in Note 12 to the financial statements. The management believes the interest rate risk is manageable. Hence, the company does not use any derivative financial instruments to mitigate this risk.

###### Interest rate sensitivity

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 2019 would decrease/increase by US\$56,458 (2018: US\$63,313).

###### c) 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 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

##### c) 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.

2019	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows		
			Less than 1 year US\$	Between 2 to 5 years US\$	Total US\$
<b>Financial liabilities</b>					
Loan from shareholder	4.71%-8%	16,400,228	1,103,332	17,503,560	18,606,892
Loan from holding company	4.72%	710,740	736,561	-	736,561
Other payables	4.71%-8%	189,632	189,632	-	189,632
		<u>17,300,600</u>	<u>2,029,525</u>	<u>17,503,560</u>	<u>19,533,085</u>

2018	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows		
			Less than 1 year US\$	Between 2 to 5 years US\$	Total US\$
<b>Financial liabilities</b>					
Loan from shareholder	4.71%-8%	16,400,228	-	17,503,790	17,503,790
Loan from holding company	4.72%	210,740	215,133	-	215,133
Other payables	4.71%-8%	5,175,405	84,383	5,091,022	5,175,405
		<u>21,786,373</u>	<u>299,516</u>	<u>22,594,812</u>	<u>22,894,378</u>

##### d) Fair value of financial assets and financial liabilities

##### ii. Estimation of fair values

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 and option pricing models as appropriate.

Management considers that the carrying amounts of other receivables, bank balances, loans to/from related parties, shareholder and holding company and other payables recorded at amortised cost in the financial statement approximate their fair values.

## 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

##### d) Fair value of financial assets and financial liabilities – cont'd

##### ii) Fair value measurement

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

##### 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.

	<u>2019</u> US\$	<u>2018</u> US\$
Loan from shareholder	16,400,228	16,400,228
Loan from holding company	710,740	210,740
Other payables	6,379,593	5,175,405
Bank balances	<u>(72,071)</u>	<u>(26,948)</u>
Net Debt	23,418,490	21,759,425
Total Equity	<u>12,186,768</u>	<u>10,887,122</u>
Total Capital	<u>35,605,258</u>	<u>32,626,547</u>
Gearing ratio	<u>66%</u>	<u>67%</u>

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.

## 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.

	<u>2019</u> US\$	<u>2018</u> US\$
Interest expense on loan from shareholder	1,103,332	1,091,632
Interest expense on loan from holding company	25,821	174,629
Interest income from related parties	<u>(132,336)</u>	<u>(392,523)</u>

#### 7. INVESTMENTS IN SUBSIDIARIES

			<u>2019</u> US\$	<u>2018</u> US\$		
Unquoted equity shares at cost			<u>28,139,428</u>	<u>28,139,428</u>		
<u>Name of subsidiaries</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Percentage of share holding</u>		<u>Amount</u>	<u>Amount</u>
			<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			%	%	US\$	US\$
Shriram Bioseed (Thailand) Ltd	Research 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	5,082,600	5,082,530
Bioseed Research Philippines Inc.	Research, Production and trading of hybrid seeds	Philippines	100	100	8,187,103	8,187,103
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	10,252,328

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 7. INVESTMENTS IN SUBSIDIARIES – cont'd

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 5<sup>th</sup> floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi, India 110001. These financial statements are available for public use.

#### 8. LOANS

	<u>2019</u> US\$	<u>2018</u> US\$
i) Loans to related parties		
Loan i	420,500	420,500
Loan ii	2,200,000	900,000
Loan iii	<u>1,745,000</u>	<u>-</u>
	4,365,500	1,320,500
ii) Loans to third parties		
Loan iv	2,100	-
Loan v	2,100	-
Loan vi	<u>73,500</u>	<u>-</u>
	<u>77,700</u>	<u>-</u>
	<u>4,443,200</u>	<u>1,320,500</u>

The loans to related parties and third parties are repayable as follows:

	<u>2019</u> US\$	<u>2018</u> US\$
a) After 12 months (shown under non-current assets)		
Loan i	420,500	420,500
Loan iv	2,100	-
Loan v	2,100	-
Loan vi	<u>73,500</u>	<u>-</u>
	<u>498,200</u>	<u>420,500</u>
b) Within 12 months (shown under current assets)		
Loan ii	2,200,000	900,000
Loan iii	<u>1,745,000</u>	<u>-</u>
	<u>3,945,000</u>	<u>900,000</u>
	<u>4,443,200</u>	<u>1,320,500</u>

#### 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 is unsecured, interest free and repayable on demand till the sale of shares.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 8. LOANS – cont'd

##### Loan i – cont'd

On 30 April 2015, a loan of US\$252,500 was provided to the related party which is unsecured, bears an interest of 10% per annum and for a tenure of 1 year which was later extended to another year.

##### Loan ii

In 2017, 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 which was later extended to another year.

On 19 November 2018, a loan amount of US\$1,300,000 was provided to the related party. This loan is unsecured, bears interest at 10% per annum and is for a tenure of 1 year.

##### Loan iii

During the financial year, loans amounts of US\$150,000, US\$75,000, US\$275,000, US\$145,000 and US\$1,100,000 were provided to a related party. These loans are unsecured, bear interest at 10% per annum and are for a tenure of 1 year.

##### Loans iv and v

On 29 August 2018, loans of US\$2,100 each were provided to two third parties in order for the third parties to subscribe to 625 Class A shares each in the share capital of AgriTech (Thailand) Ltd. These loans are unsecured, interest free and repayable on demand till the sale of shares.

##### Loan vi

On 29 August 2018, a loan of US\$73,500 was provided to a third party in order for the third party to subscribe to 11,500 Class A shares and 12,250 Class B shares in the share capital of AgriTech (Thailand) Ltd. This loan is unsecured, interest free and repayable on demand till the sale of shares.

##### Note to statement of cash flows

	<u>2019</u>	<u>US\$</u>
Balance at beginning of year	1,320,500	
Less: Repayment during the year	-	
Add: Proceeds during the year	<u>3,122,700</u>	
Balance at end of year	<u>4,443,200</u>	

#### 9. OTHER RECEIVABLES

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Interest receivable – related parties (Note 6)	2,723,840	2,867,928
Others – related party (Note 6)	12,000	12,000
Amount due from holding company	<u>266,691</u>	<u>266,691</u>
	<u>3,022,631</u>	<u>3,166,619</u>

## 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% (2018: 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. BANK BALANCES

	<u>2019</u> US\$	<u>2018</u> US\$
Cash at bank	<u>72,071</u>	<u>26,948</u>

#### 11. SHARE CAPITAL

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>Number of</u>		<u>US\$</u>	<u>US\$</u>
	<u>ordinary shares</u>			
Issued and paid up:				
Balance at beginning of year	13,489,520	7,139,520	13,489,455	7,139,455
Issued during the year	<u>13,842,105</u>	<u>6,350,000</u>	<u>2,630,000</u>	6,350,000
Balance at end of year	<u>27,331,625</u>	<u>13,489,520</u>	<u>16,119,455</u>	<u>13,489,455</u>

During the financial year, the company issued 13,842,105 Class B ordinary shares at US\$0.19 per share to its existing shareholder for a consideration of US\$2,630,000. The proceeds were used for the purpose of providing working capital.

During the previous financial year, the company issued 6,350,000 Class B ordinary shares at US\$1 per share to its existing shareholder for a consideration of US\$6,350,000. The proceeds were used for the purpose of providing working capital.

The share capital of the company consists of 1,889,520 Class A ordinary shares and 11,600,000 Class B ordinary shares. Class A ordinary shares carry one vote per share and a right to dividend as and when declared by the company and Class B ordinary shares rank pari passu in all respects with Class A ordinary shares, except as mentioned in the Constitution of the company.

#### 12. LOAN FROM SHAREHOLDER

	<u>2019</u> US\$	<u>2018</u> US\$
Shareholder (Note 6)	<u>16,400,228</u>	<u>16,400,228</u>

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 12 LOAN FROM SHAREHOLDER – cont'd

The loan from shareholder is repayable as follows:

	<u>2019</u> US\$	<u>2018</u> US\$
a) After 12 months (shown under non-current liabilities)		
Loan i	1,200,000	1,200,000
Loan ii	<u>15,200,228</u>	<u>15,200,228</u>
	<b>16,400,228</b>	<b>16,400,228</b>
b) Within 12 months (shown under current liabilities)		
Loan ii	<u>.</u>	<u>.</u>
	<b>16,400,228</b>	<b>16,400,228</b>

#### Loan i

Loan from shareholder, Bioseeds Limited, Mauritius is unsecured, bears interest ranging from 6% - 8% per annum (2019: 6% - 8% per annum) and tenure of 2 years – 5 years (2018: 2 years – 5 years) commencing from the date of remittance.

#### Loan ii

Loans from shareholder, Bioseeds Limited, Mauritius amounted 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.

These loans were later extended till 31 March 2021.

#### 13 LOANS FROM HOLDING COMPANY

	<u>2019</u> US\$	<u>2018</u> US\$
Loan i	210,740	210,740
Loan ii	<u>500,000</u>	<u>.</u>
	<b>710,740</b>	<b>210,740</b>

#### Loan i

In 2017, the company obtained loan amounting to US\$5,977,331 from holding company. The loan was unsecured, bears interest at 4.72% per annum and was for a period of 360 days. An amount of US\$5,768,591 was repaid to the holding company in 2018. The remaining amount of US\$210,740 is extended to another year.

## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 13. LOANS FROM HOLDING COMPANY – cont'd

##### Loan II

During the financial year, the company obtained the following loans from its holding company:

- a) On 21 May 2018, a loan agreement of US\$150,000 was entered into. This loan is unsecured, bears interest at 1 year LIBOR of 2.76% plus 2% per annum and is for a period of 1 year from the date of remittance.
- b) On 22 May 2018, a loan agreement of US\$75,000 was entered into. This loan is unsecured, bears interest at 3 months LIBOR of 2.33% plus 2% per annum and is for a period of 60 days from the date of remittance.
- c) On 25 September 2018, a loan agreement of US\$275,000 was entered into. This loan is unsecured, bears interest at 1 year LIBOR of 2.91% plus 2% per annum and is for a period of 360 days from the date of remittance.

#### 14. OTHER PAYABLES

	<u>2019</u> US\$	<u>2018</u> US\$
a) After 12 months (shown under non-current liabilities)		
Accrued interest – Shareholder (Note 6)	<u>6,189,961</u>	<u>5,091,022</u>
b) Within 12 months (shown under current liabilities)		
Accrued interest – Shareholder (Note 6)	30,215	-
Accrued expenses	<u>159,417</u>	<u>84,383</u>
	<u>189,632</u>	<u>84,383</u>
	<u>6,379,593</u>	<u>5,175,405</u>

The accrued interest for the current loans are unsecured, bears interest ranging from 6% – 8% (2018: 6%-8%) per annum for a tenure of 2 years – 5 years (2018: 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

	<u>2019</u> US\$	<u>2018</u> US\$
Net interest income	<u>132,336</u>	<u>392,523</u>



## BIOSEEDS HOLDINGS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 16. INCOME TAX EXPENSE

##### a) Major component of income tax expenses

	<u>2019</u> US\$	<u>2018</u> US\$
Current income tax	-	-

##### 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:

	<u>2019</u> US\$	<u>2018</u> US\$
Loss before income tax	<u>(1,310,363)</u>	<u>(1,117,418)</u>
Income tax expense at statutory rate at 17%	(222,760)	(189,961)
Tax effects of:		
- non-allowable items	<u>222,760</u>	<u>189,961</u>
<b>Tax expense for the year</b>	<u>-</u>	<u>-</u>

#### 17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCIAL ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

##### Loans from holding company

	<u>2019</u> US\$
At April 2018	210,740
<u>Financing cash flow</u>	
Proceeds from	<u>500,000</u>
	710,740
<u>Non-cash changes</u>	
Add: Interest expense	<u>30,215</u>
As at 31 March 2019	<u>740,955</u>

## **BIOSEEDS HOLDINGS PTE. LTD.**

### **NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

#### **18. EVENTS AFTER THE REPORTING PERIOD**

No items, transactions or events of material and unusual nature have arisen or 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 2019

	<u>2019</u> US\$	<u>2018</u> US\$
<b>Revenue</b>	-	-
<b>Other income</b>		
Net interest income	<u>132,336</u>	<u>392,623</u>
	132,336	392,623
<b>Less: Expenses</b>		
<b>Administrative expenses</b>		
Auditor's remuneration	3,212	3,210
Bank charges	4,849	1,102
Research & development expense	255,000	200,000
Professional and legal fees	643	641
Secretarial fees	2,297	4,812
Other expenses	6,210	2,837
Withholding tax	41,324	31,078
<b>Finance expense</b>		
Interest expense	1,129,154	1,266,261
	<u>(1,442,689)</u>	<u>(1,509,941)</u>
<b>Loss before income tax</b>	<u>(1,310,353)</u>	<u>(1,117,418)</u>

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

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

**Independent Auditors' Report of Bioseed Research Philippines, Inc. to Price Waterhouse Chartered Accountants LLP, 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, 2019 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 income of 1,360,747.95 USD, total assets of 4,972,797.81 USD, and total equity of 1,709,758.36 USD.

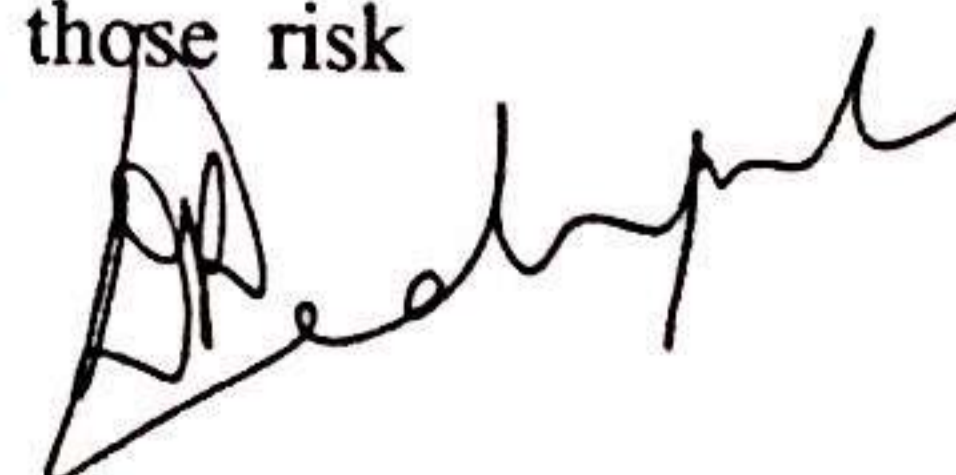
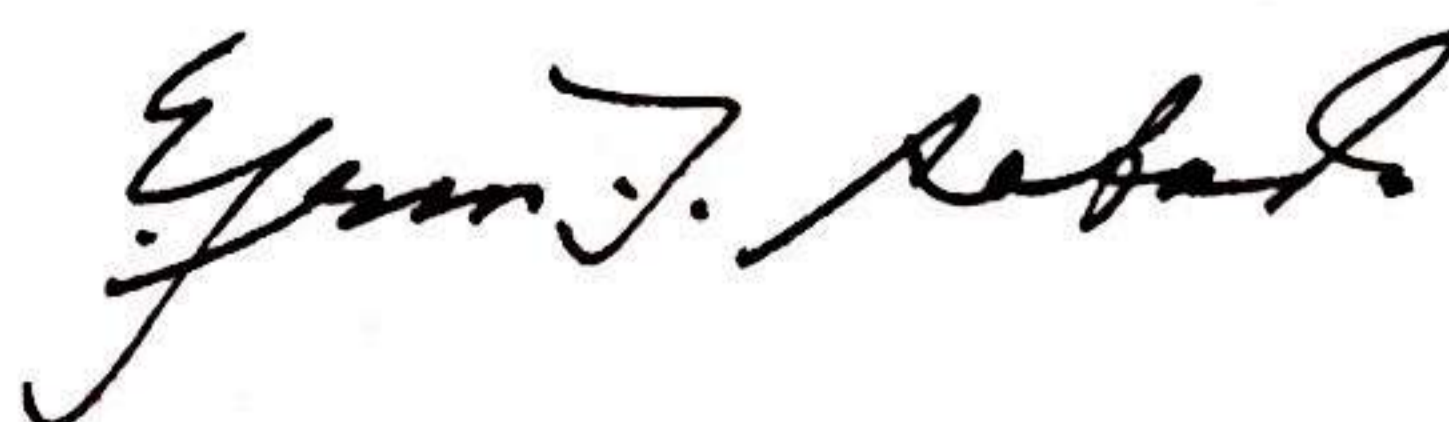
**Management's Responsibility for FFC Accounts**

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 IND AS 110 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2013 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, 2019 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**

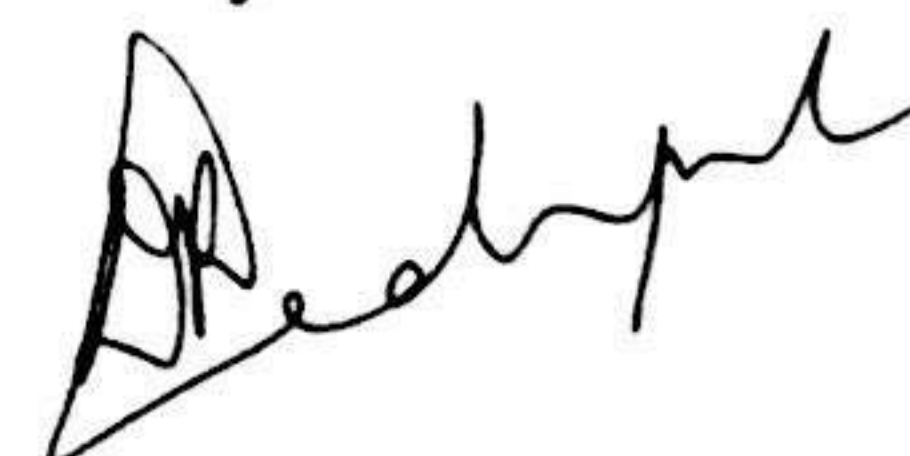
We are independent with respect to the parent company, any subsidiary or affiliated companies following the provisions of International Standards on Auditing/ the Chartered Accountant Act, 1949 (as applicable)

- 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 owing 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 IND AS 110 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2013.


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 Price Waterhouse Chartered Accountants LLP 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 10, 2019  
General Santos City

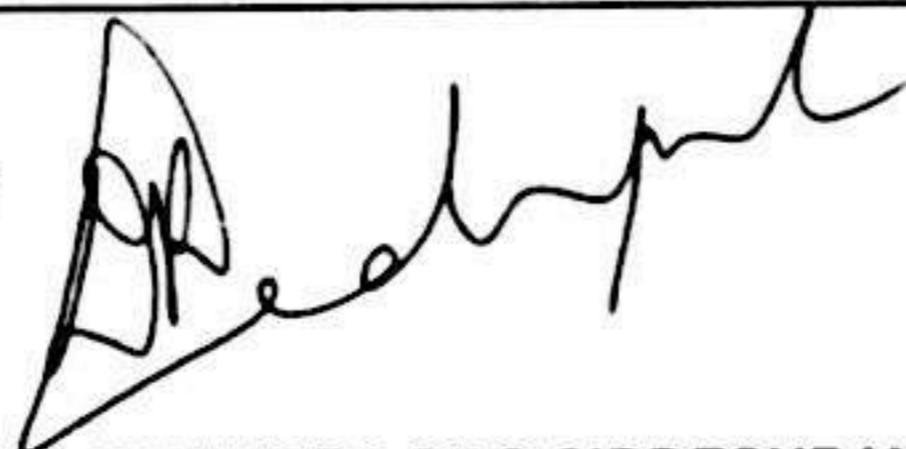


**BIOSEED RESEARCH PHILIPPINES, INC  
GENERAL SANTOS CITY, PHILIPPINES**

**PROFIT AND LOSS ACCOUNT as of March 31, 2019**

		Schedule	As of 31-Mar-19 US\$	As of 31-Mar-18 US\$
<b>Income</b>	Sale of products and other income	7	<b>8,598,587.99</b>	7,500,990.36
<b>Expenditure</b>	Manufacturing and other expenses	8	<b>6,489,589.83</b>	7,362,130.69
	Profit for the year before depreciation, interest and tax		<b>2,108,998.16</b>	138,859.68
	Interest	9	<b>6,095.38</b>	362,552.58
	Depreciation	10	<b>164,696.08</b>	158,590.80
	Profit for the year before tax		<b>1,938,206.71</b>	(382,283.70)
	Provision for current tax		<b>576,583.94</b>	52,753.45
	Tax provision for earlier tax		<b>874.81</b>	10,840.09
	Profit after tax		<b>1,360,747.95</b>	(445,877.24)
	Notes to the financial statements	11		

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



**DEVADATTA RAVINDRA RAO SIRDESH PANDE**  
General Manager

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



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

General Santos City  
April 10, 2019

BIOSEED RESEARCH PHILIPPINES, INC.  
GENERAL SANTOS CITY, PHILIPPINES

BALANCE SHEET as at March 31, 2019

		Schedule	As at 31-Mar-19 US\$	As at 31-Mar-18 US\$
<b>Sources of Funds</b>	<b>Shareholder's funds</b>			
	Share capital	1	8,106,937.77	8,106,937.77
	Reserves and surplus	2	(6,708,023.15)	(8,645,355.04)
			1,398,914.62	(538,417.28)
	Cumulative translation adjustment		310,843.74	295,223.05
	<b>Loan funds</b>	3		
	Secured		1,141,470.71	1,444,238.77
	Unsecured		1,141,470.71	1,444,238.77
	<b>Total funds employed</b>		<b>2,851,229.06</b>	<b>1,201,044.55</b>
	<b>Application of Funds</b>	<b>Fixed assets</b>	4	
Gross Block			2,211,577.72	2,240,188.69
Less: Depreciation			1,306,911.21	1,580,733.16
Net block			904,666.51	659,455.53
Capital work in progress			-	8,596.65
			904,666.51	668,052.18
<b>Current assets, loans and advances</b>		5		
Inventories			2,008,972.61	1,162,851.29
Sundry debtors			341,360.95	1,209,229.14
Cash and bank balances			1,214,490.42	605,634.07
Loans and advances			503,307.32	373,400.27
		4,068,131.29	3,351,114.77	
<b>Less: Current liabilities and provisions</b>	6			
Current liabilities		2,121,568.74	2,818,122.40	
		2,121,568.74	2,818,122.40	
Net current assets		1,946,562.55	532,992.37	
<b>Total funds utilized</b>		<b>2,851,229.06</b>	<b>1,201,044.55</b>	
Notes to the financial statements	11	-	0.00	

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

  
DEVADATTA RAVINDRA RAO SIRDESHPANDE  
General Manager

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

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

General Santos City  
April 10, 2019



BIOSEED RESEARCH PHILIPPINES, INC.  
GENERAL SANTOS CITY, PHILIPPINES

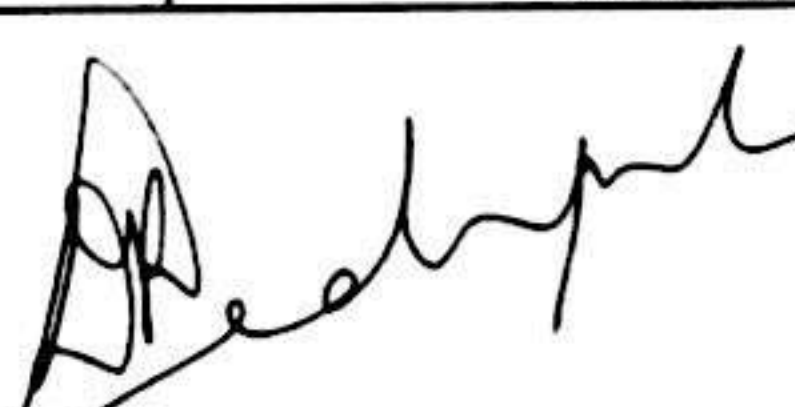
CASH FLOW STATEMENT AS OF March 31, 2019

	As of 31-Mar-19 US \$	As of 31-Mar-18 US \$
<b>Cash flows from operating activities</b>		
Net profit before tax	1,773,510.63	(540,874.50)
Adjustments for:		
Depreciation	164,696.08	158,590.80
Tax Applied to NOLCO	576,583.94	
Cumulative translation adjustment	12,088.49	(9,571.72)
Operating profit before working capital changes	2,526,879.13	(391,855.42)
Changes in Assets & Liabilities:		
Decrease/ (Increase) in:		
Receivables	864,091.51	(392,067.10)
Inventories	(849,753.15)	326,198.53
Loans & advances	(131,073.26)	230,232.96
Increase/ (Decrease) in:		
Trade and other payables	(686,870.93)	211,168.03
Income and other taxes payable		
<b>Cash generated from operations</b>	1,723,273.30	(16,323.00)
Income tax	(577,458.75)	(63,593.54)
<b>Net cash from operating activities</b>	1,145,814.55	(79,916.54)
<b>Cash flow from investing activities</b>		
(Addition)/Reduction to Fixed Assets & Capital	(238,700.81)	5,982,948.39
<b>Net cash used in investing activities</b>	(238,700.81)	5,982,948.39
<b>Cash flow from financing activities</b>		
Changes to Loan funds	(298,257.40)	(5,868,144.51)
<b>Net cash used in financing activities</b>	(298,257.40)	(5,868,144.51)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	608,856.35	34,887.34
<b>Cash and cash equivalents</b>		
Beginning of the year (April 01, 2017)	605,634.07	570,746.73
End of 12 months (March 31, 2019)	1,214,490.42	605,634.07

Per my report attached to the  
financial statements

for **EF SABADO ACCOUNTING & CONSULTANCY**

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

  
**DEVADATTA RAVINDRA RAO SIRDESHPANDE**  
General Manager

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

General Santos City  
April 10, 2019

SCHEDULES TO THE ACCOUNTS

		As at 31-Mar-19 US\$	As at 31-Mar-18 US\$
<b>1 SHARE CAPITAL</b>	<b>AUTHORIZED</b>		
	6,500,000 equity shares of Pesos 100/- each	13,248,173.71	13,248,173.71
	Subscribed and Paid-up 3,934,986 equity shares of Pesos 100/- each fully paid-up	8,106,937.77	8,106,937.77
	Total	8,106,937.77	8,106,937.77
<b>2 RESERVES AND SURPLUS</b>	Profit brought forward	(8,068,771.10)	(8,199,477.80)
	Profit and loss account	1,360,747.95	(445,877.24)
		(6,708,023.15)	(8,645,355.04)
<b>3 LOAN FUNDS</b>	<b>Secured</b>	-	-
	<b>Unsecured</b>		
	Finance lease liability	34,909.77	66,354.31
	Others	1,106,560.94	1,377,884.47
		1,141,470.71	1,444,238.77
<b>5 CURRENT ASSETS LOANS AND ADVANCES</b>	<b>Current Assets</b>		
	Inventories		
	Finished goods	604,957.83	176,843.42
	Work-in-process	890,438.92	748,415.58
	Miscellaneous inventory	513,575.86	237,592.29
	Provision for Decline in Inventory Valuation	-	-
		2,008,972.61	1,162,851.29
	Sundry debtors		
	Debts over six months		
	Secured - considered good	-	-
	Unsecured - considered good	433,874.65	1,770,793.75
	- considered doubtful	-	-
	Other debts		
	Secured - considered good	-	-
	Unsecured - considered good	-	-
		433,874.65	1,770,793.75
	Less: Provision for doubtful debts	111,037.60	565,917.51
		322,837.05	1,204,876.24
	Trade Debtors - Affiliates	18,523.90	4,352.90
		341,360.95	1,209,229.14
	Cash and bank balances		
	With scheduled banks on		
Current account	965,770.61	355,215.96	
Deposit account	248,719.81	250,418.11	
	1,214,490.42	605,634.07	
<b>Loans and Advances</b>			
Advances recoverable in cash or kind or for value to be received	353,195.80	248,326.86	
Deposits	9,467.25	14,439.15	
Prepaid expenses	140,644.26	110,634.27	
	503,307.32	373,400.27	

*Eugen F. Sabado*

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**SCHEDULES TO THE ACCOUNTS (Continued)**

		As at 31-Mar-19 US\$	As at 31-Mar-18 US\$
<b>6 CURRENT LIABILITIES AND PROVISIONS</b>	<b>Current Liabilities</b>		
	Sundry creditors		77,000.05
	Trade creditors - Affiliates	39,114.04	2,366,259.59
	Trade creditors - Others	1,551,155.58	
	Accrued expenses	531,299.13	369,997.04
	Income tax payable	-	4,865.73
		<b>2,121,568.74</b>	<b>2,818,122.40</b>
<b>7 SALE OF PRODUCTS AND OTHER INCOME</b>	<b>Sale of products</b>		
	- Local	8,256,262.97	7,063,762.20
	- Exports	-	-
	<b>Other Income</b>		
	- Miscellaneous	342,325.02	437,228.17
		<b>8,598,587.99</b>	<b>7,500,990.36</b>
<b>8 MANUFACTURING AND OTHER EXPENSES</b>			
	Direct manufacturing expense	4,554,191.94	3,902,437.57
	Research and development expense	300,429.27	239,684.43
	Shipping & freight	227,569.46	135,343.34
	Salaries, benefits, bonus, etc.	795,375.13	953,409.04
	Advertisement and promotion	299,962.79	254,694.30
	Travel and entertainment	381,631.83	345,112.13
	Other selling expense	437,715.99	469,418.21
	Office expense	12,142.55	9,476.89
	Professional expense	42,875.85	18,902.99
	Other administrative & misce. expense	283,816.33	645,342.84
		<b>7,335,711.14</b>	<b>6,973,821.74</b>
	-Increase/+ Decrease In stocks of finished goods and process stocks		
	Closing stocks	2,008,972.61	1,162,851.29
	Opening stocks	1,162,851.29	1,551,160.24
		<b>6,489,589.83</b>	<b>7,362,130.69</b>
<b>9 INTEREST</b>	Interest - Others	6,095.38	362,552.58
		6,095.38	362,552.58
	Less: Interest received *	-	-
		<b>6,095.38</b>	<b>362,552.58</b>
<b>10 DEPRECIATION</b>	Depreciation	164,696.08	158,590.80
		<b>164,696.08</b>	<b>158,590.80</b>

*Eugen F. Roberts*

*DR*

General Santos City, Philippines  
 Chart of Accounts (With Grouping)  
 As of MARCH 31, 2019

ACCOUNT HEAD	DEBIT	CREDIT
<b>Cash</b>		
- Cash in Bank		
- BPI C/A Peso	1,544.01	
- UB-Bank C/A Peso	2,922.51	
- AUB US\$ S/A	15,582.64	
- AUB US\$ TD/A	233,137.17	
- AUB C/A Peso	366,292.18	
- AUB PHP TD	573,014.05	
- BDO C/A Peso	20,314.25	
- Petty Cash Fund	1,683.60	
Total	1,214,490.42	-
<b>Accounts Receivable - Trade</b>		
AR Trade -		
Debts over 6 months -		
Secured - Considered Good		
Unsecured - Considered Good	433,874.65	
- Considered Doubtful		
Other Debts		
Secured - Considered Good		
Unsecured - Considered Good		
Less: Provision for Doubtful Debts	(111,037.60)	
Total - AR Trade	322,837.05	-
<b>Accounts Receivable - Others</b>		
Advances to Suppliers & Others	30,871.44	
Less: Provision for Doubtful Debts		
Advances Seed Growers	290,380.25	
Advances to Employees	31,944.11	
AUB Hold		
Total	353,195.80	-
<b>Prepaid Expenses</b>		
Prepaid Expenses	140,644.26	
Total	140,644.26	-
<b>Others</b>		
Deposits	9,467.25	-
Total	9,467.25	-
<b>Property and Equipment</b>		
Bldgs. And Improvement	443,486.05	
Furniture & Fixtures	44,233.01	
Vehicle/ Motorcycles	100,210.22	
Machinery & Equipment	1,230,244.46	
Office Equipment	105,001.97	
Lease Fixed Assets - Vehicles	200,805.32	
Software	87,596.69	
Capital Work in Progress	-	
Total	2,211,577.72	-
<b>Accumulated Depreciation</b>		
Bldgs. And Improvement		166,297.93
Furniture & Fixtures		39,584.37
Vehicle/ Motorcycles		75,400.67
Machinery & Equipment		733,807.18
Lease Fixed Assets		167,417.88
Office Equipment		81,314.63
Software		43,088.54
Total	-	1,306,911.21
<b>Notes Payable Short Term</b>		
Notes Payable - Short Term		1,106,560.94
Total	-	1,106,560.94
<b>Due from/ to Affiliates</b>		
Due to Affiliates - SBGI		-
Due to Affiliates - DCM SHRIRAM		36,894.04
Due to Affiliates - SBTL		2,220.00
Due from Affiliates - BVL	18,523.90	
Due from Affiliates - PT SHRIRAM	-	
Total	18,523.90	39,114.04
<b>Accounts Payable</b>		
Accounts Payable - Trade		451,719.98
Other Accounts Payable		1,040,132.58
Accrued payroll taxes (taxes withheld)		54,112.30
SSS/ MED/ EC Contribution		5,190.72
Other Accrued Liabilities		
Total	-	1,551,155.58
<b>Other Accounts Payable</b>		
Lease Financing		34,909.77
Total	-	34,909.77
<b>Accrued Expenses</b>		
Accrued Expenses		531,299.13
Total	-	531,299.13
<b>Accrued Corporate Income Tax</b>		
Income Taxes Payable		-
Accrued Corporate Income Tax		-
Total	-	-

*Egon J. Sabado*

*[Handwritten Signature]*

<b>Stockholder's Equity</b>		
Capital Stock		8,106,937.77
Total	-	8,106,937.77
<b>Retained Earnings</b>		
Retained Earnings		(8,068,771.10)
Total	-	(8,068,771.10)
<b>Inventory Ending</b>		
Finished Goods Inventory	604,957.83	
Work in Progress	890,438.92	
Miscellaneous Inventory	513,575.86	
Less:		
Provision for Decline in Inventory Valuation	-	-
Total	2,008,972.61	-
<b>Sales</b>		
Local		8,256,262.97
Exports		
Sales Return/Adjustment/Discounts		
Total	-	8,256,262.97
<b>Other Income</b>		
Other Revenue		342,325.02
Total	-	342,325.02
<b>Direct Wages &amp; Benefits</b>		
Direct Wages	547,406.18	
Total	547,406.18	-
<b>Production Overhead</b>		
Seed Purchases	1,315,091.01	
Other Field Expenses	289,132.11	
Growers Compensation	153,512.30	
Seed Field Expenses	294,318.34	
Trucking	11,409.70	
Harvest Expense	63,790.58	
Bagging Expense	107,873.51	
Other Conditioning Expense	904,737.16	
Salaries & Benefits	48,898.18	
Benefits	18,492.07	
Advertising Expense	-	
Auto Expense	114.90	
Travel Expense	20,397.03	
Telephone	3,239.49	
Utilities	-	
Office Expenses	-	
General Expenses	2,297.62	
Insurance	3,215.59	
Postage	-	
Rent	538.87	
Interest Expense	-	
Depreciation	-	
Legal Expense	-	
Accounting	-	
Permit & License	-	
Training Expense	-	
Total	3,237,058.45	-
<b>Parent Seed Production</b>		
Growers Compensation	1,379.33	
Fertilizer & Chemicals	1,384.44	
Seed Field Expenses	1,706.28	
Trucking	388.26	
Harvest Expense	3,665.44	
Bagging Expense	-	
Other Conditioning Expense	11,609.34	
Direct Wages	666.67	
Salaries & Benefits	23,189.06	
Benefits	10,683.37	
Advertising Expense	-	
Auto Expense	-	
Travel Expense	7,217.12	
Telephone	726.05	
Utilities	-	
Office Expenses	-	
General Expenses	743.73	
Insurance	1,318.57	
Postage	-	
Rent	-	
Interest Expense	-	
Depreciation	-	
Legal Expense	-	
Accounting	-	
Permit & License	326.82	
Training Expense	-	
Total	65,004.47	-
<b>Research &amp; Development</b>		
Other Field Expense		
Growers Compensation		
Seed Field Expense		
Harvest Expense		
Pollination Expense		

*Eugen J. Roberts*

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Salaries & Benefits	16,545.02	
Benefits	4,598.57	
Advertising Expense	-	
Auto Expense	-	
Travel Expense	10,824.05	
Telephone	498.44	
Utilities	586.17	
Office Expenses	-	
General Expenses	235,273.88	
Insurance	1,030.48	
Postage	-	
Rent	31,072.65	
Interest Expense	-	
Depreciation	-	
Legal Expense	-	
Accounting	-	
Permit & License	-	
Training Expense	-	
<b>Total</b>	<b>300,429.27</b>	<b>-</b>
<b>Marketing Expenses</b>		
Shipping / Freight	227,569.46	
Salaries & Benefits	179,817.90	
Benefits	68,141.46	
Advertising Expense	299,962.79	
Auto Expense	-	
Travel Expense	255,029.57	
Telephone	15,588.81	
Utilities	-	
Office Expenses	24.54	
General Expenses	400,246.09	
Insurance	7,011.13	
Postage	8.70	
Rent	-	
Interest Expense	-	
Depreciation	-	
Legal Expense	-	
Accounting	-	
Permit & License	-	
Training Expense	14,861.26	
<b>Total</b>	<b>1,468,261.72</b>	<b>-</b>
<b>General &amp; Administrative</b>		
Salaries & Benefits	431,948.39	
Benefits	14,204.69	
Advertising Expense	-	
Auto Expense	11,022.16	
Travel Expense	98,988.10	
Telephone	23,207.59	
Utilities	20,204.76	
Office Expenses	12,118.01	
General Expenses	92,757.09	
Insurance	13,331.59	
Postage	4,671.68	
Rent	40,281.25	
Interest Expense	-	
Depreciation	-	
Legal Expense	13,181.42	
Accounting	29,694.43	
Permit & License	16,956.58	
Training Expense	497.50	
<b>Total</b>	<b>823,065.24</b>	<b>-</b>
Exchange Gain/ Loss	48,364.51	
Bad Debts	-	
Interest Expense	6,095.38	
<b>Total</b>	<b>54,459.89</b>	<b>-</b>
<b>Finance &amp; Admin. Expenses - Total</b>		
Depreciation Expense		
Depreciation (CSP)	53,726.73	
Depreciation(PSP)	5,922.38	
Depreciation(ADMIN)	84,795.04	
Depreciation(MKTG)	11,850.21	
Depreciation(R&D)	8,401.71	
<b>Total</b>	<b>164,696.08</b>	<b>-</b>
<b>Interest Income</b>		
Interest Income		
Tax Provision for Earlier Tax		(874.81)
Corporate Income Tax	576,583.94	(874.81)
<b>Total</b>	<b>576,583.94</b>	<b>(874.81)</b>
<b>SUB TOTAL</b>	<b>13,516,674.24</b>	<b>13,205,830.50</b>
Cumulative Translation Adjustment		310,843.74
<b>GRAND TOTAL</b>	<b>13,516,674.24</b>	<b>13,516,674.24</b>

# Bioseed Research Philippines, Inc.

## Fixed Asset Schedule

March 31, 2019

**FIXED ASSETS SCHEDULE - US\$**

Description	GROSS BLOCK					DEPRECIATION					Net Block	
	Cost as on 4/1/2018	Additions	Transfer/ Sale	Translation adjustment account	As at 3/31/2019	As on 4/1/2018	Additions	Written back	Translation adjustment account	As on 3/31/2019	As at 3/31/2019	As at 4/1/2018
<b>Owned Assets</b>												
Building Improvements	376,930	137,665	(134,864)	63,755	443,486	(199,147)	(59,257)	133,897	(41,791)	(166,298)	277,188	177,783
Furniture & Fixtures	71,746	2,025	(27,461)	(2,077)	44,233	(65,135)	(1,000)	27,263	(712)	(39,584)	4,649	6,611
Motor Vehicles	166,910	14,433	(73,949)	(7,184)	100,210	(134,859)	(9,701)	73,419	(4,260)	(75,401)	24,810	32,050
Plant & Machinery	779,671	240,306	(37,908)	248,176	1,230,244	(699,860)	(54,185)	37,636	(17,397)	(733,807)	496,437	79,810
Office Equipments	157,445	16,542	(70,174)	1,189	105,002	(141,969)	(8,233)	69,669	(782)	(81,315)	23,687	15,476
CWIP	213,598	-	(8,570)	(205,028)	-	-	-	-	-	-	-	213,598
Software	89,248	2,190	-	(3,841)	87,597	(8,744)	(17,513)	-	(16,831)	(43,089)	44,508	80,504
<b>Assets taken on Lease -</b>												
- Vehicles & Equipment	284,407	-	(90,410)	6,817	200,805	(236,668)	(14,808)	89,771	(5,713)	(167,418)	33,387	47,739
<b>Total - This year</b>	<b>2,139,955</b>	<b>413,161</b>	<b>(443,345)</b>	<b>101,807</b>	<b>2,211,578</b>	<b>(1,486,383)</b>	<b>(164,696)</b>	<b>431,655</b>	<b>(87,487)</b>	<b>(1,306,911)</b>	<b>904,667</b>	<b>653,572</b>

	46	rate current moth	53	rate current moth	53	rate current moth	53	rate last month	(53)
FOREX 4/1/2018	52.51								

*Ernest F. Roberts*

*[Signature]*

1. EXCHANGE RATES	DATA FROM ADITI		
	Current Rate	Average - Daily Conversion Rate in a Month (FTM-PnL)	Average - Monthly Average (YTD - PnL)
APRIL	51.74	52.08	52.08
MAY	52.53	52.23	52.16
JUNE	53.37	53.13	52.48
JULY	53.10	53.41	52.75
AUGUST	53.48	53.28	52.85
SEPTEMBER	54.03	54.04	53.08
OCTOBER	53.426	53.93	53.21
November	52.44	52.67	53.13
DECEMBER	52.56	52.85	53.09
JANUARY	52.17	52.4534	53.0148
FEBRUARY	51.70	52.16	52.93
MARCH	52.51	52.52	52.89
Current Rate as	52.5100		

4. DUE TO AFFILIATES -

a) Shriram Bioseed Genetics India Ltd. (36020267)			US\$
DATE	INVOICE NUMBER	DETAILS	
Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2018			37,886
4/30/2018	2017-18/016	SBGI IMPORTED RICE(PADDY) SEEDS	96,200
6/30/2018		SBGI INTEREST ON OVERDUE RECEIVABLES (PAYMENT)	(37,886)
6/30/2018	2018-19/004	SBGI PO#6400000032 IMPORTED RICE 10000	26,200
6/30/2018	2017-18/017	SBGI PO#6400000030 IMPORTED RICE 50000 KGS	120,000
7/31/2018		PAYMENT	(96,200)
8/31/2018		PAYMENT	(52,400)
8/31/2018		PAYMENT	(93,800)
11/30/2018		HYBRID RICE (PADDY) SEEDS INV 2018-19/010-011	340,500
11/30/2018		PAYMENT to SBGI Inv 2018-19/010	(204,300)
1/3/2019		SBGI PAYMENT \$136,200@ 52.71/DOLLAR	(136,200)
Balance Net (RECEIVABLE) Payable - YTD MAR 2019			0.00

b) Shriram Bioseed (THAILAND) Ltd. (36020267)			US\$
DATE	INVOICE NUMBER	DETAILS	
Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2018			2,220
Balance Net (RECEIVABLE) Payable - YTD MAR 2019			2,220

c) DCM Shriram Limited (36020267)			US\$
DATE	INVOICE NUMBER	DETAILS	
Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2018			36,894
Balance Net (RECEIVABLE) Payable - YTD MAR 2019			36,894

d) Bioseed Vietnam Limited (45210185)			US\$
DATE	INVOICE NUMBER	DETAILS	
Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2018			(4,353)
4/30/2018		PARENT SEED SHIPMENT (5200 KG)	(11,200)
9/30/2018		ADV PAYMENT FOR NEW SHIPMENT (10250KG)	5,125
10/30/2018		PARENT SEED SHIPMENT (10250 KG)	(10,250)
12/11/2018		REMITTANCE FROM BVL ( DEC 5, 2018) USD 5589	5,589
12/11/2018		REMITTANCE FROM BVL ( DEC 11, 2018) USD 3435	3,435
1/18/2019		BVL - INV#110/2018-19 (1800KG PS)	(6,892)
1/31/2019		BVL INTEREST ADJ	22
Balance Net (RECEIVABLE) Payable - YTD MAR 2019			(18,524)

<b>GRAND TOTAL</b>			<b>20,590</b>
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*[Handwritten signatures]*



**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 in 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 basis 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 comprises revenue from the sale of goods measured by reference to the fair value of consideration received or receivable by the Company for goods supplied, excluding value-added tax (VAT) and trade discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized:

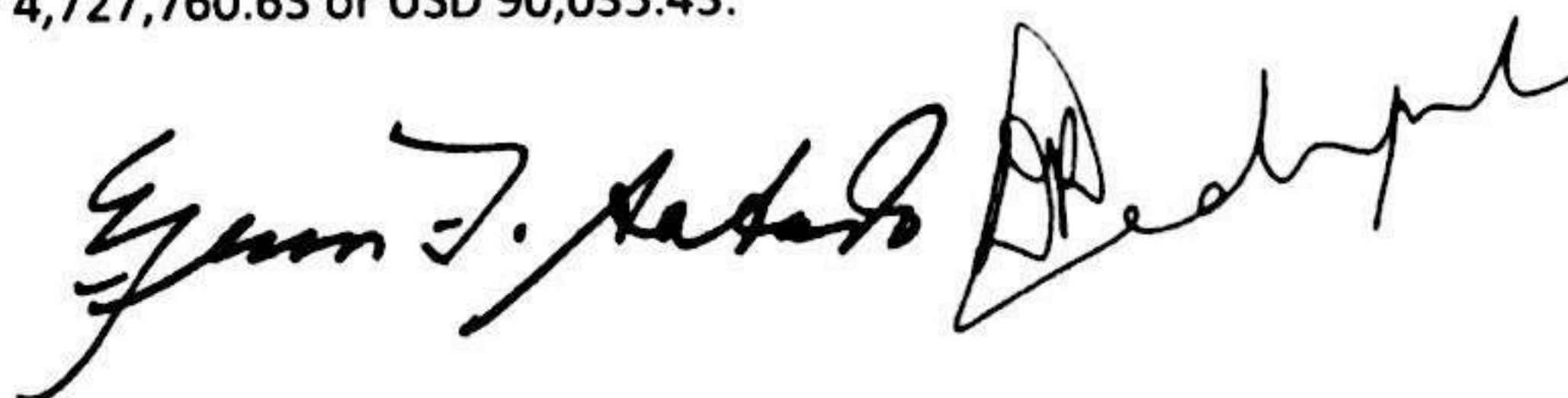
- (a) Sale of goods - Revenue is recognized when the risks and rewards of ownership of the goods have passed to the buyer. This is generally when the customer has taken undisputed delivery of goods.
- (b) Interest income - Revenue is recognized as the interest accrues taking into account the effective yield on the asset.
- (c) Extraordinary income and gains from investment activities are to be included in Revenues.

Breakdown of revenues is analyzed below:

	<u>Pesos</u>	<u>US\$</u>
Unrelated Parties	453,954,132.04	8,583,161.58
Related Parties	815,885.98	15,426.41
<b>Total</b>	<b>454,770,018.02</b>	<b>8,598,587.99</b>

**(vi) Retirement and other benefits**

The company has an unfunded retirement benefit plan for its employees in accordance with the requirements under Republic Act No 7641. The total cost relating to employee obligation, representing the current service cost that were all recognized as of March 31, 2019 financials is PHP 4,727,760.63 or USD 90,035.43.



(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. Income tax is computed using the following tax rate whichever is higher:

- 1.) Minimum Corporate Income Tax (MCIT) – 2% of Gross Income. Gross income shall mean gross sales less sales returns, discounts and allowances and cost of goods sold.

	<u>Pesos</u>	<u>Dollar</u>
Gross Income	228,513,070.08	4,320,622.87
X MCIT rate	2%	2%
Income Tax	4,570,261.40	86,412.46

- 2.) Regular Income Tax – 30% of Net Taxable Income from all Sources

	<u>Pesos</u>	<u>Dollar</u>
Net Taxable Income	101,649,670.64	1,921,946.48
Income Tax Rate	30%	30%
Income Tax	30,494,901.19	576,583.95

Income tax accrued for the 4<sup>th</sup> quarter is based on the Regular Corporate Income Tax:

	<u>Pesos</u>	<u>US\$</u>
Income Tax Accrued	30,494,901.19	576,583.95

**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**

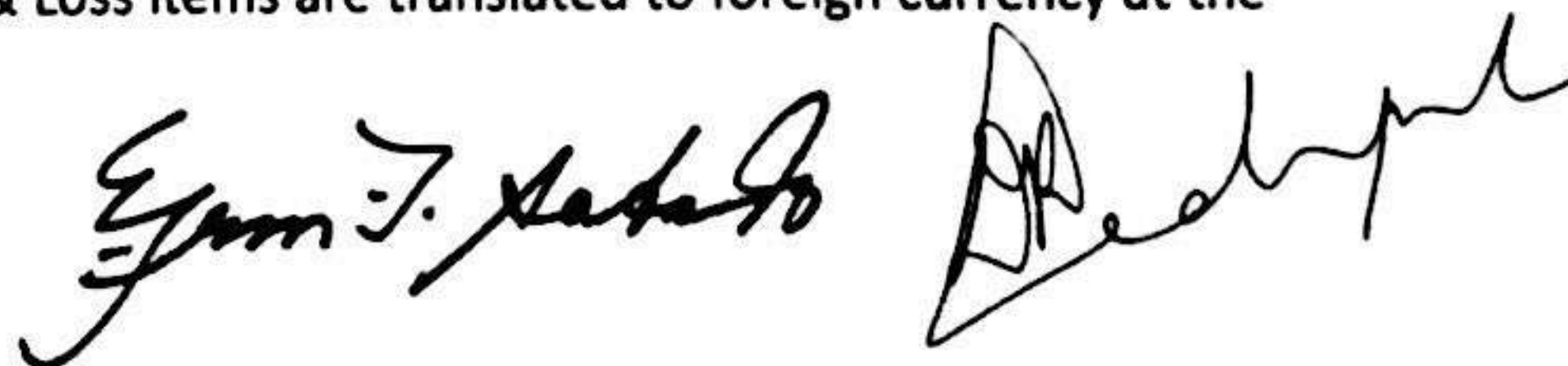
1. Terms Used -

**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, 2018 to March 31, 2019).

**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.

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

**Specified Accounts and Details of Accounts for the year ended March 31, 2019**

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

	<u>Pesos</u>	<u>US\$</u>
Fees for Audit	40,000	756.30

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


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

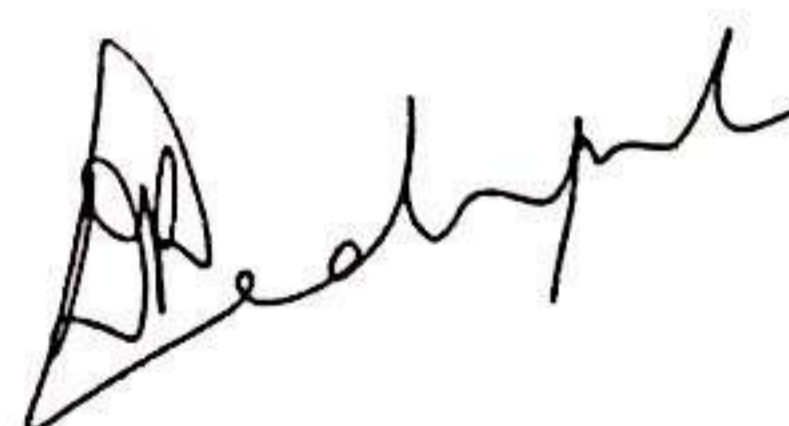
	<u>Pesos</u>	<u>US\$</u>
Maximum Amount of Loan Outstanding (April 01, 2018 to March 31, 2019)	-	-

**3. Month-wise exchange rates for the period from April 01, 2018 to March 31, 2019:**

**Exchange Rates**

MONTH	Php to US\$ 1
APRIL	51.74
MAY	52.53
JUNE	53.37
JULY	53.10
AUGUST	53.48
SEPTEMBER	54.03
OCTOBER	54.43
NOVEMBER	52.44
DECEMBER	52.56
JANUARY	52.17
FEBRUARY	51.70
MARCH	52.51
<u>Weighted Average Rate</u> YTD MARCH 2019	52.89
End Rate MARCH 31, 2019	52.51

Certified:  
  
Efren F. Sabado, CPA  
Independent Auditor



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

**Independent Auditors' Report of Bioseed Research Philippines, Inc. to Price Waterhouse Chartered Accountants LLP, 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, 2019 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 income of Php 71,968,487.39 total assets of Php 261,121,612.89, and total equity of Php 89,779,411.32.

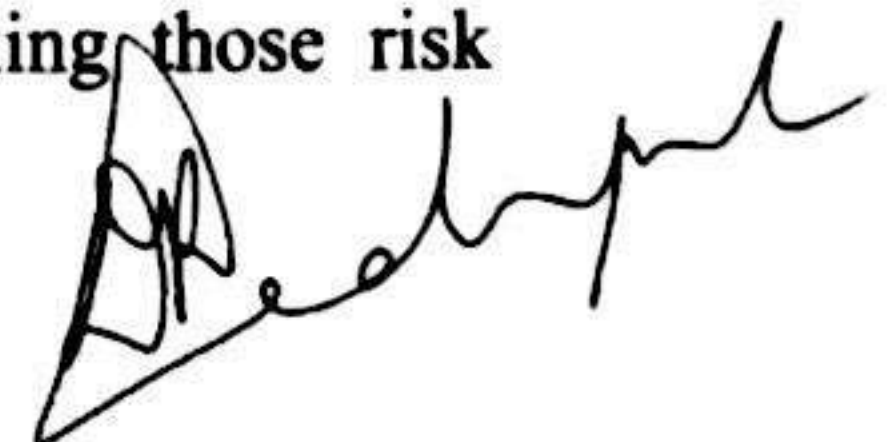
**Management's Responsibility for FFC Accounts**

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 IND AS 110 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2013 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, 2019 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**

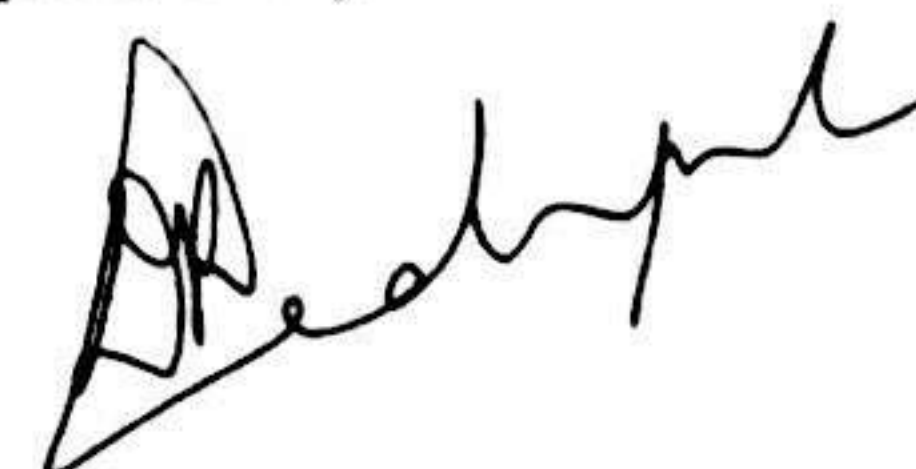
We are independent with respect to the parent company, any subsidiary or affiliated companies following the provisions of International Standards on Auditing/ the Chartered Accountant Act, 1949 (as applicable)

- 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 owing 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 IND AS 110 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2013.

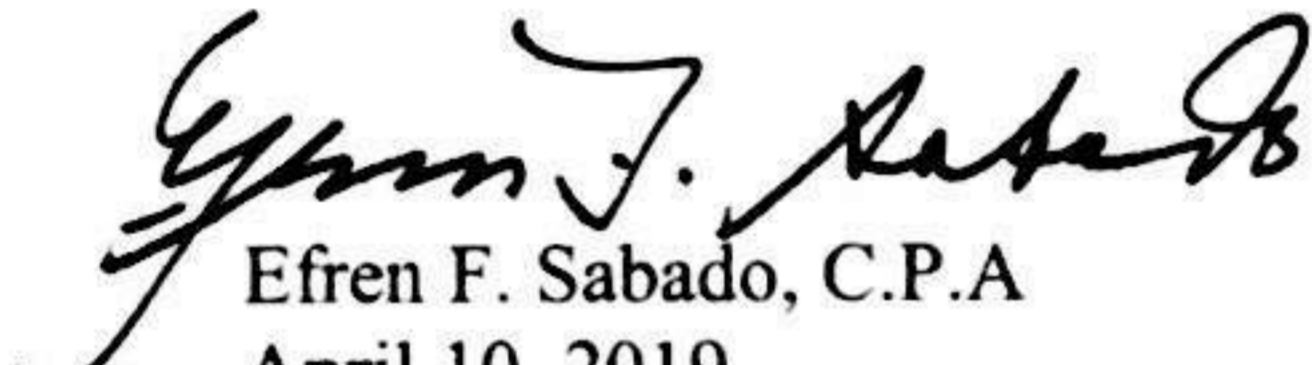
We further state that there are no matters that, in our judgment, need to be reported to you.

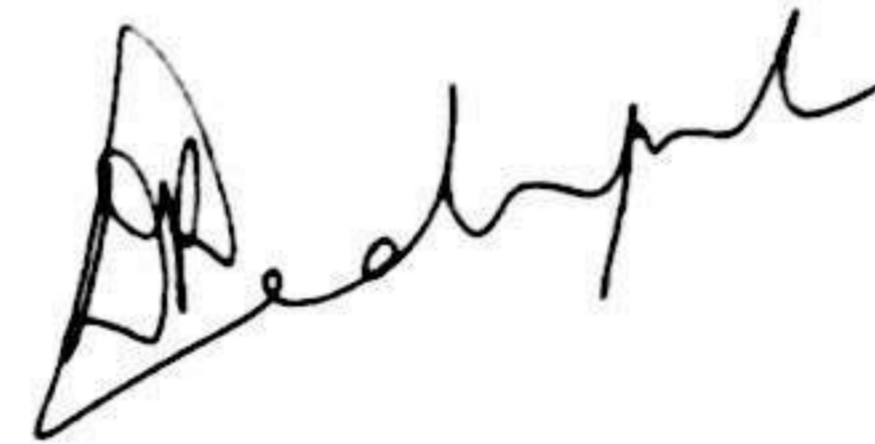


OTHER MATTERS

- (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 Price Waterhouse Chartered Accountants LLP in connection with the audit of the Consolidated Financial Statements of DCM SHRIRAM LIMITED and should not be used for any other purpose.

  
Efrén F. Sabado, C.P.A.  
April 10, 2019  
General Santos City



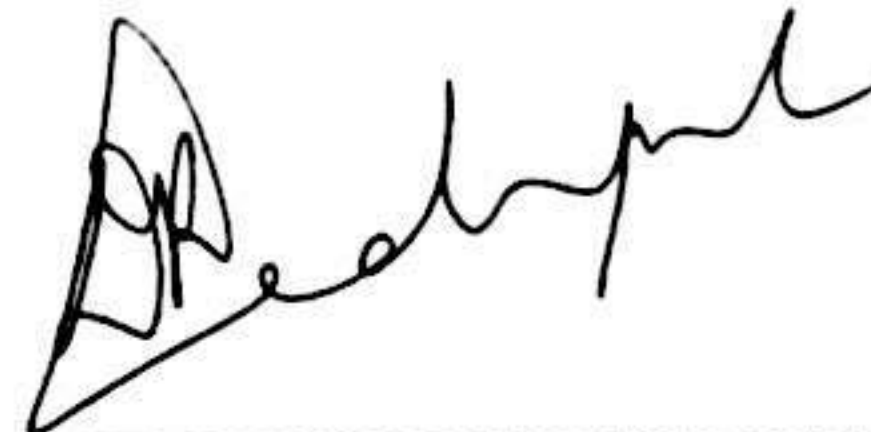
**BIOSEED RESEARCH PHILIPPINES, INC**  
**GENERAL SANTOS CITY, PHILIPPINES**

**PROFIT AND LOSS ACCOUNT as of March 31, 2019**

		Schedule	As of 31-Mar-19 Pesos	As of 31-Mar-18 Pesos
<b>Income</b>	Sale of products and other income	7	<b>454,770,018.02</b>	380,950,754.73
<b>Expenditure</b>	Manufacturing and other expenses	8	<b>343,227,386.36</b>	373,898,526.19
	Profit for the year before depreciation, interest and tax		<b>111,542,631.66</b>	7,052,228.54
	Interest	9	<b>322,378.02</b>	18,412,859.20
	Depreciation	10	<b>8,710,597.49</b>	8,054,307.64
	Profit for the year before tax		<b>102,509,656.15</b>	(19,414,938.30)
	Provision for current tax		<b>30,494,900.88</b>	2,679,174.96
	Tax provision for earlier tax		<b>46,267.88</b>	550,532.84
	Profit after tax		<b>71,968,487.39</b>	(22,644,646.10)
	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



**DEVADATTA RAVINDRA RAO SIRDESHPANDE**  
 General Manager

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

General Santos City  
 April 10, 2019

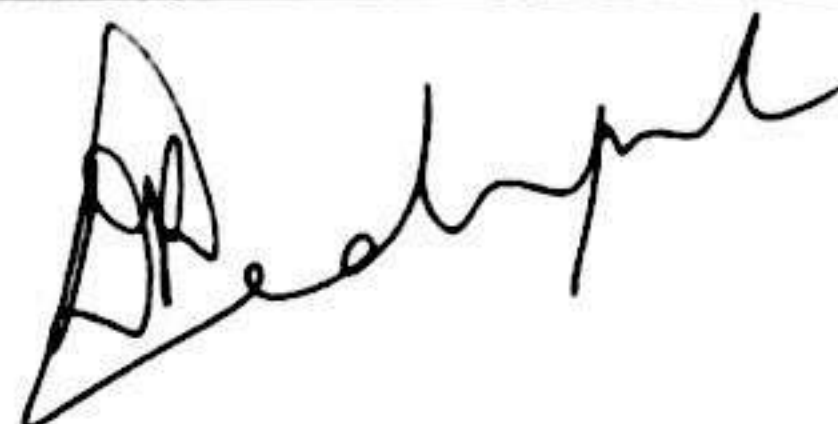


BIOSEED RESEARCH PHILIPPINES, INC.  
GENERAL SANTOS CITY, PHILIPPINES

BALANCE SHEET as at March 31, 2019

		Schedule	As at 31-Mar-19 Pesos	As at 31-Mar-18 Pesos	
<b>Sources of Funds</b>	<b>Shareholder's funds</b>				
	Share capital	1	393,498,600.00	393,498,600.00	
	Reserves and surplus	2	(303,719,188.68)	(406,228,844.83)	
			89,779,411.32	(12,730,244.83)	
	<b>Loan funds</b>	3			
	Secured		59,938,626.81	75,600,122.83	
	Unsecured		59,938,626.81	75,600,122.83	
	<b>Total funds employed</b>		149,718,038.13	62,869,878.00	
	<b>Application of Funds</b>	<b>Fixed assets</b>	4		
		Gross Block		116,129,946.06	117,264,917.09
Less: Depreciation			68,625,907.43	82,745,057.80	
Net block			47,504,038.63	34,519,859.29	
Capital work in progress			-	450,000.00	
			47,504,038.63	34,969,859.29	
<b>Current assets, loans and advances</b>		5			
Inventories			105,491,151.70	60,870,613.71	
Sundry debtors			17,924,863.49	63,298,308.53	
Cash and bank balances			63,772,891.78	31,702,521.09	
Loans and advances			26,428,667.29	19,546,010.63	
			213,617,574.26	175,417,453.96	
<b>Less: Current liabilities and provisions</b>		6			
Current liabilities			111,403,574.76	147,517,435.25	
Provisions			-	-	
		111,403,574.76	147,517,435.25		
Net current assets		102,213,999.50	27,900,018.71		
<b>Total funds utilized</b>		149,718,038.13	62,869,878.00		
Notes to the financial statements	11		-	(0.00)	

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



DEVADATTA RAVINDRA RAO SIRDESH PANDE  
General Manager

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



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

General Santos City  
April 10, 2019

BIOSEED RESEARCH PHILIPPINES, INC.  
GENERAL SANTOS CITY, PHILIPPINES

CASH FLOW STATEMENT AS OF March 31, 2019

	As of 31-Mar-19 Pesos	As of 31-Mar-18 Pesos
<b>Cash flows from operating activities</b>		
Net profit before tax	93,799,058.66	(27,469,245.94)
Adjustments for:		
Depreciation	8,710,597.49	8,054,307.64
Tax Applied to NOLCO	30,494,900.88	
Others:		
Operating profit before working capital changes	133,004,557.03	(19,414,938.30)
Changes in Assets & Liabilities:		
Decrease/ (Increase) in:		
Receivables	45,373,445.04	(20,523,144.39)
Inventories	(44,620,537.99)	17,075,188.45
Loans & advances	(6,882,656.66)	12,051,774.63
Increase/ (Decrease) in:		
Trade and other payables	(36,113,860.49)	11,053,801.58
Income and other taxes payable		
<b>Cash generated from operations</b>	90,760,946.93	242,681.97
Income tax	(30,541,168.76)	(3,229,707.80)
<b>Net cash from operating activities</b>	60,219,778.17	(2,987,025.83)
<b>Cash flow from investing activities</b>		
(Addition)/Reduction to Fixed Assets & Capital	(12,534,179.34)	313,183,416.58
<b>Net cash used in investing activities</b>	(12,534,179.34)	313,183,416.58
<b>Cash flow from financing activities</b>		
Changes to Loan funds	(15,661,496.02)	(307,173,892.77)
<b>Net cash used in financing activities</b>	(15,661,496.02)	(307,173,892.77)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	32,024,102.81	3,022,497.98
<b>Cash and cash equivalents</b>		
Beginning of the year (April 01, 2018)	31,702,521.09	28,680,023.11
End of 12 months (March 31, 2019)	63,726,623.90	31,702,521.09

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

  
EFREN F. SABADO, C.P.A.  
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Directors

General Santos City  
April 10, 2019

SCHEDULES TO THE ACCOUNTS

		As at 31-Mar-19 Pesos	As at 31-Mar-18 Pesos
<b>1 SHARE CAPITAL</b>	<b>AUTHORIZED</b>		
	6,500,000 equity shares of Pesos 100/- each	650,000,000.00	650,000,000.00
	Subscribed and Paid-up 3,934,986 equity shares of Pesos 100/- each fully paid-up	393,498,600.00	393,498,600.00
	Total	393,498,600.00	393,498,600.00
<b>2 RESERVES AND SURPLUS</b>	Profit brought forward	(375,687,676.07)	(383,584,198.73)
	Profit and loss account	71,968,487.39	(22,644,646.10)
		(303,719,188.68)	(406,228,844.83)
<b>3 LOAN FUNDS</b>	<b>Secured</b>	-	-
	<b>Unsecured</b>		
	Finance lease liability	1,833,112.09	3,473,382.61
	Others	58,105,514.72	72,126,740.22
		59,938,626.81	75,600,122.83
<b>5 CURRENT ASSETS LOANS AND ADVANCES</b>	<b>Current Assets</b>		
	<b>Inventories</b>		
	Finished goods	31,766,335.84	9,257,045.71
	Work-in-process	46,756,947.60	39,176,561.95
	Miscellaneous inventory	26,967,868.26	12,437,006.05
	Provision for Decline in Inventory Valuation	-	-
		105,491,151.70	60,870,613.71
	<b>Sundry debtors</b>		
	Debts over six months		
	Secured - considered good	-	-
	Unsecured - considered good	22,782,757.61	92,693,969.74
	- considered doubtful		
	Other debts		
	Secured - considered good		
	Unsecured - considered good		
		22,782,757.61	92,693,969.74
	Less: Provision for doubtful debts	5,830,584.16	29,623,518.16
		16,952,173.45	63,070,451.58
	Trade Debtors - Affiliates	972,690.04	227,856.95
		17,924,863.49	63,298,308.53
	<b>Cash and bank balances</b>		
With scheduled banks on			
Current account	50,712,614.55	18,594,134.71	
Deposit account	13,060,277.23	13,108,386.38	
	63,772,891.78	31,702,521.09	
<b>Loans and Advances</b>			
Advances recoverable in cash or kind or for value to be received	18,546,311.51	12,998,917.78	
Deposits	497,125.54	755,831.54	
Prepaid expenses	7,385,230.24	5,791,261.31	
	26,428,667.29	19,546,010.63	




**SCHEDULES TO THE ACCOUNTS (Continued)**

		As at 31-Mar-19	As at 31-Mar-18
		Pesos	Pesos
<b>6 CURRENT LIABILITIES AND PROVISIONS</b>	<b>Current Liabilities</b>		
	Sundry creditors		
	Trade creditors - Affiliates	2,053,878.36	4,030,644.50
	Trade creditors - Others	81,451,179.34	123,864,224.35
	Accrued expenses	27,898,517.06	19,367,865.07
	Income tax payable	-	254,701.33
		<b>111,403,574.76</b>	<b>147,517,435.25</b>
<b>7 SALE OF PRODUCTS AND OTHER INCOME</b>	<b>Sale of products</b>		
	- Local	436,664,818.20	358,745,366.88
	- Exports		
	<b>Other Income</b>		
	- Miscellaneous	18,105,199.82	22,205,387.85
		<b>454,770,018.02</b>	<b>380,950,754.73</b>
<b>8 MANUFACTURING AND OTHER EXPENSES</b>			
	Direct manufacturing expense	240,736,382.57	200,837,786.59
	Research and development expense	15,889,378.94	12,172,787.99
	Shipping & freight	12,035,902.84	6,873,645.33
	Salaries, benefits, bonus, etc.	42,066,530.28	48,420,525.10
	Advertisement and promotion	15,864,707.66	12,935,090.07
	Travel and entertainment	20,184,094.77	17,527,115.53
	Other selling expense	23,150,325.01	23,840,214.85
	Office expense	642,206.47	481,300.20
	Professional expense	2,267,657.15	960,020.77
	Other administrative & misce. expense	15,010,738.66	32,774,851.31
		<b>387,847,924.35</b>	<b>356,823,337.74</b>
	-Increase/+ Decrease In stocks of finished goods and process stocks		
	Closing stocks	105,491,151.70	60,870,613.71
	Opening stocks	60,870,613.71	77,945,802.16
		<b>343,227,386.36</b>	<b>373,898,526.19</b>
<b>9 INTEREST</b>	Interest - Others	322,378.02	18,412,859.20
		<b>322,378.02</b>	<b>18,412,859.20</b>
	Less: Interest received *		
		<b>322,378.02</b>	<b>18,412,859.20</b>
<b>10 DEPRECIATION</b>	Depreciation	8,710,597.49	8,054,307.64
		<b>8,710,597.49</b>	<b>8,054,307.64</b>




General Santos City, Philippines  
 Chart of Accounts (With Grouping)  
 As of MARCH 31, 2019

ACCOUNT HEAD	DEBIT	CREDIT
<b>Cash</b>		
- Cash in Bank		
- BPI C/A Peso	81,076.22	
- UB-Bank C/A Peso	153,461.04	
- AUB US\$ S/A	818,244.43	
- AUB US\$ TD/A	12,242,032.80	
- AUB C/A Peso	19,234,002.30	
- AUB PHP TD	30,088,967.91	
- BDO C/A Peso	1,066,701.08	
- Petty Cash Fund	88,406.00	
Total	63,772,891.78	-
<b>Accounts Receivable - Trade</b>		
AR Trade -		
Debits over 6 months -		
Secured - Considered Good		
Unsecured - Considered Good	22,782,757.61	
- Considered Doubtful		
Other Debts		
Secured - Considered Good		
Unsecured - Considered Good		
Less: Provision for Doubtful Debts	(5,830,584.16)	
Total - AR Trade	16,952,173.45	-
<b>Accounts Receivable - Others</b>		
Advances to Suppliers & Others	1,621,059.30	
Less: Provision for Doubtful Debts		
Advances Seed Growers	15,247,866.92	
Advances to Employees	1,677,385.29	
AUB Hold		
Total	18,546,311.51	-
<b>Prepaid Expenses</b>		
Prepaid Expenses	7,385,230.24	
Total	7,385,230.24	-
<b>Others</b>		
Deposits	497,125.54	
Total	497,125.54	-
<b>Property and Equipment</b>		
Bldgs. And Improvement	23,287,452.64	
Furniture & Fixtures	2,322,675.48	
Vehicle/ Motorcycles	5,262,038.63	
Machinery & Equipment	64,600,136.36	
Office Equipment	5,513,653.28	
Lease Fixed Assets - Vehicles	10,544,287.46	
Software	4,599,702.21	
Capital Work in Progress	-	
Total	116,129,946.06	-
<b>Accumulated Depreciation</b>		
Bldgs. And Improvement		8,732,304.20
Furniture & Fixtures		2,078,575.51
Vehicle/ Motorcycles		3,959,289.15
Machinery & Equipment		38,532,214.93
Lease Fixed Assets		8,791,113.09
Office Equipment		4,269,831.15
Software		2,262,579.40
Total	-	68,625,907.43
<b>Notes Payable Short Term</b>		
Notes Payable - Short Term		58,105,514.72
Total	-	58,105,514.72
<b>Due from/ to Affiliates</b>		
Due to Affiliates - SBGI		-
Due to Affiliates - DCM SHRIRAM		1,937,306.04
Due to Affiliates - SBTL		116,572.32
Due from Affiliates - BVL	972,690.04	
Due from Affiliates - PT SHRIRAM		
Total	972,690.04	2,053,878.36
<b>Accounts Payable</b>		
Accounts Payable - Trade		23,719,816.06
Other Accounts Payable		54,617,361.60
Accrued payroll taxes (taxes withheld)		2,841,437.00
SSS/ MED/ EC Contribution		272,564.68
Other Accrued Liabilities		
Total	-	81,451,179.34
<b>Other Accounts Payable</b>		
Lease Financing		1,833,112.09
Total	-	1,833,112.09
<b>Accrued Expenses</b>		
Accrued Expenses		27,898,517.06
Total	-	27,898,517.06
<b>Accrued Corporate Income Tax</b>		
Income Taxes Payable		
Accrued Corporate Income Tax		

*Ermito. Acosta*

*[Handwritten Signature]*

Total		-	-
<b>Stockholder's Equity</b>			
Capital Stock			393,498,600.00
Total		-	393,498,600.00
<b>Retained Earnings</b>			
Retained Earnings			(375,687,676.07)
Total		-	(375,687,676.07)
<b>Inventory Ending</b>			
Finished Goods Inventory	31,766,335.84		
Work in Progress	46,756,947.60		
Miscellaneous Inventory	26,967,868.26		
Less:			
Provision for Decline in Inventory Valuation			
Total		105,491,151.70	-
<b>Sales</b>			
Local			436,664,818.20
Exports			
Sales Return/Adjustment/Discounts			
Total		-	436,664,818.20
<b>Other Income</b>			
Other Revenue			18,105,199.82
Total		-	18,105,199.82
<b>Direct Wages &amp; Benefits</b>			
Direct Wages	28,951,720.52		
Total		28,951,720.52	-
<b>Production Overhead</b>			
Seed Purchases	69,553,741.29		
Other Field Expenses	15,291,884.60		
Growers Compensation	8,119,099.26		
Seed Field Expenses	15,566,178.49		
Trucking	603,446.57		
Harvest Expense	3,373,814.90		
Bagging Expense	5,705,313.00		
Other Conditioning Expense	47,850,569.82		
Salaries & Benefits	2,586,171.65		
Benefits	978,025.73		
Advertising Expense	-		
Auto Expense	6,077.00		
Travel Expense	1,078,776.89		
Telephone	171,332.96		
Utilities	-		
Office Expenses	-		
General Expenses	121,518.47		
Insurance	170,069.15		
Postage	-		
Rent	28,500.00		
Interest Expense	-		
Depreciation	-		
Legal Expense	-		
Accounting	-		
Permit & License	-		
Training Expense	-		
Total		171,204,519.77	-
<b>Parent Seed Production</b>			
Growers Compensation	72,951.14		
Fertilizer & Chemicals	73,221.33		
Seed Field Expenses	90,243.26		
Trucking	20,534.39		
Harvest Expense	193,860.89		
Bagging Expense	-		
Other Conditioning Expense	614,005.41		
Direct Wages	35,259.72		
Salaries & Benefits	1,226,444.55		
Benefits	565,031.79		
Advertising Expense	-		
Auto Expense	-		
Travel Expense	381,705.89		
Telephone	38,400.00		
Utilities	-		
Office Expenses	-		
General Expenses	39,335.00		
Insurance	69,737.50		
Postage	-		
Rent	-		
Interest Expense	-		
Depreciation	-		
Legal Expense	-		
Accounting	-		
Permit & License	17,285.00		
Training Expense	-		
Total		3,438,015.87	-
<b>Research &amp; Development</b>			
Other Field Expense			
Growers Compensation			
Seed Field Expense			
Harvest Expense			

*Gregory J. Kadosh*

*DR*

Pollination Expense		
Salaries & Benefits	875,048.34	
Benefits	243,213.15	
Advertising Expense	-	
Auto Expense	-	
Travel Expense	572,472.51	
Telephone	26,361.95	
Utilities	31,001.96	
Office Expenses	-	
General Expenses	12,443,381.20	
Insurance	54,501.16	
Postage	-	
Rent	1,643,398.67	
Interest Expense	-	
Depreciation	-	
Legal Expense	-	
Accounting	-	
Permit & License	-	
Training Expense	-	
<b>Total</b>	<b>15,889,378.94</b>	<b>-</b>
<b>Marketing Expenses</b>		
Shipping / Freight	12,035,902.84	
Salaries & Benefits	9,510,374.17	
Benefits	3,603,928.28	
Advertising Expense	15,864,707.66	
Auto Expense	-	
Travel Expense	13,488,238.20	
Telephone	824,475.07	
Utilities	-	
Office Expenses	1,298.00	
General Expenses	21,168,582.78	
Insurance	370,811.25	
Postage	460.00	
Rent	-	
Interest Expense	-	
Depreciation	-	
Legal Expense	-	
Accounting	-	
Permit & License	-	
Training Expense	785,995.91	
<b>Total</b>	<b>77,654,774.16</b>	<b>-</b>
<b>General &amp; Administrative</b>		
Salaries & Benefits	22,845,283.32	
Benefits	751,270.79	
Advertising Expense	-	
Auto Expense	582,950.12	
Travel Expense	5,235,373.79	
Telephone	1,227,424.20	
Utilities	1,068,608.09	
Office Expenses	640,908.47	
General Expenses	4,905,822.34	
Insurance	705,093.49	
Postage	247,080.10	
Rent	2,130,431.69	
Interest Expense	-	
Depreciation	-	
Legal Expense	697,150.83	
Accounting	1,570,506.32	
Permit & License	896,814.97	
Training Expense	26,312.00	
<b>Total</b>	<b>43,531,030.52</b>	<b>-</b>
Exchange Gain/ Loss	2,557,946.58	
Bad Debts	-	
Interest Expense	322,378.02	
<b>Total</b>	<b>2,880,324.60</b>	<b>-</b>
<b>Finance &amp; Admin. Expenses - Total</b>		
<b>Depreciation Expense</b>		
Depreciation (CSP)	2,841,548.66	
Depreciation(PSP)	313,228.51	
Depreciation(ADMIN)	4,484,718.11	
Depreciation(MKTG)	626,744.78	
Depreciation(R&D)	444,357.43	
<b>Total</b>	<b>8,710,597.49</b>	<b>-</b>
<b>Interest Income</b>		
Interest Income		
Tax Provision for Earlier Tax		(46,267.88)
Corporate Income Tax	30,494,900.88	
<b>Total</b>	<b>30,494,900.88</b>	<b>(46,267.88)</b>
<b>GRAND TOTAL</b>	<b>712,502,783.07</b>	<b>712,502,783.07</b>

*Youn F. Akbar*

*DR Akbar*

# Bioseed Research Philippines, Inc.

## Fixed Asset Schedule

March 31, 2019

Description	GROSS BLOCK				DEPRECIATION					Net Block		
	Cost as on 4/1/2018	Additions	Transfer/Sale/Adjustment	adjustment	As at 3/31/2019	As on 4/1/2018	Additions	Written back/Adjustment	Translation adjustment account	As on 3/31/2019	As at 3/31/2019	As at 4/1/2018
<b>Owned Assets</b>												
Building Improvements	23,140,369	7,228,771	(7,081,887)	-	23,287,453	(12,679,925)	(3,134,031)	7,081,651	-	(8,732,304)	14,555,148	10,460,445
Furniture & Fixtures	3,658,307	106,340	(1,441,972)	-	2,322,675	(3,467,594)	(52,881)	1,441,900	-	(2,078,576)	244,100	190,713
Motor Vehicles	8,387,215	757,896	(3,883,072)	-	5,262,039	(7,329,291)	(513,060)	3,883,062	-	(3,959,289)	1,302,749	1,057,924
Plant & Machinery	53,972,223	12,618,459	(1,990,546)	-	64,600,136	(37,656,935)	(2,865,783)	1,990,503	-	(38,532,215)	26,067,921	16,315,288
Office Equipments	8,329,913	868,600	(3,684,860)	-	5,513,653	(7,519,153)	(435,415)	3,684,737	-	(4,269,831)	1,243,822	810,760
CWIP	450,000	-	(450,000)	-	-	-	-	-	-	-	-	450,000
Software	4,484,702	115,000	-	-	4,599,702	(1,336,338)	(926,242)	-	-	(2,262,579)	2,337,123	3,148,365
<b>Assets taken on Lease -</b>												
- Vehicles & Equipment	15,292,187	-	(4,747,900)	-	10,544,287	(12,755,823)	(783,185)	4,747,895	-	(8,791,113)	1,753,174	2,536,365
<b>Total - This year</b>	<b>117,714,917</b>	<b>21,695,066</b>	<b>(23,280,037)</b>	<b>-</b>	<b>116,129,946</b>	<b>(82,745,058)</b>	<b>(8,710,597)</b>	<b>22,829,748</b>	<b>-</b>	<b>(68,625,907)</b>	<b>47,504,039</b>	<b>34,969,859</b>

*E. J. Arce*

*[Signature]*



BIOSEED RESEARCH PHILIPPINES, INC.  
 GENERAL SANTOS, PHILIPPINES  
 WORKING NOTES - ACCOUNTS : MAR 2019

1. EXCHANGE RATES	DATA FROM ADITI		
	Current Rate	Average - Daily Conversion Rate in a Month (FTM-PnL)	Average - Monthly Average (YTD - PnL)
APRIL	51.74	52.08	52.08
MAY	52.53	52.23	52.16
JUNE	53.37	53.13	52.48
JULY	53.10	53.41	52.75
AUGUST	53.48	53.28	52.85
SEPTEMBER	54.03	54.04	53.08
OCTOBER	53.426	53.93	53.21
November	52.44	52.67	53.13
DECEMBER	52.56	52.85	53.09
JANUARY	52.17	52.4534	53.0148
FEBRUARY	51.70	52.16	52.93
MARCH	52.51	52.52	52.89
Current Rate as	52.5100		

4. DUE TO AFFILIATES -

a) Shriram Bioseed Genetics India Ltd. (36020267)			
DATE	INVOICE NUMBER	DETAILS	Pesos
Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2018			1,983,181
4/30/2018	2017-18/016	SBGI IMPORTED RICE(PADDY) SEEDS	4,434,820
4/30/2018		FOREX	519,743
5/30/2018		FOREX	105,660
6/30/2018		SBGI INTEREST ON OVERDUE RECEIVABLES (PAYMENT)	(1,983,181)
6/30/2018	2018-19/004	SBGI PO#6400000032 IMPORTED RICE 10000	1,223,778
6/30/2018	2017-18/017	SBGI PO#6400000030 IMPORTED RICE 50000 KGS	5,595,830
6/30/2018		FOREX JUN 2018	1,057,785
7/31/2018		PAYMENT	(5,154,396)
7/31/2018		FOREX	(19,853)
8/31/2018		PAYMENT	(2,804,448)
8/31/2018		PAYMENT	(5,024,866)
8/31/2018		FOREX- REALIZED	65,948
11/30/2018		HYBRID RICE (PADDY) SEEDS INV 2018-19/010-011	18,484,353
11/30/2018		PAYMENT to SBGI Inv 2018-19/010	(10,776,825)
11/30/2018		FOREX	(565,745)
12/31/2018		FOREX	16,344
1/3/2019		SBGI PAYMENT \$136,200@ 52.71/DOLLAR	(7,179,102.00)
1/31/2019		FOREX	20,975
Balance Net (RECEIVABLE) Payable - YTD MAR 2019			-

b) Shriram Bioseed (THAILAND) Ltd. (36020267)			
DATE	INVOICE NUMBER	DETAILS	Pesos
Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2018			116,208
4/30/2018		FOREX	(1,343)
5/30/2018		FOREX	1,749
6/30/2018		FOREX	1,874
7/30/2018		FOREX	(604)
8/31/2018		FOREX	841.38
9/30/2018		FOREX	1,229.88
10/30/2018		FOREX	(1,349.76)
11/30/2018		FOREX	(2,197.80)
12/31/2018		FOREX	266.40
1/31/2019		FOREX	(852.48)
2/31/2019		FOREX	(1,056.72)
3/31/2019		FOREX	1,807.08
Balance Net (RECEIVABLE) Payable - YTD MAR 2019			116,572

c) DCM Shriram Limited (36020267)			
DATE	INVOICE NUMBER	DETAILS	Pesos
Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2018			1,931,255
4/30/2018		FOREX	(22,321)
5/30/2018		FOREX	29,073
6/30/2018		FOREX	31,139
7/30/2018		FOREX	(10,035)
8/31/2018		FOREX	13,982.84
9/30/2018		FOREX	20,439.30
10/30/2018		FOREX	(22,431.58)
11/30/2018		FOREX	(36,525.10)
12/31/2018		FOREX	4,427.28
1/31/2019		FOREX	(14,167)
2/28/2019		FOREX	(17,562)
3/31/2019		FOREX	30,031.75
Balance Net (RECEIVABLE) Payable - YTD MAR 2019			1,937,306

*General Santos*

d) Bioseed Vietnam Limited (45210185)			Pesos
DATE	INVOICE NUMBER	DETAILS	
Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2018			(227,857)
4/30/2018		FOREX	2,634
4/30/2018		PARENT SEED SHIPMENT (5200 KG)	(603,876)
4/30/2018		FOREX ADJ	24,377
5/31/2018		FOREX	(12,256)
6/30/2018		FOREX	(13,127)
7/31/2018		FOREX	4,230
8/31/2018		FOREX	(5,894.55)
9/30/2018		ADV PAYMENT FOR NEW SHIPMENT (10250KG)	277,928.75
9/30/2018		FOREX	(9,620.81)
10/30/2018		PARENT SEED SHIPMENT (10250 KG)	(555,396.10)
10/30/2018		FOREX	14,119.76
11/30/2018		FOREX	20,471.12
12/11/2018		REMITTANCE FROM BVL ( DEC 5, 2018) USD 5589	294,763.86
12/11/2018		REMITTANCE FROM BVL ( DEC 11, 2018) USD 3435	181,264.95
12/31/2018		FOREX	(4,244.81)
1/18/2019		BVL - INV#110/2018-19 (1800KG PS)	(363,277.32)
1/31/2019		BVL INTEREST ADJ	1,147.78
1/31/2019		FOREX	8,182.99
2/28/2019		FOREX	8,817.38
3/31/2019		FOREX	(15,078.46)
Balance Net (RECEIVABLE) Payable - YTD MAR 2019			(972,690)
GRAND TOTAL			1,081,188

*Agustin. Roberts*

*[Signature]*

**BIOSEED RESEARCH USA INC.****BALANCE SHEET AS AT MARCH 31, 2019**

PARTICULARS	NOTES	As at	As at
		Mar 31, 2019	MARCH 31, 2018
		USD	USD
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	250	250
Reserves and surplus	2	6,473	9,046
		<u>6,723</u>	<u>9,296</u>
<b>Current Liabilities</b>			
Trade payables	3	1,500	1,500
		<u>1,500</u>	<u>1,500</u>
<b>Total</b>		<u><u>8,223</u></u>	<u><u>10,796</u></u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	8,223	10,796
		<u>8,223</u>	<u>10,796</u>
<b>Total</b>		<u><u>8,223</u></u>	<u><u>10,796</u></u>

Date: 12 Apr 2019

  
Dr. Paresh Verma  
Director

**BIOSEED RESEARCH USA INC.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

<b>PARTICULARS</b>	<b>FOR THR Year Ended Mar 31, 2019 USD</b>	<b>FOR THR Year Ended MARCH 31, 2018 USD</b>
<b>EXPENDITURE</b>		
Legal & Professional fees	2,093	2,149
Bank Charges	480	480
	<u>2,573</u>	<u>2,629</u>
<b>(Loss) for the period/year</b>	<u>(2,573)</u>	<u>(2,629)</u>


Date: 12 Apr 2019



Dr. Paresh Verma  
Director

**BIOSEED RESEARCH USA INC.****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

<b>PARTICULARS</b>	<b>FOR THR Year Ended Mar 31, 2019 USD</b>	<b>FOR THR Year Ended MARCH 31, 2018 USD</b>
<b>A. Cash flow from operating activities</b>		
Net loss for the period before tax	(2,573)	(2,629)
Adjustments for :		
Exchange difference on conversion		
Operating profit before working capital changes	(2,573)	(2,629)
Adjustments for :		
Increase/ (decrease) in trade payables	-	(128)
Net cash used in operating activities	(2,573)	(2,757)
<b>B. Cash flow from investing activities</b>		
Net cash used in investing activities	-	-
<b>C. Cash flow from financing activities</b>		
Issue of share capital	-	-
Net cash from in financing activities	-	-
Net increase in cash and cash equivalents	(2,573)	(2,757)
Cash and cash equivalents as at opening		
Cash and cheques in hand and balances with banks	10,796	13,553
Cash and cash equivalents as at closing		
Cash and cheques in hand and balances with banks	8,223	10,796



**Dr. Paresh Verma**  
Director

**BIOSEED RESEARCH USA INC.**

	As at Mar 31, 2019 USD	As at March 31, 2018 USD
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
5,000 (2014-15 - 5,000) shares of capital stock of USD 1 each	5,000	5,000
<b>Issued, Subscribed and Paid up Share capital</b>		
250 (2014-15 - 250) shares of capital stock of USD 1 each	250	250
	<u>250</u>	<u>250</u>

	As at Mar 31, 2019 USD	As at March 31, 2018 USD
<b>2. RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	24,750	24,750
Additions during the year	-	-
Deductions during the year		
Closing Balance	<u>24,750</u>	<u>24,750</u>
<b>FCTR</b>		
<b>Profit &amp; Loss account</b>		
Opening Balance	(15,764)	(15,075)
Additions during the year	(2,573)	(2,629)
Closing Balance	<u>(18,277)</u>	<u>(15,704)</u>
	<u>6,473</u>	<u>9,046</u>

	As at Mar 31, 2019 USD	As at March 31, 2018 USD
<b>3. Current Liabilities</b>		
<b>Trade payables</b>		
Total outstanding dues other than micro and small enterprise	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
	<u>1,500</u>	<u>1,500</u>

	As at Mar 31, 2019 USD	As at March 31, 2018 USD
<b>4. Current Assets</b>		
<b>Cash and cash equivalents</b>		
Balances with banks on current account	8,223	10,796
	<u>8,223</u>	<u>10,796</u>
	<u>8,223</u>	<u>10,796</u>



Grant Thornton

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# Financial statements and Independent Auditors' Report

*(prepared in accordance with International Financial Reporting Standards)*

Bioseed Vietnam Limited

For the year ended 31 March 2019

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# Report of the Board of Directors

The Board of Directors submits its report together with the audited financial statements of Bioseed Vietnam Limited ("the Company") for the year ended 31 March 2019.

## Background of the Company

Bioseed Vietnam Limited ("the Company") was established as a limited liability company with one member in the Socialist Republic of Vietnam in 2008 as a result from the merger between Bioseed Genetics Vietnam ("BGV") and Bioseed Research Vietnam ("BRV") in accordance with the Investment Certificate No. 011043000302 issued by the Hanoi People's Committee dated 20 March 2008. The Company was a wholly foreign owned company of Bioseeds Holdings Pte Limited, a company incorporated in Singapore.

The Company's registered office is located at 6<sup>th</sup> floor, Hong Ha building, 25 Ly Thuong Kiet street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi, Vietnam.

## Principal activities

The principal activities of the Company are to:

- produce and trade hybrid corn and rice seeds;
- engage in research and development activities in the use of parent seeds to grow high yield hybrid maize ("HYHM"), rice, vegetable; and
- supply field-tested parent seeds to a related party for the production of HYHM for commercial purposes.

## Members' Council and Board of Directors

The members of the Members' Council and Board of Directors during the year and to the date of this report were:

### Members' Council:

Jitender Kumar Jain

Chairman

Paresh Verma

Member

### Board of Directors:

Bhambi Sanjeev Baldevchandra

General Director

## Post-reporting date events

No significant events have occurred since the reporting date which would impact on the financial position of the Company as at 31 March 2019 or on the result of its operation and its cash flows for the year then ended.

## Auditors

The accompanying financial statements have been audited by Grant Thornton (Vietnam) Limited.

## The Board of Directors' responsibility in respect of the financial statements

The Board of Directors of the Company is responsible to ascertain that the accompanying financial statements are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the results of its operations and its cash flows for the year then ended. In preparing the financial statements, the Board of Directors is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- comply with the disclosure requirements of International Financial Reporting Standards ("IFRS") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal controls;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements

### Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Company as at 31 March 2019 and of the results of its operations, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and certain accounting policies of its parent company as described in Notes 2 and 4.

On behalf of the Board of Directors, *Hoang*



**Shamli Sanjeev Baldevchandra**  
General Director

Hanoi, Vietnam  
17 April 2019

# Independent Auditors' Report

on the financial statements of Bioseed Vietnam Limited  
for the the year ended 31 March 2019

Grant Thornton (Vietnam) Limited  
18<sup>th</sup> Floor  
Hoa Binh International Office Building  
106 Hoang Quoc Viet Street  
Cau Giay District, Hanoi  
Vietnam  
T +84 24 3850 1686  
F +84 24 3850 1688

No. 18-11-006

To Members' Council of Bioseed Vietnam Limited

## Opinion

We have audited the accompanying financial statements of Bioseed Vietnam Limited ("the Company"), prepared on 17 April 2019, which comprise the statement of financial position as at 31 March 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out from pages 5 to 28.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Bioseed Vietnam Limited as at 31 March 2019, and of the results of its operations and its cash flows for the year then ended, prepared in accordance with the International Financial Reporting Standards and certain accounting policies of its parent company as described in Notes 2 and 4.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements in Vietnam. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

## Other matters

### *Financial information presented in United States Dollar*

We have audited the Company's financial statements presented in Vietnamese Dong ("VND") which is the functional currency of the Company. All financial information presented in United States Dollar ("US\$") for reference purposes are translated from VND following conversion rulings as presented in Note 4.2. Therefore, our audit opinion is only for financial information presented in VND.

### *Restriction of use*

These financial statements are solely prepared for the information of and use by the Company's Management and should not be distributed to or used by any other parties.

## Responsibilities of the Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and certain accounting policies of its parent company as described in Notes 2 and 4, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Those charged with governance are responsible for 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 a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

GRANT THORNTON (VIETNAM) LIMITED



Nguyen Hong Ha  
Audit Partner  
(CPA Vietnam Practicing Certificate No 1710-2018-068-1)

Hanoi, Vietnam  
17 April 2019

# Statement of financial position

as at 31 March 2019

	Notes	31 March 2019		31 March 2018	
		VND'000	US\$	VND'000	US\$
<b>Assets</b>					
<b>Non – current</b>					
Property, plant and equipment	5	4,684,110	201,997	4,085,156	178,977
Intangible assets	6	758,924	32,727	1,340,402	58,728
Other long term non-financial assets		463,491	19,988	476,379	20,871
Deferred tax assets	18	1,325,100	57,143	1,325,100	58,055
<b>Non-current assets</b>		<b>7,231,625</b>	<b>311,855</b>	<b>7,227,037</b>	<b>316,628</b>
<b>Current</b>					
Inventories	7	27,090,818	1,168,262	23,827,384	1,043,916
Trade and other receivables	8	62,198,335	2,682,234	56,644,451	2,490,447
Current tax assets		143,546	6,190	14,817	654
Cash and cash equivalents	9	16,679,101	719,268	10,877,507	476,561
<b>Current assets</b>		<b>106,111,800</b>	<b>4,575,954</b>	<b>91,564,259</b>	<b>4,011,578</b>
<b>Total assets</b>		<b>113,343,425</b>	<b>4,887,809</b>	<b>98,791,296</b>	<b>4,328,206</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Charter capital	10	229,908,605	10,696,519	225,908,605	10,696,519
Translation differences		-	(804,342)	-	(790,931)
Accumulated losses		(230,188,180)	(9,603,374)	(207,103,373)	(8,906,463)
<b>Total equity</b>		<b>(259,575)</b>	<b>(11,197)</b>	<b>22,805,232</b>	<b>999,135</b>
<b>Liabilities</b>					
<b>Non – current</b>					
Borrowings	11	-	-	111,108	4,868
<b>Non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>111,108</b>	<b>4,868</b>
<b>Current</b>					
Pension and other employees obligations	12	1,284,281	55,383	1,530,912	67,071
Trade and other payables	13	66,992,893	2,457,758	63,391,739	2,777,296
Borrowings	11	40,464,805	1,745,000	-	-
Provision for technical transfer fees	14	13,279,754	572,675	9,457,665	414,356
Current tax liabilities	15	1,661,287	68,190	1,494,580	65,480
<b>Current liabilities</b>		<b>113,603,000</b>	<b>4,899,006</b>	<b>75,874,956</b>	<b>3,324,203</b>
<b>Total liabilities</b>		<b>113,603,000</b>	<b>4,899,006</b>	<b>75,986,064</b>	<b>3,329,071</b>
<b>Total equity and liabilities</b>		<b>113,343,425</b>	<b>4,887,809</b>	<b>98,791,296</b>	<b>4,328,206</b>

# Statement of comprehensive income

for the year ended 31 March 2019

	Notes	Year ended 31 March 2019		Year ended 31 March 2018	
		VND'000	US\$	VND'000 <i>Reclassified</i>	US\$ <i>Reclassified</i>
Revenue	16	92,504,611	3,996,298	110,480,190	4,850,702
Sales deduction	16	(44,726,766)	(1,933,211)	(41,377,303)	(1,817,025)
Net sales	16	47,777,845	2,065,087	69,082,887	3,033,677
Other income	18	3,295,156	142,425	1,704,225	74,839
Cost of sales	15	(47,856,571)	(2,058,489)	(67,515,220)	(2,969,226)
Depreciation and amortization	15	(1,592,153)	(73,139)	(2,219,523)	(97,467)
Selling and distribution expenses	16	(8,736,187)	(377,501)	(9,155,673)	(402,234)
Administrative expenses	16	(14,047,565)	(607,173)	(20,517,252)	(905,377)
Operating loss	16	(21,259,475)	(918,850)	(28,824,555)	(1,265,788)
Finance income	17	41,989	1,815	7,029	309
Finance costs	17	(1,839,122)	(79,492)	(518,992)	(22,791)
Other operating expenses		(8,199)	(354)	-	-
Loss before tax		(23,064,807)	(996,921)	(29,336,518)	(1,268,270)
Corporate income tax expenses	18	-	-	-	-
Deferred corporate income tax expense	19	-	-	-	-
<b>Net loss for the year from continuing operations</b>		<b>(23,064,807)</b>	<b>(996,921)</b>	<b>(29,336,518)</b>	<b>(1,268,270)</b>
<b>Other comprehensive income</b>					
Translation differences		-	(13,411)	-	(3,532)
<b>Total comprehensive loss for the year</b>		<b>(23,064,807)</b>	<b>(1,010,332)</b>	<b>(29,336,518)</b>	<b>(1,291,802)</b>

# Statement of changes in equity

for the year ended 31 March 2019

	Charter capital VND'000	Translation differences VND'000	Accumulated losses VND'000	Total VND'000
Balance at 1 April 2017	229,908,605	-	(177,768,855)	52,141,750
Net loss	-	-	(29,336,518)	(29,336,518)
Total comprehensive income for the year	-	-	(29,336,518)	(29,336,518)
<b>Balance at 31 March 2018</b>	<b>229,908,605</b>	<b>-</b>	<b>(207,103,373)</b>	<b>22,805,232</b>
Balance at 1 April 2018	229,908,605	-	(207,103,373)	22,805,232
Net loss	-	-	(23,064,807)	(23,064,807)
Total comprehensive income for the year	-	-	(23,064,807)	(23,064,807)
<b>Balance at 31 March 2019</b>	<b>229,908,605</b>	<b>-</b>	<b>(230,168,180)</b>	<b>(29,259,575)</b>
	US\$	US\$	US\$	US\$
Balance at 1 April 2017	10,696,519	(787,399)	(7,618,183)	2,290,937
Net loss	-	-	(1,288,270)	(1,288,270)
Other comprehensive income	-	(3,532)	-	(3,532)
Total comprehensive income for the year	-	(3,532)	(1,288,270)	(1,291,802)
<b>Balance at 31 March 2018</b>	<b>10,696,519</b>	<b>(790,931)</b>	<b>(8,906,453)</b>	<b>999,135</b>
Balance at 1 April 2018	10,696,519	(790,931)	(8,906,453)	999,135
Net loss	-	-	(996,921)	(996,921)
Other comprehensive income	-	(13,411)	-	(13,411)
Total comprehensive income for the year	-	(13,411)	(996,921)	(1,010,332)
<b>Balance at 31 March 2019</b>	<b>10,696,519</b>	<b>(804,342)</b>	<b>(9,903,374)</b>	<b>(11,197)</b>

# Statement of cash flows

for the year ended 31 March 2019

	Year ended 31 March 2019		Year ended 31 March 2018	
	VND'000	US\$	VND'000	US\$
<b>Cash flows from operating activities</b>				
Loss before tax	(23,064,807)	(996,921)	(29,336,518)	(1,288,270)
<i>Adjustments for:</i>				
Depreciation and amortisation	1,692,153	73,139	2,219,523	97,487
Change in provisions	(21,997,732)	(950,801)	(13,158,101)	(577,819)
Gain on foreign currency translation	(27,870)	(1,196)	-	-
Provision for technical transfers	12,017,535	519,430	(12,499,358)	(547,135)
Gain from disposal of fixed assets	(126,273)	(5,415)	(10,307)	(453)
Interest expenses	1,025,256	44,314	405,644	17,813
Interest income	(2,233)	(97)	(7,029)	(309)
<b>Operating loss before changes in working capital</b>	<b>(30,482,771)</b>	<b>(1,317,547)</b>	<b>(52,346,146)</b>	<b>(2,288,706)</b>
Changes in accounts receivable	(5,589,422)	(241,590)	12,889,788	565,158
Changes in inventories	18,841,207	814,368	4,951,818	217,443
Changes in accounts payable	(15,360,062)	(663,902)	27,528,016	1,208,854
Changes in prepaid expenses	12,888	557	(328,428)	(14,422)
<b>Net cash flow used in operating activities</b>	<b>(32,578,150)</b>	<b>(1,408,114)</b>	<b>(7,325,152)</b>	<b>(321,673)</b>
<b>Cash flows from investing activities</b>				
Acquisitions of property, plant and equipment	(1,709,629)	(73,895)	(1,437,094)	(63,108)
Proceed from disposal of property, plant and equipment	125,273	5,415	24,791	1,089
Interest income received	2,233	97	7,029	309
<b>Net cash flow used in investing activities</b>	<b>(1,582,123)</b>	<b>(68,383)</b>	<b>(1,405,274)</b>	<b>(61,710)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans	40,464,805	1,748,997	-	-
Repayment of loans	(111,108)	(4,802)	(166,668)	(7,319)
Interest paid	(391,830)	(16,936)	(358,759)	(15,754)
<b>Net cash flow generated from/(used in) financing activities</b>	<b>39,961,867</b>	<b>1,727,259</b>	<b>(525,427)</b>	<b>(23,073)</b>
<b>Net increase/(decrease) in cash</b>	<b>5,801,594</b>	<b>250,762</b>	<b>(9,255,653)</b>	<b>(408,456)</b>
Cash and cash equivalents at beginning of year	10,877,507	476,561	20,133,360	884,594
Translation differences	-	(8,055)	-	(1,577)
<b>Cash and cash equivalents at end of the year</b>	<b>16,679,101</b>	<b>719,268</b>	<b>10,877,507</b>	<b>476,561</b>



# Notes to the financial statements

for the year ended 31 March 2019

## 1. Nature of operations

Bioseed Vietnam Limited ("the Company") was established as a limited liability company with one member in the Socialist Republic of Vietnam in 2008 as a result from the merger between Bioseed Genetics Vietnam ("BGV") and Bioseed Research Vietnam ("BRV") in accordance with the Investment Certificate No. 011043000302 issued by the Hanoi People's Committee dated 20 March 2008. The Company was a wholly foreign owned company of Bioseeds Holdings Pte Limited, a company incorporated in Singapore.

In accordance with the seventh amendment of Business Registration Certificate No 0100114120 issued by Hanoi Planning and Investment Department dated 2 April 2018, the Company's registered charter capital was USD10,696,519.

The Company's registered office is located at 6<sup>th</sup> floor, Hong Ha building, 25 Ly Thuong Kiet street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi, Vietnam. The Company's branches and factories are as below:

- Tay Ninh factory: Tram Vang, Thanh Phuoc, Go Dau, Tay Ninh;
- Thai Nguyen factory: Xom Trai, Tan Huong, Pho Yen, Thai Nguyen.

The principal activities of the Company are to:

- produce and trade hybrid corn and rice seeds;
- engage in research and development activities in the use of parent seeds to grow high yield hybrid maize ("HYHM"), rice and vegetable; and,
- supply field-tested parent seeds to a related party for the production of HYHM for commercial purposes.

## 2. Statement of compliance with International Financial Reporting Standards ("IFRS") and going concern assumption

The Company's statutory financial statements are prepared in accordance with Vietnamese Accounting Standards and System ("VAS").

This set of financial statements was prepared based on the Company's statutory financial statements by converting the same to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) to allow its inclusion in the consolidated financial statements of its parent company. They have been prepared under the assumption that the Company operates on a going concern basis.

Except for certain accounts and transactions relative to certain financial instruments, the accompanying financial statements have been prepared in accordance with IFRS. Certain financial instruments are measured, recognised, presented and disclosed at face value instead of amortised cost to be consistent with the accounting policy of the parent company.

The financial statements for the year ended 31 March 2019 (including comparatives) were approved and authorised for issue by the Board of Directors on 17 April 2019.

## 3. New and revised standards or Interpretations

### 3.1 New and revised standards adopted as at 1 January 2018

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2018. Information on these new standards is presented below.

#### **IFRS 15 'Revenue from Contracts with Customers'**

IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customers' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations.

The Company has applied IFRS 15 with detailed accounting policies as disclosed in the Note 4 – Summary of accounting policies.

#### **IFRS 9 'Financial Instruments'**

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

When adopting IFRS 9, the Company has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

The Company has applied IFRS 9 with detailed accounting policies as disclosed in the Note 4 – Summary of accounting policies.

### **3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company**

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

#### **IFRS 16 'Leases'**

IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months. IFRS 16 is effective from periods beginning on or after 1 January 2019. Early adoption is permitted, however, the Company have decided not to early adopt.

## **4. Summary of accounting policies**

### **4.1 Basis of preparation**

The Company's financial statements have been prepared on an accrual basis and under the historical cost convention. Monetary amounts are expressed in Vietnam Dong (VND) rounded to the nearest thousand ("VND'000"), which is also the functional currency of the Company.

#### **Going concern assumption**

The financial statements have been prepared on a going-concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding the fact that the Company has an accumulated losses inception of operations amounting to VND 230,168,180 thousand, equivalent to USD9,903,374 which caused a deficiency in the Company's equity amounting VND259,575 thousand, equivalent to USD11,197 as at 31 March 2019 and the Company's total current liabilities exceeded its total current assets by VND 7,491,200 thousand, equivalent to USD323,052. Furthermore, the Company is liable to settle a significant borrowing balance of VND40,464,805 thousand, equivalent to USD1,745,000 in the next twelve months.

The Company's continued existence as a going concern is dependent on the continued financial support of its owner and ultimately dependent on the success of its future operations.

Management realises that the Company must generate additional resources, increase sales, and reduce manufacturing costs to enable it to continue operating as a going-concern. In addition, the investors have confirmed that it intends to provide continuing support to enable the Company to meet its liabilities as they fall due and it will not ask for the repayment of short-term payables until such time the Company is financially capable to do so, and continue operating.

Accompanying financial statements of the Company for the year ended 31 March 2019 excluded the adjustments that have been made to restate the value of assets to their recoverable amounts, to provide for any further liabilities and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively, had the going concern assumption not been appropriate. The assumption is premised on future events, the outcome of which is inherently uncertain.

#### 4.2 Foreign currency translation

##### Functional and presentation currency

The Company's financial statements are presented in Vietnamese Dong ("VND") rounded to the nearest thousand ("VND/000"), which is also the functional currency of the Company.

The Company's financial statements are also presented in United State Dollar ("USD") for reference purposes which are translated from VND following conversion rulings as presented below.

##### Foreign currency translation

In the VND financial statements, transactions in currencies other than the functional currency are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year – end exchange rates, are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated).

The VND financial statements have been translated into US\$ as follows:

- assets and liabilities are translated at the exchange rate of VND23,189/US\$1 (31 March 2018: VND22,825/US\$1) that closely approximate the rate ruling at the balance sheet date;
- equity is translated at the historical rates of exchange at the date of transaction;
- income and expense items are translated at the average exchange rate of VND23,136/US\$1 for the year (2017: VND22,772/US\$1); and
- all resulting translation differences are presented as part of other comprehensive income.

No representation is made that the balances in the financial statements originally expressed in Vietnamese Dong can be realized in United States Dollar at the values shown in the accompanying financial statements.

#### 4.3 Revenue

##### Sale of goods

A sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods. Revenue is not recognised when the ability of collection, the reasonable estimates of the costs of sale or the ability of rejects is uncertain.

##### Sale return

Sale return is recognised for the low quality goods sold to customers when actual sale returns incurred during the year. Provision for sale return is also estimated and accounted for as at the year-end date based on the Management's assumption on the probability of sale return which will be happened in the following years related to sales of the current year.

##### Interest income

Interest income is reported on an accrual basis using the effective interest method.

#### 4.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

#### 4.5 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition costs, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recorded on a reducing balance method over the estimated useful lives of the assets, at the following annual rates:

Leasehold improvements	33.33%
Buildings	14% - 25%
Plant and machinery	13% - 31%
Furniture and fixtures	15% - 25%
Office equipment	25%
Motor vehicles	25% - 33%
Other assets	33.33%

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

#### 4.6 Intangible assets

Intangible assets include acquired software used in business administration. Software is accounted for using the cost model whereby capitalised costs are amortised on a reducing balance method at the rate 25% - 33% per annum. In addition, intangible assets are subject to impairment testing as described in Note 4.7.

#### 4.7 Impairment testing of other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

#### 4.8 Leased assets

##### *Operating leases*

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

#### 4.9 Financial instruments

##### **Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **Classification and initial measurement of financial assets**

Except for those trade and other short-term receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

#### **Subsequent measurement of financial assets**

*Financial assets are measured at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and most other receivables fall into this category of financial instruments.

#### **Impairment of financial assets**

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*Trade and other receivables and contract assets*

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

**Classification and measurement of financial liabilities**

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings, trade and other payables.

In accordance with the parent company's accounting policies, after initial recognition financial liabilities are measured at historical cost, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**4.10 Inventory**

Inventory is accounted for using the periodic method and valued at the lower of cost and net realizable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition. Cost of finished goods, calculated on a weighted average basis, is composed of materials, production variable costs, direct labour and production overhead. Net realizable value comprises estimated sales proceeds less selling expenses.

**4.11 Income taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

**4.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 4.13 Provisions, contingent liabilities and contingent assets

Provisions for warranties, legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

##### *Provision for technical transfer fee*

The Company has a policy to pay "technical transfer support fee" to its customers. Provision for technical transfer fee is made at different rates for different types of HYHM that customers purchased from the Company at the time the Company recognises sales. Growers are paid for technical transfer support upon completion of all contract conditions agreed with the Company.

#### 4.14 Employee benefit plans

The Company provides post-employment benefits through Government's defined contribution plan. The Company did not participate in or fund any defined benefit plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into an independent governmental entity. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contributions. The defined contribution plans that the Company participated include social insurance, unemployment insurance fund of the Vietnamese Government with details as follows:

##### *Post-employment benefits*

Post-employment benefits are paid to retired employees of the Company by the Vietnam Social Insurance. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary on a monthly basis in accordance with Decree 44/2017/ND-CP. The Company has no further obligation to fund the post-employment benefits of its employees.

##### *Unemployment benefits*

In accordance with Vietnamese regulations on labour code and the latest Decree No. 28/2015ND-CP with effective date from 1 January 2015 providing guidance on implementation of Law on Employment No. 38/2013/QH13 on unemployment insurance, the Company is obliged to pay unemployment insurance at 1% of its salary fund used for payment of unemployment insurance for insurance participants and deduct 1% of salary of each employee to simultaneously pay to the Unemployment Insurance Fund

#### 4.15 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Parties are considered to be related to the Company if:

- directly or indirectly, a party controls, is controlled by, or is under common control of the Company; has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
- a party is a jointly-controlled entity;
- a party is an associate;
- a party is a member of the key management personnel of the Company; or
- a party is a close family member of the above categories.

#### **4.16 Significant management judgment in applying accounting policies and estimation uncertainty**

When preparing the financial statements, the Board of Directors undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

##### **Significant management judgement**

The following are the judgements made by management in applying the accounting policies of the Company that have the most significant effect on the special consolidated financial statements.

##### *Recognition of deferred tax assets*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions (see Note 19).

##### **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

##### *Impairment of non-financial assets*

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In the period, the Company did not recognize any impairment loss.

##### *Receivables*

Provision for doubtful accounts receivable was recognised for the Company's trade and other receivables as management estimates that the expected future cash flows from collection the Company's receivables lower than their carrying amount. Provision was estimated by the Company's management based on the collectability amount from each customer.

##### *Inventories*

Provision for obsolete inventory was recognised for the Company's inventories as management estimates that the net realizable value of the Company's inventories is lower than book value as at 31 March 2019. The estimates are made based on the current selling prices of the Company's inventories and prediction of sale in the following years.

##### *Provisions for technical transfer fee*

Provision for technical transfer fee was estimated by the Company's management based on assumption of average trade debtors' collection days. The assumption is built up on the Company's historical trend of trade debtors' collection. Accordingly, provision is estimated in line with credit term provided to customers and the average trade debtors' collection days.

##### *Sale return*

Sale return is estimated and accounted for as at the year-end date based on the Management's assumption on the probability of sale return which will be happened in the following years related to sales of the current year.



## 5. Property, plant and equipment

	Leasehold improvements VND'000	Buildings VND'000	Plant and machinery VND'000	Furniture and fixtures VND'000	Office equipment VND'000	Motor vehicles VND'000	Other assets VND'000	Plant in construction VND'000	Total VND'000
<b>Historical cost</b>									
1 April 2017	19,312	3,752,148	19,040,100	354,597	413,235	4,139,905	261,827	-	27,981,133
Addition	-	-	97,300	-	-	-	-	1,339,744	1,437,094
Disposal	-	-	(154,903)	-	(95,922)	-	-	-	(250,825)
1 April 2018	19,312	3,752,148	18,982,556	354,597	317,313	4,139,905	261,827	1,339,744	29,167,402
Addition	-	1,670,629	38,000	-	-	-	-	-	1,709,529
Transferred from construction	-	1,339,744	-	-	-	-	-	(1,339,744)	-
Disposal	-	-	(46,200)	-	-	(414,535)	-	-	(460,735)
31 March 2019	19,312	6,762,521	18,975,356	354,597	517,313	3,725,370	261,827	-	30,416,296
<b>Accumulated depreciation</b>									
1 April 2017	(19,312)	(3,450,706)	(15,989,764)	(311,549)	(326,865)	(3,469,182)	(261,827)	-	(23,829,204)
Change for year	-	(194,442)	(987,771)	(25,385)	(32,419)	(249,368)	-	-	(1,489,385)
Disposals	-	-	145,696	-	86,647	-	-	-	236,343
1 April 2018	(19,312)	(3,645,148)	(16,827,839)	(336,933)	(272,637)	(3,718,550)	(261,827)	-	(26,082,246)
Change for year	-	(213,061)	(723,135)	-	(34,041)	(140,438)	-	-	(1,110,675)
Disposals	-	-	46,200	-	-	414,535	-	-	460,735
31 March 2019	(19,312)	(3,858,209)	(17,504,774)	(336,933)	(308,678)	(3,444,453)	(261,827)	-	(25,732,106)
<b>Net book value</b>									
1 April 2018	-	107,000	2,154,717	17,664	44,678	421,355	-	1,339,744	4,085,156
31 March 2019	-	2,904,312	1,470,582	17,664	10,635	280,917	-	-	4,694,110

	Lesseehold Improvement US\$	Buildings US\$	Plant and machinery US\$	Furniture and Fixtures US\$	Office Equipment US\$	Motor vehicles US\$	Other assets US\$	Plant in construction US\$	Total US\$
<b>Historical cost</b>									
1 April 2017	849	164,857	837,092	15,282	17,216	167,648	11,504	-	1,214,448
Addition	-	-	4,276	-	-	-	-	58,833	63,108
Disposals	-	-	(8,802)	-	(4,212)	-	-	-	(11,014)
Translation difference	(3)	(469)	(2,910)	233	898	13,726	(33)	(136)	11,328
1 April 2018	846	164,388	831,655	15,535	13,902	181,376	11,471	58,697	1,277,870
Addition	-	72,209	1,686	-	-	-	-	-	73,895
Transferred from plant in construction	-	57,907	-	-	-	-	-	(57,907)	-
Disposals	-	-	(1,997)	-	-	(17,917)	-	-	(19,914)
Translation difference	(13)	(2,878)	(13,053)	(243)	(218)	(2,807)	(180)	(790)	(20,182)
31 March 2019	833	291,628	818,291	15,292	13,684	160,652	11,291	-	1,311,669
<b>Accumulated depreciation</b>									
1 April 2017	(849)	(151,613)	(702,538)	(13,454)	(13,891)	(138,177)	(11,504)	-	(1,032,026)
Charge for the year	-	(8,539)	(43,377)	(1,115)	(1,424)	(10,951)	-	-	(65,406)
Disposals	-	-	6,574	-	3,805	-	-	-	10,379
Translation difference	3	452	2,068	(193)	(435)	(13,786)	33	-	(11,840)
1 April 2018	(846)	(159,700)	(737,253)	(14,762)	(11,945)	(162,916)	(11,471)	-	(1,098,893)
Charge for the year	-	(9,209)	(31,256)	-	(1,471)	(6,070)	-	-	(48,006)
Disposals	-	-	1,997	-	-	17,917	-	-	19,914
Translation difference	13	2,526	11,638	232	191	2,631	180	-	17,313
31 March 2019	(833)	(160,381)	(754,874)	(14,530)	(13,225)	(146,538)	(11,291)	-	(1,109,872)
<b>Net book value</b>									
1 April 2018	-	4,688	94,402	773	1,957	18,460	-	58,697	178,977
31 March 2019	-	125,245	63,417	762	459	12,114	-	-	201,997

## 6. Intangible assets

	VND'000	Software US\$
<b>Historical cost</b>		
1 April 2017	4,700,905	206,542
Translation difference	-	(588)
1 April 2018	4,700,905	205,954
Translation difference	-	(3,233)
31 March 2019	4,700,905	202,721
<b>Accumulated amortisation</b>		
1 April 2017	(2,830,383)	(115,569)
Charge for year	(730,140)	(32,063)
Translation difference	-	403
1 April 2018	(3,360,503)	(147,229)
Charge for year	(581,478)	(25,076)
Translation difference	-	2,311
31 March 2019	(3,941,981)	(169,994)
<b>Net book value</b>		
1 April 2018	1,340,402	58,725
31 March 2019	758,924	32,727

## 7. Inventories

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Parent seeds	611,775	26,382	1,281,704	56,154
Raw materials	6,005,490	258,980	10,079,290	441,590
Packing materials	942,164	40,630	1,383,437	60,811
Work in progress	13,733,261	592,232	24,991,071	1,094,899
Finished goods	3,369,785	144,887	6,813,401	298,506
Consumables	2,786,000	120,100	1,729,779	75,784
	27,437,475	1,183,211	46,278,682	2,027,544
Provision for decline in inventory value	(346,657)	(14,949)	(22,451,298)	(983,628)
	27,090,818	1,168,262	23,827,384	1,043,916

## 8. Trade and other receivables

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Trade accounts receivable	86,482,725	3,729,472	80,246,725	3,515,738
Provision for doubtful debts	(25,248,042)	(1,088,794)	(25,354,952)	(1,110,641)
Provision for sale returns - net	(1,451,664)	(62,601)	(1,187,337)	(52,019)
Net receivables	59,783,019	2,578,077	53,704,436	2,352,878
Prepayments to suppliers	96,141	4,146	1,262,547	55,314
Short term deposits	863,466	37,235	663,133	29,053
Others	1,465,719	62,776	1,214,335	53,202
	62,198,335	2,682,234	56,844,451	2,490,447

All amounts are short-term. The carrying values of trade receivables are considered to be a reasonable approximation of fair value.

All of the Company's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of USD1,088,794 (31 March 2018: USD1,110,841) has been recorded accordingly within other expenses. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties. The movements in the allowance for credit losses is presented below:

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Opening balance	25,354,952	1,110,841	16,163,248	710,160
Provision made during the year	422,654	18,264	10,352,317	454,807
Reversal of provision	(529,464)	(22,885)	(1,160,613)	(50,967)
Translation differences	-	(17,426)	-	(2,959)
Closing balance	25,248,042	1,088,794	25,354,952	1,110,841

Provision for sale returns – net represents the variance between the estimated receivable amounts from customers and the corresponding cost of finished goods related to sale returns. Details are as follows:

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Provision for sale returns – gross	2,660,000	114,710	1,258,459	55,135
Cost of finished goods held by customers	(1,208,336)	(52,109)	(71,122)	(3,116)
	1,451,664	62,601	1,187,337	52,019

## 9. Cash and cash equivalents

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Cash on hand	20,725	894	15,886	695
Cash in banks	15,628,376	673,956	10,861,641	475,866
	15,649,101	674,850	10,877,507	476,561

### Cash equivalents

Deposits at bank with terms less than 3 months (*)	1,030,000	44,418	-	-
	15,679,101	719,268	10,877,507	476,561

## 10. Charter capital

	Charter capital		Contribution to date	
	as per Investment Certificate		VND'000	
	US\$	%	US\$	equivalent
Bioseeds Holdings Pte Limited	10,696,519	100	10,696,519	229,908,605

## 11. Borrowings

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
<b>Short-term from related party</b>				
Borrowing (i)	3,478,350	150,000	-	-
Borrowing (ii)	1,739,175	75,000	-	-
Borrowing (iii)	6,376,975	275,000	-	-
Borrowing (iv)	3,362,405	145,000	-	-
Borrowing (v)	25,507,900	1,100,000	-	-
	40,464,805	1,745,000	-	-
<b>Long term</b>				
Loans from Techcombank	-	-	111,108	4,868

During the year, the Company obtained certain unsecured short-term borrowings from Bioseeds Holding Pte Ltd, the investor, with details of interest rate and maturity date as below:

	Loan principal	Interest rate	Maturity date
Borrowing (i)	USD150,000	5.76% per annum	May 2019
Borrowing (i)	USD75,000	5.33% per annum	1 year, starting from October 2018
Borrowing (ii)	USD275,000	5.91% per annum	September 2019
Borrowing (iii)	USD145,000	3.73% per annum	November 2019
Borrowing (iv)	USD1,100,000	3.77% per annum	February 2020

## 12. Employee remuneration

### 12.1 Employee benefits expenses

Expenses recognised for employee benefits are analysed below:

	Year ended 31 March 2019		Year ended 31 March 2018	
	VND'000	US\$	VND'000	US\$
Wages, salaries	21,779,013	941,347	21,385,076	939,095
Social and health insurance	1,588,275	68,650	1,649,429	72,433
	<u>23,367,288</u>	<u>1,009,997</u>	<u>23,034,505</u>	<u>1,011,528</u>

### 12.2 Pension and other employee obligations

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Current				
Salaries	543,013	23,417	723,358	31,691
Social and health insurance and trade union	741,268	31,966	807,558	35,380
	<u>1,284,281</u>	<u>55,383</u>	<u>1,530,912</u>	<u>67,071</u>

### 12.3 Transactions with key management personnel

During the year, the following remuneration expenses were recorded for the members of the Board of Director, which include paid remuneration and accruals of bonuses for the year:

	Year ended 31 March 2019		Year ended 31 March 2018	
	VND'000	US\$	VND'000	US\$
Salary	3,009,176	117,855	2,732,932	120,013
Other benefits	3,772,051	185,997	1,580,153	69,390
	<u>6,781,227</u>	<u>303,852</u>	<u>4,313,085</u>	<u>189,403</u>

## 13. Trade and other payables

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Trade accounts payable	11,007,703	474,695	17,793,087	779,544
Payables to related parties (Note 20)	43,870,364	1,891,862	42,504,594	1,864,823
Accrued expenses payable	1,852,760	79,898	1,720,295	75,369
Other payables	262,066	11,303	1,313,813	57,560
	<u>56,992,893</u>	<u>2,457,758</u>	<u>63,391,799</u>	<u>2,777,296</u>

All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

## 14. Provision for technical transfer fees

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Opening balance	9,457,665	414,366	14,395,671	632,409
Provision made during the year	12,017,535	519,430	12,459,358	547,135
Payment to customers	(8,195,446)	(354,229)	(17,397,384)	(763,981)
Translation differences	-	(6,882)	-	(1,297)
Closing balance	13,279,754	572,675	9,457,665	414,366

## 15. Current tax liabilities

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Corporate income tax (Note 18)	391,926	16,901	391,926	17,171
Personal income tax	43,453	1,874	-	-
Foreign contractor tax	1,145,888	49,415	1,102,654	48,309
	1,581,267	68,190	1,494,580	65,480

## 16. Revenue and expenses from operations

The Company's revenue and expenses from operations are as follows:

	Year ended 31 March 2019		Year ended 31 March 2018	
	VND'000	US\$	VND'000	US\$
<b>Revenue</b>				
Revenue from sale of corn seeds	88,645,044	3,831,477	104,693,991	4,567,486
Revenue from rice seeds	3,859,567	166,821	5,766,199	253,214
Gross sales	92,504,611	3,998,298	110,460,190	4,850,702
Sales deduction	(44,726,766)	(1,933,211)	(41,377,303)	(1,817,025)
Sales returns	(31,240,385)	(1,350,292)	(27,508,024)	(1,207,976)
Sales discounts	(13,486,401)	(582,919)	(13,669,279)	(609,049)
Net sales	47,777,845	2,065,087	69,082,887	3,033,677
<b>Other income</b>				
Sales from defected goods	1,932,601	83,527	1,435,788	63,051
Gain on disposal of fixed assets	125,273	5,415	10,307	453
Write off gratuity payable to a former Director	1,058,340	45,744	-	-
Others	179,042	7,739	258,131	11,335
	3,295,156	142,425	1,704,226	74,839
<b>Operation expenses</b>				
Cost of raw materials	30,158,614	1,303,536	49,034,402	2,153,276
Provision for decline in inventory valuation	346,657	14,983	16,958,084	832,517
Labour costs	23,425,122	1,012,497	23,034,505	1,011,528
Depreciation and amortization	1,692,153	73,139	2,219,523	97,467
Other expenses	16,709,830	722,247	6,365,154	279,516
Total operation expenses	72,332,476	3,126,402	89,611,668	4,374,304
Loss from operations	(21,259,475)	(918,890)	(28,824,555)	(1,265,786)

## 17. Finance income and costs

	Year ended 31 March 2019		Year ended 31 March 2018	
	VND'000	US\$	VND'000	US\$
<b>Finance income</b>				
Gains from foreign exchange differences	59,756	1,718	-	-
Interest income	2,233	97	7,029	309
	41,989	1,815	7,029	309
<b>Finance costs</b>				
Interest expenses	620,019	26,799	23,668	1,039
Interest expenses on late payment	405,237	17,615	381,976	16,774
Realised loss from foreign exchange differences	813,856	36,178	113,348	4,978
	1,839,122	79,492	518,992	22,791
	(1,797,133)	(77,677)	(511,963)	(22,482)

## 18. Tax expenses

The Company is liable to corporate income tax ("CIT") at 10% of taxable income. A reconciliation of the Company's net loss and taxable loss is presented as follows:

	Year ended 31 March 2019		Year ended 31 March 2018	
	VND'000	US\$	VND'000	US\$
<b>Accounting loss before tax</b>	(23,064,807)	(996,921)	(29,336,518)	(1,268,270)
<i>Adjustments:</i>				
<b>Permanent differences</b>				
Estimated non-deductible expenses	2,416,145	104,432	3,343,148	146,810
<b>Temporary differences</b>				
Provision for technical transfers	3,822,089	165,201	(4,938,006)	(216,846)
Provision for doubtful debt	(106,910)	(4,621)	9,191,704	403,641
Net provision for sale returns	264,327	11,425	(3,174,484)	(139,403)
Reversal of provision for decline in inventory	(22,104,641)	(955,422)	(3,966,357)	(174,179)
<b>Tax loss</b>	(38,773,797)	(1,675,906)	(28,880,553)	(1,268,247)
CIT payable at beginning of the year	391,926	17,171	391,926	17,220
Translation difference	-	(270)	-	(49)
<b>CIT payable at end of the year (Note 15)</b>	391,926	16,901	391,926	17,171

The calculation of CIT is subject to review and approval of the local tax authorities.

**Tax loss**

Tax losses can be carried forward to offset future years' taxable income of up to five years from the year in which they were incurred. The actual amount of losses that can be carried forward is subject to the result of a tax audit which will be carried out by the local tax authorities. Tax losses available for offset against future taxable income are estimated as follows:

Year ended	Status of tax audit	Tax loss	Utilized	Expired	Tax losses	Year of Expiration
		VND'000	VND'000	VND'000	carried forward VND'000	
31 March 2015	Finalised	(15,800,999)	-	-	(15,800,999)	2020
31 March 2016	Finalised	(16,733,141)	-	-	(16,733,141)	2021
31 March 2017	Not finalised	(55,299,716)	-	-	(55,299,716)	2022
31 March 2018	Not finalised	(28,880,553)	-	-	(28,880,553)	2023
31 March 2019	Not finalised	(38,773,797)	-	-	(38,773,797)	2024
		(155,488,206)	-	-	(155,488,206)	

## 19. Deferred tax

The Company recognised deferred tax assets for temporary differences and tax loss relating to the following items:

	Balance sheet		Charge to income statement	
	31 Mar 2019	31 Mar 2018	2019	2018
	VND'000	VND'000	VND'000	VND'000
<b>Deferred tax assets</b>				
Tax losses carried forward	1,325,100	1,325,100	-	-
	1,325,100	1,325,100	-	-
	US\$	US\$	US\$	US\$
<b>Deferred tax assets</b>				
Tax losses carried forward	58,055	58,055	-	-
Translation difference - equity	(912)	-	-	-
	57,143	58,055	-	-

The Company recognized deferred tax assets with an amount of VND1.3 billion on the balance sheet arising from tax losses of previous years as the Management believes that the Company will have sufficient future taxable income to utilise the said tax losses.

## 20. Related party transactions

During the year, the following transactions with related parties were recorded as follows:

Related party	Relationship	Transactions	31 March 2019		31 March 2018	
			VND'000	US\$	VND'000	US\$
Bioseed Research Philippines	Fellow subsidiary	Purchase of seeds	653,163	38,342	657,473	29,872
Bioseeds Limited	Parent company	Interest payment	-	-	(445,343)	(19,091)
Bioseeds Holdings Pte Limited	Parent Company	Borrowings	40,445,505	1,745,000	-	-
		Interest expenses	564,304	24,851	-	-
Shriram Bioseed Genetics (a unit of DCM Shriram Limited)	Parent Company	Purchases of seeds	5,992,620	302,805	11,568,388	508,695

At 31 March, the following balances were outstanding with related parties:

Related party	Relationship	Transactions	31 March 2019		31 March 2018	
			VND'000	US\$	VND'000	US\$
<b>Payables (Note 13)</b>						
Bioseeds Limited	Parent Company	Other payables	1,934,890	83,440	1,604,518	83,440
		Interest payables	7,668,296	330,597	7,545,377	330,597
Shriram Bioseed Genetics (a unit of DCM Shriram Limited)	Parent Company	Seeds purchases	9,783,694	421,911	9,999,058	433,605
DCM Shriram Limited	Parent Company	Purchase of assets	840,825	36,260	827,626	36,260
Bioseeds Research Philippines	Fellow subsidiary	Seeds purchases	429,551	18,624	99,355	4,352
Bioseeds Holdings Pte Limited	Parent Company	Interest payables	23,215,198	1,001,130	22,288,130	976,479
			43,870,364	1,891,862	42,564,594	1,864,823

Amounts due from and to related parties are trade related, unsecured and interest-free.

## 21. Commitments

As at 31 March, the Company was committed under operating lease commitments at the following amounts:

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Within 1 year	1,772,134	76,421	927,043	40,615
Within 2 to 5 years	571,892	24,862	3,269,455	144,116
	2,344,026	101,083	4,215,498	184,731



## 22. Financial instrument risks

### Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated by its board of management, in close cooperation with the board of director, and focuses on actively securing the Company's short to medium-term cash flows.

The most significant financial risks to which the Company is exposed are described below.

### 21.1 Cash and cash equivalents

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk which result from its operating activities.

#### Foreign currency sensitivity

The Company has purchase transactions with its related parties for purchase of seeds in foreign currencies and as a result, is exposed to movements in foreign currency exchange rates. The Company has not established any official controls to mitigate foreign currency risks.

Foreign currency denominated financial assets and liabilities, translated into VND at the closing rate, are as follows:

	31 March 2019		31 March 2018	
	US\$	VND'000	US\$	VND'000
Financial assets	624,656	14,452,043	403,656	9,192,043
Financial liabilities	(3,636,862)	(84,142,439)	(1,664,823)	(42,465,749)
Short-term exposure	(3,012,206)	(69,690,396)	(1,461,167)	(33,273,706)

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Company's financial assets and financial liabilities and the US Dollar – VND exchange rate.

It assumes a +/- 1.6% change of the US-Dollar/VND exchange rate for the year ended at 31 March 2019 (2018: +/- 1.4%). The percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each balance sheet date.

If the USD had strengthened/weakened against the VND by 2% respectively (2017: 1%) then this would have had the following impact:

	Year ended 31 March 2019		Year ended 31 March 2018	
	VND'000	VND'000	VND'000	VND'000
	+1.6%	-1.6%	+1.4%	-1.4%
Net result for the year	(892,037)	892,037	(419,249)	419,249
Equity	(892,037)	892,037	(419,249)	419,249

#### Interest rate sensitivity

Interest rate risk is the risk that the fair value (fair value interest rates risk) or future cash flows (cash flow interest rates risks) of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rates risk arising from financial instruments carried fixed interest rates which are measured at fair value. In accordance with the Group's accounting policies, the Company does not have any financial instruments that require measurement at fair value. Therefore, a change in interest rate risk does not impact the Company's financial statements in relation to fair value of the financial instruments.

### 21.2 Credit risk

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets – loans and receivables - recognised at the reporting date.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
<b>Classes of financial assets - carrying amounts</b>				
Cash and cash equivalents	16,679,101	720,915	10,877,507	476,561
Trade and other receivables	62,198,335	2,688,379	56,844,451	2,490,447
	<b>78,877,436</b>	<b>3,409,294</b>	<b>67,721,958</b>	<b>2,967,008</b>

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Except for certain doubtful debts with provision as presented in Note 8, the Company's management considers that the remaining financial assets are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. At 31 March the Company has certain trade and other receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31 March, analysed by the length of time past due, are:

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Not more than 3 months	31,189,742	1,345,023	33,032,037	1,447,187
More than 3 months but not more than 6 months	15,231,503	656,842	6,139,519	268,962
More than 6 months but not more than 1 year	12,709,218	648,071	14,684,391	643,347
More than one year	3,067,872	132,288	2,988,504	130,931
	<b>62,198,335</b>	<b>2,682,234</b>	<b>56,844,451</b>	<b>2,490,447</b>

### 21.3 Liquidity risk

The Company manages its liquidity needs by monitoring and maintain the balance of cash and cash equivalent at moderate to pay for the operations of the Company to reduce the liquidity risk and the effect of fluctuations in cash flow.

As at 31 March, the Company's liabilities have contractual maturities which are summarised below:

	Current		Non-current	
	Within 6 months VND'000	6 to 12 months VND'000	1 to 5 years VND'000	Over 5 years VND'000
<b>31 March 2019</b>				
Borrowings	-	40,464,805	-	-
Trade payables	11,007,703	-	-	-
Other short term financial liabilities	60,549,225	-	-	-
	<b>71,556,928</b>	<b>40,464,805</b>	-	-
<b>31 March 2018</b>				
Borrowings	-	-	111,106	-
Trade payables	17,793,097	-	-	-
Other short term financial liabilities	57,005,183	884,750	-	-
	<b>74,798,280</b>	<b>884,750</b>	<b>111,106</b>	-
	US\$	US\$	US\$	US\$
<b>31 March 2019</b>				
Borrowings	-	1,745,000	-	-
Trade payables	474,695	-	-	-
Other short term financial liabilities	2,611,118	-	-	-
	<b>3,085,813</b>	<b>1,745,000</b>	-	-
<b>31 March 2018</b>				
Borrowings	-	-	4,868	-
Trade payables	779,544	-	-	-
Other short term financial liabilities	2,497,489	30,000	-	-
	<b>3,277,033</b>	<b>30,000</b>	<b>4,868</b>	-

## 23. Financial assets and liabilities

Note 4.9 provide a description of each category of financial assets and financial liabilities and the related accounting policies. The financial assets and financial liabilities are cash and cash equivalents, trade and other receivables, trade and other payables and so the carrying amount is considered a reasonable approximation of fair value.

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	31 March 2019		31 March 2018	
	Carrying amount VND'000	Fair value VND'000	Carrying amount VND'000	Fair value VND'000
<b>Financial assets</b>				
Cash and cash equivalent	16,679,101	16,679,101	10,877,507	10,877,507
Trade and other receivables	62,198,335	62,198,335	56,844,451	56,844,451
	<u>78,877,436</u>	<u>78,877,436</u>	<u>67,721,958</u>	<u>67,721,958</u>
<b>Financial liabilities</b>				
Borrowings	40,464,805	40,464,805	111,108	111,108
Trade payables	11,007,703	11,007,703	17,793,097	17,793,097
Other short term financial liabilities	60,549,225	60,549,225	57,689,933	57,689,933
	<u>112,021,733</u>	<u>112,021,733</u>	<u>75,594,138</u>	<u>75,594,138</u>
	US\$	US\$	US\$	US\$
<b>Financial assets</b>				
Cash and cash equivalent	720,815	720,815	476,561	476,561
Trade and other receivables	2,688,379	2,688,379	2,490,447	2,490,447
	<u>3,409,294</u>	<u>3,409,294</u>	<u>2,967,008</u>	<u>2,967,008</u>
<b>Financial liabilities</b>				
<b>Other financial liabilities</b>				
Borrowings	1,745,000	1,745,000	4,868	4,868
Trade payables	474,695	474,695	779,544	779,544
Other short term financial liabilities	2,611,118	2,611,118	2,527,489	2,527,489
	<u>4,830,813</u>	<u>4,830,813</u>	<u>3,311,901</u>	<u>3,311,901</u>

## 24. Capital management policies

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Capital for the year ended 31 March 2019 and 31 March 2018 is summarized as follows:

	31 March 2019		31 March 2018	
	VND'000	US\$	VND'000	US\$
Total equity	(259,575)	(11,197)	22,805,232	999,135
Subordinated loans	40,464,805	1,745,000	-	-
Cash balance	(16,679,101)	(719,268)	(10,877,507)	(475,561)
<b>Capital</b>	<b>23,526,129</b>	<b>1,014,535</b>	<b>11,927,725</b>	<b>522,574</b>
Total equity	(259,575)	(11,197)	22,805,232	999,135
Borrowings	40,464,805	1,745,000	111,108	4,868
<b>Overall financing</b>	<b>40,205,230</b>	<b>1,733,803</b>	<b>22,916,340</b>	<b>1,004,003</b>
<b>Capital to overall financing</b>	<b>0.59</b>	<b>0.59</b>	<b>0.52</b>	<b>0.52</b>

## 25. Comparative figures

Certain financial information as presented in the prior year financial statement, included for comparison purposes, have been reclassified to conform to the presentation of the current year financial statements.

### Statement of financial position as at 31 March 2018

	As previously reported	Reclassification	As reclassified
	VND'000	VND'000	VND'000
Trade and other payables	67,963,517	(4,591,718)	63,391,799
Provision for technical transfer fees	4,865,947	4,591,718	9,457,665
	US\$	US\$	US\$
Trade and other payables	2,976,467	(201,171)	2,777,296
Provision for technical transfer fees	213,185	201,171	414,356

### Statement of comprehensive income for the year ended 31 March 2018

	As previously reported	Reclassification	As reclassified
	VND'000	VND'000	VND'000
Sales deduction	(28,917,945)	(12,459,358)	(41,377,303)
Selling and distribution expenses	(21,619,031)	(12,459,358)	(34,078,389)
	US\$	US\$	US\$
Sales deduction	(1,269,890)	(547,135)	(1,817,025)
Selling and distribution expenses	(949,369)	(547,135)	(1,496,504)

## 26. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the 31 March reporting date and the date of authorisation.

## 27. Authorisation of financial statements

The financial statements for the year ended 31 March 2019 (including comparatives) were approved by the Board of Director for issuance.

Hanoi, Vietnam  
 31/03/2019  
 CÔNG TY CỔ PHẦN  
 TRÁCH NHIỆM HỮU HẠN  
 MỘT THÀNH VIÊN  
**BIOSEED**  
 VIỆT NAM

Bhambha Sanjeev Baldevchandra  
 General Director

# **PT SHRIRAM GENETICS**

**Financial Statements**

**As of March 31, 2019 and for the Year Ended  
Translation Into United States Dollar Currency**

**Letter No. AR/S/237/19**

The Shareholders, Board of Commissioners and Director  
**PT Shikram Genetics**

The accompanying financial position of PT Shikram Genetics (the Company), which comprises the statement of financial position as of March 31, 2019, and the statements of profit or loss and other comprehensive income, changes in capital deficiency, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, are presented in United States Dollar. The financial statements in United States Dollar are derived from the audited financial statements, which we have expressed an unmodified opinion with emphasis of matter paragraph on those financial statements on April 9, 2019. The translation from Indonesian Rupiah into United States Dollar is based on the guidelines regarding translation to the presentation currency stated in the PSAK No. 10, "The Effect of Changes in Foreign Exchange Difference".

The accompanying financial statements as of and for the year ended March 31, 2019 are prepared solely for the information and use of the Company's management and should not be distributed to or used by parties other than the Company's management.

**REGISTERED PUBLIC ACCOUNTANTS  
ANWAR & REKAN**



**Patricia, CPA**  
Public Accountant Registration No. AP. 0749

April 9, 2019

**PT SHRIRAM GENETICS**  
**STATEMENT OF FINANCIAL POSITION**  
As of March 31, 2019  
(Expressed in United States Dollar, unless otherwise stated)

<b>ASSETS</b>	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>			
Cash in bank	4,24,25	105,160	90,060
Trade receivables - related party	5,23,24,25	-	381,462
Other receivables - related party	6,23,24,25	65,947	65,947
Inventories	7	1,092,597	274,338
Advances and prepaid expenses	8	115,061	58,004
<b>Total Current Assets</b>		<u>1,378,765</u>	<u>869,811</u>
<b>NON-CURRENT ASSETS</b>			
Fixed assets - net	9	22,334	27,453
Deferred tax assets	10c	29,280	20,820
Other assets	24,25	2,469	2,539
<b>Total Non-current Assets</b>		<u>54,083</u>	<u>50,812</u>
<b>TOTAL ASSETS</b>		<u><b>1,432,848</b></u>	<u><b>920,623</b></u>

*See accompanying Notes to the Financial Statements  
which are an integral part of the financial statements taken as a whole.*

**PT SHRIRAM GENETICS**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**As of March 31, 2019**  
**(Expressed in United States Dollar, unless otherwise stated)**

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND CAPITAL DEFICIENCIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	11,24,25		
Related party	23	1,160,154	1,281,233
Third parties		44,793	16,936
Other payables - related party	12,23,24,25	256,101	266,101
Advance payment - related party	13	1,029,618	-
Accrued expenses	14,24,25	49,578	20,973
Taxes payable	10a	5,173	2,247
Consumer financing payables			
short - term portion	15,24,25	4,408	4,561
<b>Total Current Liabilities</b>		<u>2,549,825</u>	<u>1,592,051</u>
<b>NON-CURRENT LIABILITIES</b>			
Consumer financing payables			
long - term portion	15,24,25	1,835	6,459
Post-employment benefit obligation	16	117,120	83,278
<b>Total Non-current Liabilities</b>		<u>118,955</u>	<u>89,737</u>
<b>TOTAL LIABILITIES</b>		<u>2,668,780</u>	<u>1,681,788</u>
<b>CAPITAL DEFICIENCIES</b>			
Share capital, US\$ 1 par value per share			
Authorized and issued capital -			
300,000 shares	17	300,000	300,000
Effect of changes in foreign			
exchange difference		22,122	1,156
Deficits		<u>(1,558,054)</u>	<u>(1,062,321)</u>
<b>CAPITAL DEFICIENCIES</b>		<u>(1,235,932)</u>	<u>(761,165)</u>
<b>TOTAL LIABILITIES AND CAPITAL DEFICIENCIES</b>		<u>1,432,848</u>	<u>920,623</u>

*See accompanying Notes to the Financial Statements  
which are an integral part of the financial statements taken as a whole.*



**PT SHRIRAM GENETICS**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the Year Ended  
**March 31, 2019**  
(Expressed in United States Dollar, unless otherwise stated)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>SALES</b>	18,23	959,339	2,288,588
<b>COST OF GOODS SOLD</b>	19	(633,154)	(1,756,774)
<b>GROSS PROFIT</b>		<b>326,185</b>	<b>531,814</b>
Research expenses	20	(56,789)	(27,469)
General and administrative expenses	21	(617,559)	(515,588)
Other expenses - net	22	(116,951)	(187,919)
<b>OPERATING LOSS</b>		<b>(465,114)</b>	<b>(199,162)</b>
Finance cost	23	(58,817)	(30,433)
<b>LOSS BEFORE INCOME TAX</b>		<b>(523,931)</b>	<b>(229,595)</b>
<b>DEFERRED INCOME TAX BENEFIT</b>	10c	<b>13,856</b>	<b>2,308</b>
<b>NET LOSS FOR THE YEAR</b>		<b>(510,075)</b>	<b>(227,287)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Item that will be reclassified to profit or loss</b>			
Effect of changes in foreign exchange difference		20,966	22,983
<b>Item that will not be reclassified to profit or loss</b>			
Remeasurements of post-employment benefits	16	19,123	(3,672)
Related income tax	10c	(4,781)	918
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>35,308</b>	<b>20,229</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(474,767)</b>	<b>(207,058)</b>

*See accompanying Notes to the Financial Statements which are an integral part of the financial statements taken as a whole.*

**PT SHRIRAM GENETICS**  
**STATEMENT OF CHANGES IN CAPITAL DEFICIENCIES**  
**For the Year Ended**  
**March 31, 2019**  
(Expressed in United States Dollar, unless otherwise stated)

	<u>Share Capital</u>	<u>Effect of changes in foreign exchange difference</u>	<u>Deficits</u>	<u>Total Capital Deficiencies</u>
<b>Balance as of April 1, 2017</b>	<b>300,000</b>	<b>(21,827)</b>	<b>(832,280)</b>	<b>(554,107)</b>
Net loss for the year	-	-	(227,287)	(227,287)
Other comprehensive loss for the year	-	22,983	(2,754)	20,229
<b>Balance as of March 31, 2018</b>	<b>300,000</b>	<b>1,156</b>	<b>(1,062,321)</b>	<b>(761,165)</b>
Net loss for the year	-	-	(510,075)	(510,075)
Other comprehensive loss for the year	-	20,966	14,342	35,308
<b>Balance as of March 31, 2019</b>	<b>300,000</b>	<b>22,122</b>	<b>(1,558,054)</b>	<b>(1,235,932)</b>

*See accompanying Notes to the Financial Statements  
which are an integral part of the financial statements taken as a whole.*

**PT SHRIRAM GENETICS**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended**  
**March 31, 2019**  
**(Expressed in United States Dollar, unless otherwise stated)**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(523,931)	(229,595)
Adjustments for:		
Disposal assets	-	74
Employee benefits expenses	55,422	21,867
Adjustment employee benefits	-	(12,635)
Effect of changes in foreign exchange difference	20,080	21,316
Depreciation of fixed assets	4,163	4,484
	(444,266)	(194,489)
Operating loss before changes in working capital		
Changes in working capital:		
Trade receivables - related party	381,462	49,673
Other receivables	-	(1,736)
Inventories	(818,259)	201,787
Advances and prepaid expenses	(57,057)	(530)
Other assets	70	(14)
Trade payables	(93,222)	799,634
Other payable - related party	(10,000)	(668,870)
Advance payment - related party	1,029,618	-
Accrued expenses	28,605	(104,360)
Taxes payable	2,926	296
	464,143	275,880
<b>Cash generated from operation</b>	<b>464,143</b>	<b>275,880</b>
<b>Net Cash Provided by Operating Activities</b>	<b>19,877</b>	<b>81,391</b>
<b>CASH FLOWS FOR INVESTING ACTIVITY</b>		
Acquisition of fixed assets	-	(3,923)
<b>CASH FLOWS FOR FINANCING ACTIVITY</b>		
Payment of consumer financing payable	(4,777)	(4,561)
<b>NET INCREASE IN CASH IN BANK</b>	<b>15,100</b>	<b>72,907</b>
<b>CASH IN BANK AT THE BEGINNING OF YEAR</b>	<b>90,060</b>	<b>17,153</b>
<b>CASH IN BANK AT THE END OF YEAR</b>	<b>105,160</b>	<b>90,060</b>

*See accompanying Notes to the Financial Statements  
which are an integral part of the financial statements taken as a whole.*

**PT SHRIRAM GENETICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of March 31, 2019**  
**And for the Year then Ended**  
**(Expressed in United States Dollar, unless otherwise stated)**

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**1. GENERAL**

PT Shriram Genetics (“the Company”) was established based on Notarial Deed of Adrian Djuaini, S.H, No. 55 dated September 25, 2012. The deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-0089065.AH.01.09.Year 2012 dated October 9, 2012.

The Company’s Articles of Association have been amended several times. The latest amendment was based on Deed No. 5 of Yulita Harastiati, S.H., dated October 21, 2014 pursuant to the change in the Company’s Board of Commissioners. This amendment was received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia through his letter No. AHU-36868.40.22.2014 dated October 22, 2014.

The Company was established for unlimited period.

In accordance with the Company’s Articles of Association, the scope of its activities is engaged in production of seeds. The Company started its commercial operation on July 1, 2013. The Company is domiciled in Mayapada Tower 1, 7<sup>th</sup> Floor Suite 06E Jendral Sudirman Street Kav 28, Karet Setiabudi, South Jakarta.

The Parent Company is Bioseeds Holdings Pte. Ltd., which is incorporated and domiciled in Singapore.

**The Boards of Commissioners and Director and Employees**

The members of the Boards of Commissioners and Director of the Company as of March 31, 2019 and 2018 are as follows:

President Commissioner : Jitender Kumar Jain  
Commissioner : Parveen Kumar Aggarwal  
Commissioner : Paresh Kumar Verma

President Director : Joseph Abraham Anand

As of March 31, 2019 and 2018, the Company had a total of 7 and 8 permanent employees (unaudited), respectively.

**Issuance of Financial Statements**

The financial statements have been authorized for issue by the Director of the Company, who is responsible for the preparation and completion of financial statements, on April 9, 2019.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Compliance with Financial Accounting Standards (SAK)**

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards which include, the Statements of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK) issued by Financial Accounting Standards Board of the Indonesian Institute of Accountant (DSAK-IAI).

**Basis of Measurement in Preparation of Financial Statements**

The financial statements have been prepared on going-concern assumption and basis of the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies.

The financial statements also have been prepared based on the accrual basis, except for the statement of cash flows, which are prepared under the cash basis. The statement of cash flows has been prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities.

**PT SHRIRAM GENETICS**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Measurement in Preparation of Financial Statements (continued)**

The accounting policies adopted in the preparation of the financial statements are consistent with those adopted in the preparation of the financial statement for the year ended March 31, 2018, except for the adoption of several amendments and improvements to PSAK effective April 1, 2018 as disclosed in this note.

Unless otherwise stated, all figures presented in the financial statements are stated in United States (US) Dollar. The financial statements of the Company in Indonesian Rupiah have been translated into US Dollar using the following procedures:

- (a) Monetary assets and liabilities are translated using closing rate.
- (b) Equity are translated using exchange rates at the date of transactions.
- (c) Income and expenses are translated using exchange rates at the dates of the transactions.
- (d) All resulting differences are recognized in other comprehensive income.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

**Adoption of Amendments to PSAK**

The Company has adopted several amendments to PSAK that are mandatory for application effective April 1, 2018. The adoption of the following amendments to PSAK did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported in the financial period for the current or prior years:

- Amendments to PSAK 2: Statement of Cash Flows, on Disclosure Initiative
- Amendments to PSAK 46: Income Taxes, on Recognition of Deferred Tax Assets for Unrealized Losses

**Foreign Currency Transactions and Balances**

a. Functional and Presentation Currency

The functional currency of the Company is Indonesian Rupiah (Rupiah).

The presentation currency used in the preparation of the financial statements is the United States Dollar (USD). At the end of each reporting period, the assets and liabilities of the Company are translated into the presentation currency at the spot rate which is the exchange rate prevailing at the end of the reporting period and their profit or loss are translated at the average rate during the period. The resulting differences arising from translations of the financial statements of the Company are included in other comprehensive income and presented as part of "The effect of Changes in Foreign Exchange Difference" in the statements of changes in equity.

**PT SHRIRAM GENETICS**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Foreign Currency Transactions and Balances (continued)**

b. Transactions and Balances

Foreign currencies transactions are translated in to respective functional currency of the Company using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items are included in the profit or loss.

As of March 31, 2019 and 2018, the exchange rate used based on rate by management was Rp 14,241 and Rp 13,764, respectively.

**Transactions with Related Parties**

In accordance with PSAK No. 7, "Related Party Disclosures", parties are considered to be related if one party has the ability to control (by way of ownership, directly or indirectly) or exercise significant influence (by way of participation in the financial and operating policies) over the other party in making financial and operating decisions.

All significant transactions with related parties are disclosed in Note 23 to the financial statements.

**Financial Instruments**

Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the marketplace concerned.

The Company classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held to maturity investment and (iv) available for sale financial assets.

As of March 31, 2019 and 2018, the Company only had financial assets classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets for maturities shorter than twelve than twelve months; otherwise they are classified as non-current asset. The Company's loans and receivables comprised of cash in bank, trade receivables related party, other receivables related party and other assets in the statement of financial position.

Loans and receivables are initially recognized at fair value plus any transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment. Financial assets are derecognized when the rights to receive cash flows from the assets have ceased to exist or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial Liabilities

The Company classifies its financial liabilities into two categories (i) at fair value through profit or loss and (ii) financial liabilities measured at amortized cost.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial Instruments (continued)**

Financial Liabilities (continued)

As at March 31, 2019 and 2018, the Company only had financial liabilities measured at amortized cost that comprised of trade payables, other payable - related party, accrued expenses and consumer financing payable. After the initial recognition which is at fair value plus transaction costs, the Company measures all financial liabilities at amortized cost using effective interest rate method. Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expired.

Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, 1) the Company currently has a legally enforceable right to offset the recognized amounts and 2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Impairment of Financial Assets**

At each statement of financial position date, management assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is an objective evidence of impairment.

For financial asset measured at amortized cost, loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at original effective interest rate of the financial assets. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss is recognized in profit or loss.

Management initially assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

**Estimation of Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of a financial instrument using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

**Cash in Banks**

Cash in banks represent cash in banks neither used as collateral nor restricted.

**Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost of inventories is carried on the average cost method and includes expenditures incurred in acquiring the inventories and bringing them to their present location and condition. Allowance for decline in value of inventories, which is provided to reduce the carrying value of inventories to their net realizable value, is determined based on a review of the condition of the individual inventory items at the end of the year.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Prepaid Expenses**

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

**Fixed Assets**

Fixed assets are initially recorded at cost. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repairs and maintenance are charged to profit or loss. The carrying amount of the replaced part is derecognized during the financial year in which they are incurred.

Depreciation of fixed assets is computed using the straight-line method, based upon the estimated economic useful lives of the related fixed assets, as follows:

	<u>Years</u>
Vehicles	8
Machineries	8
Office equipments	4 – 8
Furniture and fixtures	4

The estimated useful life, residual value, and depreciation method of fixed assets are reviewed at each financial year end with the effect of any changes in accounting estimate accounted for on a prospective basis.

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on recognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is recognized in profit or loss in the year the item is derecognized.

**Impairment of Non-financial Assets**

Non-financial assets that have an indefinite useful life are not subject to amortisation but tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**Post-employment Benefit Obligation**

The Company provides defined post-employment benefits to their employees in accordance with Indonesian Labour Law No. 13/2003.

The Company's net obligation in respect of the defined benefit plan is calculated as the present value of the post-employment benefit obligation at the end of the reporting period. The post-employment benefit obligation is determined using the Projected Unit Credit Method which is usually dependent on one or more factors such as age, years of service and compensation.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Post-employment Benefit Obligation (continued)**

Remeasurements of post-employment benefit obligation, comprise of a) actuarial gains and losses, b) the return of plan assets, excluding interest, and c) the effect of asset ceiling, excluding interest, are recognized immediately in the other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in the subsequent periods.

The Company's recognizes the (1) service costs, comprising of current service cost, past-service cost, and any gain or loss on settlement, and (2) net interest expense immediately in profit or loss.

**Revenue and Expense Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and there is actual delivery made and the same is accepted by the customer.

Expenses are recognized when these are incurred (accrual basis).

**Income Tax**

Income tax expense represent the sum of the current tax and deferred tax.

Tax is recognized as income or an expense and included in profit and loss for the period, except to the extent that the tax arises from a transaction or event which is recognized outside profit or loss. Tax that relates to items recognized in other comprehensive income is recognized in other comprehensive income and tax that relates to items recognized directly in equity is recognized in equity.

**i. Current Tax**

The current tax payable is based on taxable income for the year. Taxable income differs from profit as reported in the respective profit or loss and other comprehensive income of the companies in the Company because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable nor deductible. The respective current tax liability of each entity in the Company is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates the amount reported in the Annual Tax Return (SPT) in relation to the circumstances in which the applicable tax regulations are subject to interpretation and, if necessary, the management will calculate the amount of provision that may arise.

**ii. Deferred Tax**

Deferred tax is recognized using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses to the extent that it is probable that taxable income will be available against which deductible temporary differences and the carry forward of unused tax losses can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from (a) the initial recognition of goodwill; (b) or of an asset or liability in a transaction that is (i) not a business combination, and (ii) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Tax (continued)**

ii. Deferred Tax (continued)

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the benefit of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and liabilities can be offset if, and only if, (a) there is a legally enforceable right to offset the current tax assets and liabilities and (b) the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future years.

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Determination of Functional Currency

Functional currency is the currency of the primary economic environment in which the Company operates. This is the currency that mainly influences the sales price for goods or services, the currency of the country whose competitive forces and regulations mainly determined the sales price of goods and services, or the currency that mainly influences labor, material and other cost of providing the goods and services. When the indicators are mixed, the management made judgment to determine the most appropriate functional currency to describe the economic effect of underlying transactions, events and conditions of the Company's operations.

Classification of Financial Assets and Financial Liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2014). The financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2 to the financial statements.

**Key Sources of Estimation Uncertainty**

The key assumptions related to the future and the main sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

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**3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)**

**Key Sources of Estimation Uncertainty (continued)**

Existing conditions and assumptions about future developments may change due to market changes or conditions arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of trade receivables and other receivable

Impairment of trade receivables and other receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to original term of debts. An assessment is made at each statement of financial position date of whether there is any indication of impairment or whether there is any indication that an impairment loss previously recognized in prior years may no longer exist or may have decreased. Where the actual results differ from the amounts that were initially assessed, such differences will result in a material adjustment to the carrying amounts of trade receivables within the next financial year. The carrying amount of the trade receivables and other receivable is disclosed in Notes 5 and 6 to the financial statements.

Impairment of Inventories

Management reviews aging analysis at each statement of financial position date, and makes allowance for obsolete and slow moving inventory items identified that are no longer suitable for use in production. Management estimates the net realizable value of such finished goods and work-in-progress based primarily on the latest invoice prices and current market conditions. The carrying amount of the inventories is disclosed in Note 7 to the financial statements.

Useful Lives of Fixed Assets

Fixed assets is depreciated using the straight-line method based on estimated useful lives of 4 - 8 years, which is the common life expectancy applied in the industry. Changes in the pattern of usage and the level of technological development could impact the economic useful life and residual value of fixed assets. Therefore, future depreciation charges could be revised. The net carrying amount of fixed assets at the statement of financial position date is disclosed in Note 9 to the financial statements.

Post-employment Benefit Obligation

The determination of the Company's post-employment benefit obligation and employee benefits expense is dependent on selection of certain assumptions, those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Company's assumptions are accounted in accordance with the policies as mentioned in Note 16 to the financial statements.

Income Taxes

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liability for expected income tax based on estimates of whether additional corporate income tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Company's carrying amount of taxes payable and deferred tax liability are disclosed in Note 10 to the financial statements.

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**4. CASH IN BANK**

	<b>2019</b>	<b>2018</b>
Standard Chartered Bank		
Rupiah	52,852	68,114
United States dollar	52,308	21,946
<b>Total</b>	<b>105,160</b>	<b>90,060</b>

**5. TRADE RECEIVABLES - RELATED PARTY**

This account represents trade receivables from PT Shriram Seed Indonesia, a related party, amounting to US\$ 381,462 as of March 31, 2018.

The Company's management believes that trade receivable can be collected, thus no allowance for impairment losses was provided.

**6. OTHER RECEIVABLES - RELATED PARTY**

As of March 31, 2019 and 2018, this account represents other receivables from PT Shriram Seed Indonesia, a related party, each amounting to US\$ 65,947, respectively.

Based on the review of the status of other receivables account at the end of each year, the Company's management does not provide a provision for impairment because they believe that other receivables are fully collectible.

**7. INVENTORIES**

	<b>2019</b>	<b>2018</b>
Raw material		
Cobs and parent seeds	83,690	28,405
Material goods	85,396	95,271
Work in process (clean seeds)		
B 54	52,832	5,856
B 70	1,650	12,731
B 89	42,990	92,424
B 99	1,451	-
Finish good (packed seeds)		
B 54	609,173	3,219
B 70	16,135	36,432
B 89	199,280	-
<b>Total</b>	<b>1,092,597</b>	<b>274,338</b>

Based on management review, there are write off finished good inventories amounted to US\$ 50,634 and US\$ 127,861 as of March 31, 2019 and 2018 have been charged to other expenses - net (Note 22), respectively.

Management believes that carrying amounts of inventories do not exceed their net realizable values, therefore the Company did not provide an allowance to adjust the carrying amounts of inventories to their net realizable values.

**8. ADVANCES AND PREPAID EXPENSES**

	<b>2019</b>	<b>2018</b>
Advances	84,538	34,579
Prepaid expenses		
School fee	11,282	11,673
Rental of building	6,191	2,864

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**8. ADVANCES AND PREPAID EXPENSES (continued)**

	<u>2019</u>	<u>2018</u>
Rental of land	5,845	2,107
Professional Fee	4,852	3,871
Insurance	2,353	2,910
<b>Total</b>	<b><u>115,061</u></b>	<b><u>58,004</u></b>

**9. FIXED ASSETS - NET**

	<u>2019</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Effect of changes in foreign exchange difference</u>	
<b><u>Acquisition Cost</u></b>					
Vehicles	27,698	-	-	(928)	26,770
Machineries	3,923	-	-	(131)	3,792
Office equipments	3,978	-	-	(133)	3,845
Furniture and fixtures	280	-	-	(10)	270
<b>Total Acquisition Cost</b>	<b><u>35,879</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(1,202)</u></b>	<b><u>34,677</u></b>
<b><u>Accumulated Depreciation</u></b>					
Vehicles	5,770	3,316	-	(163)	8,923
Machineries	131	470	-	(2)	599
Office equipments	2,257	366	-	(72)	2,551
Furniture and fixtures	268	11	-	(9)	270
<b>Total Accumulated Depreciation</b>	<b><u>8,426</u></b>	<b><u>4,163</u></b>	<b><u>-</u></b>	<b><u>(246)</u></b>	<b><u>12,343</u></b>
<b>Net Book Value</b>	<b><u>27,453</u></b>				<b><u>22,334</u></b>
	<u>2018</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Effect of changes in foreign exchange difference</u>	<u>Ending Balance</u>
<b><u>Acquisition Cost</u></b>					
Vehicles	28,604	-	-	(906)	27,698
Machineries	-	3,923	-	-	3,923
Furniture and fixtures	1,028	-	716	(32)	280
Office equipments	4,446	-	327	(141)	3,978
<b>Total Acquisition Cost</b>	<b><u>34,078</u></b>	<b><u>3,923</u></b>	<b><u>1,043</u></b>	<b><u>(1079)</u></b>	<b><u>35,879</u></b>
<b><u>Accumulated Depreciation</u></b>					
Vehicles	2,396	3,546	-	(172)	5,770
Machineries	-	133	-	(2)	131
Furniture and fixtures	765	194	687	(4)	268
Office equipments	2,023	611	307	(70)	2,257
<b>Total Accumulated Depreciation</b>	<b><u>5,184</u></b>	<b><u>4,484</u></b>	<b><u>994</u></b>	<b><u>(248)</u></b>	<b><u>8,426</u></b>
<b>Net Book Value</b>	<b><u>28,894</u></b>				<b><u>27,453</u></b>

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**9. FIXED ASSETS – NET (continued)**

In 2019 and 2018, depreciation expenses of US\$ 4,163 and US\$ 4,484, respectively, have been charged to general and administrative expenses (Note 21).

Based on management's review, there are no events or changes in circumstances which may indicate impairment of fixed assets as of March 31, 2019 and 2018.

**10. TAXATION**

**a. Taxes Payable**

	<b>2019</b>	<b>2018</b>
Income taxes:		
Article 21	1,460	1,376
Article 23	3,713	871
<b>Total</b>	<b>5,173</b>	<b>2,247</b>

**b. Corporate Income Tax**

A reconciliation between loss before income tax, as shown in the statement of profit or loss and other comprehensive income and estimated tax loss in 2019 and 2018 is as follows:

	<b>2019</b>	<b>2018</b>
Loss before income tax	(523,931)	(229,595)
Permanent differences:		
Non-deductible expenses	105,933	79,710
Temporary differences		
Employee benefit	55,422	9,232
<b>Estimated tax loss for the year</b>	(362,576)	(140,653)
<b>Accumulated fiscal loss at the beginning of the year</b>	(971,126)	(830,473)
<b>Adjustment</b>	58,814	-
<b>Accumulated fiscal loss at the end of the year</b>	<b>(1,274,888)</b>	<b>(971,126)</b>

For the years ended March 31, 2019 and 2018, the Company was in fiscal loss position, hence no provision for current income tax was recognized.

Income tax is reconciled between loss before tax multiplied by the applicable tax rate, as follow:

	<b>2019</b>	<b>2018</b>
Loss before income tax	(523,931)	(229,595)
Tax calculated at applicable tax rate	130,983	57,398
Tax effects on permanent differences	(26,483)	(19,927)
Unrecognized deferred tax assets	(90,644)	(35,163)
<b>Deferred income tax benefit</b>	<b>13,856</b>	<b>2,308</b>

**c. Deferred Tax Assets**

The details of deferred tax assets with applicable tax rate at 25% is as follows:

	<b>2019</b>				
	<b>Balances as of April 1, 2018</b>	<b>Deferred income tax benefit</b>	<b>Charged to Other Comprehensive Income Tax Benefit</b>	<b>Effect of changes in foreign exchange difference</b>	<b>Balance as of March 31, 2019</b>
Employee benefit	20,820	13,856	(4,781)	(615)	29,280

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**10. TAXATION (continued)**

**c. Deferred Tax Assets (continued)**

	Balances as of April 1, 2017	Deferred income tax benefit	2018		Balance as of March 31, 2018
			Charged to Other Comprehensive Income Tax Benefit	Effect of changes in foreign exchange difference	
Employee benefit	18,248	2,308	918	(654)	20,820

Deferred tax asset relating to tax losses was not recognized as management believes that it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

**11. TRADE PAYABLES**

	2019	2018
Related party (Note 23)		
Shriram Bioseed Genetics	1,160,154	1,281,233
Third parties		
Grower	19,250	-
PT Asian Hybrid Seed Technologies	15,626	-
PT Surya Plastindo	4,088	-
PT Forum Agro Sukses Timur	2,461	-
KAP Johannes Juara & Rekan	1,699	-
PT Prismas Jamintara	-	16,936
Others (each below US\$ 1,053)	1,669	-
<b>Total</b>	<b>1,204,947</b>	<b>1,298,169</b>

**12. OTHER PAYABLE – RELATED PARTY**

As of March 31, 2019 and 2018, this account represents interest payable to Bioseed Holdings Pte, Ltd., a related party, amounting to US\$ 256,101 and US\$ 266,101, respectively.

**13. ADVANCE PAYMENT – RELATED PARTY**

As of March 31, 2019, this account represents advance payment from PT Shriram Seed Indonesia, a related party, amounting to US\$ 1,029,618.

**14. ACCRUED EXPENSES**

	2019	2018
Outsourcing	22,309	-
Freight	6,994	-
Salary	4,051	-
Professional fees	3,780	5,485
Treating cost	843	6,681
Rental	-	4,577
Others (each below US\$ 600)	11,601	4,230
<b>Total</b>	<b>49,578</b>	<b>20,973</b>

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**15. CONSUMER FINANCING PAYABLES**

As of March 31, 2019 and 2018, the Company has consumer financing agreements with PT Maybank Finance Center, third party, to finance acquisitions of vehicles. The loans bear annual effective interest rate ranging 9.21% and will mature in 4 (four) years from the inception date of the respective loans. This facility is guaranteed by those respective vehicles.

The future minimum payment of this consumer financing is as follow:

	<u>2019</u>	<u>2018</u>
Minimum lease payment		
Not later than 1 year	4,408	4,561
Later than 1 year and no later than 5 years	1,835	6,459
<b>Total</b>	<b>6,243</b>	<b>11,020</b>
Less current portion	4,408	4,561
<b>Long term portion</b>	<b>1,835</b>	<b>6,459</b>

**16. POST-EMPLOYMENT BENEFIT OBLIGATION**

As of March 31, 2019 and 2018, the Company's accrued post-employment benefit obligation based on the actuarial calculation prepared by PT Dayamandiri Dharmakonsilindo, an independent actuary as stated in its report dated April 1, 2019 and March 31, 2018, with the following main assumption:

	<u>2019</u>	<u>2018</u>
Normal retirement age	55 years	55 years
Salary increase rate	8% per year	8% per year
Discount rate	8.15% per year	7.15% per year

Amounts recognized in the statement of profit or loss and other comprehensive income in respect of the defined benefit plan are as follows:

	<u>2019</u>	<u>2018</u>
Expense recognized in profit or loss:		
Current service cost	21,203	17,381
Interest cost	5,684	4,486
Liability due to recognize of past service	28,535	-
<b>Defined benefit costs recognized in profit or loss</b>	<b>55,422</b>	<b>21,867</b>
Remeasurements recognized in other comprehensive income:		
Actuarial gains arising from experience adjustments	(11,793)	-



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**16. POST-EMPLOYMENT BENEFIT OBLIGATION (continued)**

	<u>2019</u>	<u>2018</u>
Actuarial losses (gains) arising from changes in financial assumption	(7,330)	3,672
<b>Defined benefit costs recognized in other comprehensive income</b>	<b>(19,123)</b>	<b>3,672</b>
<b>Total</b>	<b><u>36,299</u></b>	<b><u>25,539</u></b>

The movements of the estimated for post employment benefits liabilities are as follows:

	<u>2019</u>	<u>2018</u>
Beginning balance	83,278	72,992
Effect of changes in foreign exchange difference	(2,457)	(2,618)
Current service cost	21,203	17,381
Interest cost	5,684	4,486
Liability due to recognize of past service	28,535	-
Adjustment of the profit or loss	-	(12,635)
Remeasurements recognized in other comprehensive income:		
Actuarial gains arising from experience adjustments	(11,793)	-
Actuarial losses (gains) arising from changes in financial assumption	(7,330)	3,672
<b>Ending balance of defined benefit obligation</b>	<b><u>117,120</u></b>	<b><u>83,278</u></b>

**17. SHARE CAPITAL**

The composition of shareholders as of March 31, 2019 and 2018 are as follows:

	<b>Number of issued and fully paid shares</b>	<b>Percentage of ownership</b>	<b>Total</b>
Brigitta Hadianto Imam Rahayoe	152,500	51%	152,500
Bioseeds Holdings Pte. Ltd	147,500	49%	147,500
<b>Total</b>	<b><u>300,000</u></b>	<b><u>100%</u></b>	<b><u>300,000</u></b>

**Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern whilst seeking to maximize benefits to shareholders and other stakeholders.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital efficiency of the Company, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

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**17. SHARE CAPITAL (continued)**

The computation of gearing ratio are as follows:

	<u>2019</u>	<u>2018</u>
Trade payables	1,204,947	1,298,169
Other payables	256,101	266,101
Accrued expenses	49,578	20,973
<b>Total</b>	<b>1,510,626</b>	<b>1,585,243</b>
Less cash in bank	105,160	90,060
<b>Net debt</b>	<b>1,405,466</b>	<b>1,495,183</b>
Capital deficiency	<b>(1,235,932)</b>	<b>(761,165)</b>
<b>Gearing ratio</b>	<b>(1.14)</b>	<b>(1.96)</b>

**18. SALES**

In 2019 and 2018, this account represents sales of seeds to PT Shriram Seed Indonesia, related party (Note 23) amounted to US\$ 959,339 and US\$ 2,288,588, respectively.

**19. COST OF GOODS SOLD**

In 2019 and 2018, this account represents production and processing expenses amounting to US\$ 633,154 and US\$ 1,756,774, respectively.

**20. RESEARCH EXPENSES**

	<u>2019</u>	<u>2018</u>
Travelling	24,515	2,196
Product Registration	14,459	-
Outsourcing employee	7,460	-
Trial and demo	6,552	25,273
Farm Rent	3,416	-
Others	387	-
<b>Total</b>	<b>56,789</b>	<b>27,469</b>

**21. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>2019</u>	<u>2018</u>
Salaries and allowances	212,112	227,069
Outsourcing employee	212,030	132,344
Employee benefit (Note 16)	55,422	21,867
Professional fee	39,573	45,935
Rental	27,289	38,510
Travelling	19,395	39,650
Supplies	6,320	-
Entertainment	5,702	-
Repair and maintenance	4,766	-

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**21. GENERAL AND ADMINISTRATIVE EXPENSES (continued)**

	<b>2019</b>	<b>2018</b>
Insurance	4,194	1,795
Depreciation of fixed assets (Note 9)	4,163	4,484
Telephone, internet and fax	3,469	-
Utilities	2,743	-
Others (each below US\$ 3,479)	20,381	3,934
<b>Total</b>	<b>617,559</b>	<b>515,588</b>

**22. OTHER EXPENSES - NET**

	<b>2019</b>	<b>2018</b>
Write off inventories (Notes 7)	50,634	127,861
Loss on foreign exchange	49,886	51,311
Others (each below US\$ 3,479)	16,431	8,747
<b>Total</b>	<b>116,951</b>	<b>187,919</b>

**23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

Transactions and balances with related parties are as follows:

	<b>2019</b>	<b>2018</b>
<b><u>Trade receivable</u></b>		
PT Shriram Seed Indonesia (Note 5)	-	381,462
<b>Percentage to total assets</b>	-	41%
<b><u>Interest receivable</u></b>		
PT Shriram Seed Indonesia (Note 6)	65,947	65,947
<b>Percentage to total assets</b>	5%	7%
<b><u>Trade payable</u></b>		
Shriram Bioseed Genetics (Note 11)	1,160,154	1,281,233
<b>Percentage to total liabilities</b>	43%	76%
<b><u>Interest payable</u></b>		
Bioseed Holdings Pte, Ltd (Note 12)	256,101	266,101
<b>Percentage to total liabilities</b>	9.6%	15.82%
<b><u>Advance payment</u></b>		
PT Shriram Seed Indonesia (Note 13)	1,029,618	-
<b>Percentage to total liabilities</b>	38.6%	-
<b><u>Finance cost</u></b>		
Shriram Bioseed Genetics	58,817	30,433
<b><u>Sales</u></b>		
PT Shriram Seed Indonesia (Note 18)	959,339	2,288,588
<b>Percentage to total sales</b>	100%	100%

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**23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)**

	<u>2019</u>	<u>2018</u>
<b>Professional fee</b>		
Brigitta Hadianto Imam Rahayoe	<u>12,158</u>	<u>11,830</u>
<b>Percentage to total operating expenses</b>	<u>2%</u>	<u>2%</u>

In conducting its business, the Company entered into business and financial transactions with its related parties as follows:

<u>Related parties</u>	<u>Nature of Relationships</u>	<u>Nature of Transactions</u>
PT Shriram Seed Indonesia	Affiliate	Trade receivables, interest receivables, advance payment and sales
Bioseed Holdings Pte, Ltd.	Shareholder	Interest payable and finance cost
Shriram Bioseed Genetics	Affiliate	Trade payables
Brigitta Hadianto Imam Rahayoe	Shareholder	Professional fee expense

**24. FINANCIAL INSTRUMENTS**

Except for refundable deposits and consumer financing payables the management considers that the carrying amounts of the financial assets and financial liabilities recognized in the statement of financial position approximate their fair values due to short-term maturities of these financial instruments.

For consumer financing payables, their carrying amounts approximate their fair value as the impact of discounted cash flow are not significant.

The fair value of refundable deposits are measured at cost since the fair value cannot be reliably determined.

The Company has no financial assets and financial liabilities which are measured at fair value as at March 31, 2019 and 2018.

**25. FINANCIAL RISK MANAGEMENT**

The risks arising from financial instruments to which the Company is exposed are financial risks, which include credit risk, interest rate risk, liquidity risk and foreign exchange risk of financial assets and liabilities.

a. Credit Risk

The Company is exposed to credit risk in the normal course of business. The Company's principal financial assets are cash and trade receivables. The Company's exposure to credit risk is primarily attributable to receivables.

To manage the credit risk associated with cash holdings the Company holds cash in various financial institutions.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities. Customer credit risk is managed by Director subject to the Company's established policy, procedures and control relating to customer credit risk management. outstanding customer receivables are regularly monitored.

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**25. FINANCIAL RISK MANAGEMENT (continued)**

The table below shows the Company's maximum exposures related to credit risk as of March 31, 2019 and 2018:

		2019			
		Past Due But Not Impaired			
Neither past due Nor impaired		< 3 Months	> 3 months And 1 year	> 1 year	Total
Cash in Bank	105,160	-	-	-	105,160
Other receivables - related party	-	-	65,947	-	65,947
Other assets	2,469	-	-	-	2,469
<b>Total</b>	<b>107,629</b>	<b>-</b>	<b>65,947</b>	<b>-</b>	<b>173,576</b>

		2018			
		Past Due But Not Impaired			
Neither past due Nor impaired		< 3 Months	> 3 months And 1 year	> 1 year	Total
Cash in Bank	90,060	-	-	-	90,060
Trade receivables - related party	381,462	-	-	-	381,462
Other receivable - related party	65,947	-	-	-	65,947
Other assets	2,539	-	-	-	2,539
<b>Total</b>	<b>540,008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,008</b>

b. Interest Rate Risk

Interest rate risk arises from change in the interest rate of shareholder's loan. The risk associated with such loans is not a material exposure as the Company monitors the fluctuation in interest rate in the future

c. Liquidity Risk

Liquidity risk refers to the risk that the Company is unable to meet financial commitments when they fall due. The Company maintains sufficient liquidity for its operations by closely monitoring and managing its cash flows. Currently the Company has a net cash position and has very low liquidity risk.

		2019			
		Less than 1 year	1 - 2 years	More than 2 years	Total
Trade payables	1,204,947	-	-	-	1,204,947
Accrued expenses	49,578	-	-	-	49,578
Other payables	256,101	-	-	-	256,101
Consumer financing payable	4,408	1,835	-	-	6,243
<b>Total</b>	<b>1,515,034</b>	<b>1,835</b>	<b>-</b>	<b>-</b>	<b>1,516,869</b>

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**25. FINANCIAL RISK MANAGEMENT (continued)**

c. Liquidity Risk (continued)

	2018			Total
	Less than 1 year	1 - 2 years	More than 2 years	
Trade payables	1,298,169	-	-	1,298,169
Accrued expenses	20,973	-	-	20,973
Other payables	266,101	-	-	266,101
Consumer financing payable	4,561	4,561	1,898	11,020
<b>Total</b>	<b>1,589,804</b>	<b>4,561</b>	<b>1,898</b>	<b>1,596,263</b>

d. Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchanges rates.

Management manages its foreign currency exchange risk through maintaining adequate cash in foreign currency to meet obligations denominated in foreign currencies when due.

**26. SIGNIFICANT AGREEMENTS**

PT Asian Hybrid Seed Technologies (AHSTI)

- The Company entered into seed processing agreement on October 1, 2018 with AHSTI, third party. Based on the agreement, AHSTI undertakes seed tooling processing for the Company subject to terms and conditions set forth in agreement as follows:
  1. AHSTI will process F1 corn cobs starting from weighing, receiving, drying, shelling, grading, treating and packaging of processed F1 seeds.
  2. AHSTI will observe the quality standards set by Balai Pengawasan Sertifikasi Benih as follows; Moisture Content Rate of not more than 12% after treatment, germination Rate of 90% and physical Purity Rate of 98%.
  3. The Company guarantees a minimum volume of 500 Tons for fresh corn cobs and 1,000 tons for shelled dry corn seeds within the term of this contract.
  4. AHSTI shall provide working office for the Company authorized QA representative.
  5. The term of agreement is from February 1, 2017 until March 31, 2019. Up to the reporting date, the agreement is on renewal process. Tolling rate per kg, corn cobs and dry corn seeds amounted to Rp 3,070, excluding 10% VAT.

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**26. SIGNIFICANT AGREEMENTS (continued)**

UD Pro Green

- The Company entered into seed processing agreement on July 1, 2018 with UD Pro Green (third party). Based on the agreement, UD Pro Green undertakes seed tooling processing for the Company subject to terms and conditions set forth in agreement is as of:
  1. UD Pro Green will process F1 corn cobs starting from weighing, receiving, drying, shelling, grading, treating and packaging of processed F1 seeds.
  2. UD Pro Green and The Company will observe the quality standards set by Balai Pengawasan Sertifikasi Benih As follows; Moisture Content Rate of not more than 12% after treatment, germination Rate of 90% and physical Purity Rate of 98%.
  3. UD Pro Green shall provide working office for the Company authorized QA representative.
  4. The term of agreement is from July 1, 2018 until June 30, 2019. Tolling rate per kg, corn cobs amounted Rp 2,200, and grain seeds Rp 800 excluding 10% VAT.

PT Shriram Seed Indonesia

- Based on Sale and Purchase of Hybrid Corn Seed Supply Agreement dated April 1, 2015. The Company shall produce and sell 750 metric tons of Hybrid Corn B89 to PT Shriram Seed Indonesia (the buyer, a related party) for the period of April 1, 2015 to March 31, 2016, where the purchase price of the Hybrid Corn B89 is US\$ 2.25 / Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses warehousing and delivery charges. The agreement was renewed for another 1 year, from April 1, 2016 to March 31, 2017.
- Based on Sale and Purchase of Hybrid Corn Seed Supply Agreement dated April 1, 2016. The Company shall produce and sell 650 metric tons of Hybrid Corn B89 to PT Shriram Seed Indonesia (the buyer, a related party) for the period April 1, 2016 to March 31, 2017, where the purchase price of the Hybrid Corn B89 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses warehousing and delivery charges. As per initial estimates of Buyer, the Seller also test produce and Import Hybrid Corn B70 and Hybrid Corn B54 for the Buyer for the period of April 1, 2017 - March 31, 2017, where the purchase price of the Hybrid Corn B70 / B54 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses, warehousing and delivery charges.
- Based on Amendment of Sale and Purchase of Hybrid Corn Seed Supply Agreement dated March 30, 2017. The parties agreed to revise selling price, where the purchase price of the Hybrid Corn B89 is Rp 38,522 per kilogram, Hybrid Corn B70 is Rp 30,047 per kilogram and Hybrid Corn B54 is Rp 27,524 per kilogram.
- Based on Sale and Purchase of Hybrid Corn Seed Supply Agreement dated April 1, 2018. The Company shall produce and sell 750 metric tons of Hybrid Corn B89 to PT Shriram Seed Indonesia (the buyer, a related party) for the period of April 1, 2018 to March 31, 2019, where the purchase price of the Hybrid Corn B89 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses warehousing and delivery charges. As per initial estimates of Buyer, the Seller also test produce and Import Hybrid Corn B70 and Hybrid Corn B54 for the Buyer for the period April 1, 2018 - March 31, 2019. Up to the reporting date, the agreement is on renewal process where the purchase price of the Hybrid Corn B70 / B54 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses, warehousing and delivery charges.

**27. GOING CONCERN**

The Company incurred recurring losses from its operation which resulted to a comprehensive loss of US\$ 474,767 during the year ended March 31, 2019, and capital deficiency amounting to US\$ 1,235,932 as of March 31, 2019. As of that date, the Company's current liabilities exceeded its total assets by US\$ Rp 1,313,893. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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**27. GOING CONCERN (continued)**

To manage the above condition, the Company's management plan to implement the following actions:

- Launch new hybrid (B59)
- Production efficiency with new hybrids with lower COGS and new tolling facilities to improve recovery which intern lower COGS and improve quality

These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**28. SUPPLEMENTARY CASH FLOW INFORMATION**

Changes in liabilities arising from financing activity were as follows:

	<b>Beginning Balance</b>	<b>2019 Cash flows-net</b>	<b>Ending Balance</b>
Consumer financing payable	11,020	(4,777)	6,243

**29. SUBSEQUENT EVENT**

Based on Amendment of seed processing agreement with AHSTI dated April 30, 2019. The parties agreed to extend the period of the agreement, and there's no change on the subject matter of the agreement.

**30. RECLASSIFICATION OF ACCOUNTS**

Certain accounts in the 2018 financial statements have been reclassified to conform with the presentation of the 2019 financial statements, as follows:

<b>As Previously Reported</b>	<b>As Reclassified</b>	<b>Amount</b>	<b>Reason of reclassification</b>
<u>2018</u>			
Other receivables	Advances and prepaid expenses	6,098	To adjust based on the nature of transaction
Other payables	Accrued expenses	4,032	To adjust based on the nature of transaction
General and administrative Expenses	Research expenses	42,924	To adjust based on the nature of transaction
Other expenses - net	Finance cost	12,491	To adjust based on the nature of transaction

**31. ISSUANCE OF AMENDMENTS AND IMPROVEMENTS TO PSAK, NEW PSAK AND ISAK**

DSAK-IAI has issued the following new and amendments and improvements to PSAK, new PSAK and ISAK which will be applicable to the financial statements with annual periods beginning on or after:



**PT SHRIRAM GENETICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of March 31, 2019**  
**And for the Year then Ended**  
**(Expressed in United States Dollar, unless otherwise stated)**

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**31. ISSUANCE OF AMENDMENTS AND IMPROVEMENTS TO PSAK, NEW PSAK AND ISAK  
(continued)**

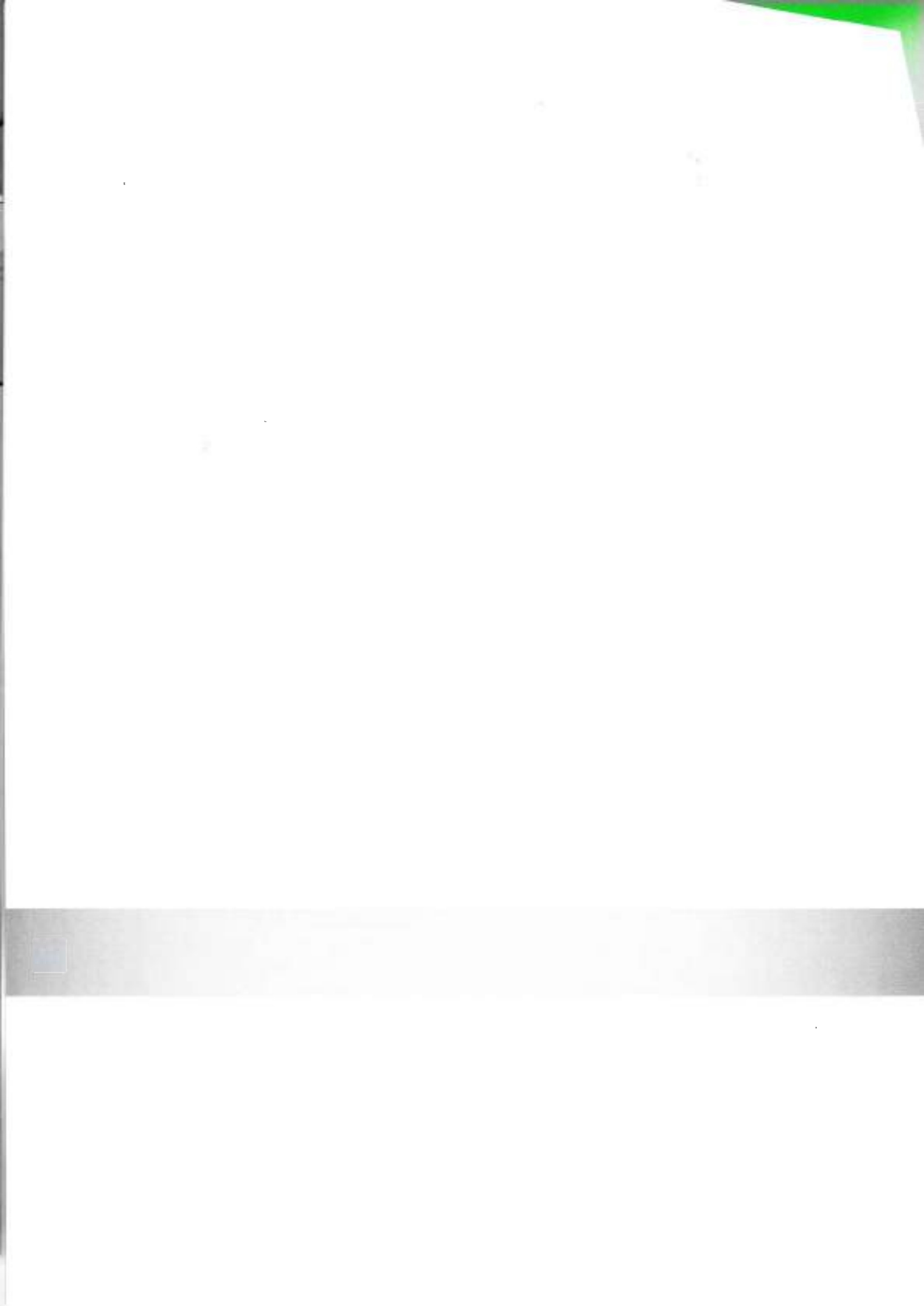
1) January 1, 2019

- ISAK No. 33: Foreign Currency Transactions and Advance Consideration
- ISAK No. 34: Uncertainty Over Income Tax Treatments
- Amendment to PSAK No. 24: Employee Benefits, on Curtailment or Settlement Program
- PSAK No. 22: Business Combination (Improvement 2018)
- PSAK No. 26: Borrowing Costs (Improvement 2018)
- PSAK No. 46: Income Taxes (Improvement 2018)
- PSAK No. 66: Joint Arrangements (Improvement 2018)

2) January 1, 2020

- Amendments to PSAK No. 15: Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- Amendments to PSAK No. 62: Applying PSAK 71: Financial Instruments with PSAK 62: Insurance Contract
- Amendments to PSAK No. 71: Financial Instruments, on Prepayment Features with Negative Compensation
- PSAK No. 71: Financial Instruments
- PSAK No. 72: Revenue from Contract with Customers
- PSAK No. 73: Lease

The Company is still evaluating the effects of those amendments and improvements to PSAK, new PSAK and ISAK and has not yet determined the related effects on the financial statements.



**PT SHRIRAM SEED INDONESIA**

**Financial Statements**

**As of March 31, 2019 and for the Year Ended**

**Translation Into United States Dollar Currency**

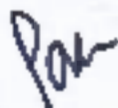
Letter No. AR/S/238/19

The Shareholders, Board of Commissioners and Directors  
**PT Shriram Seed Indonesia**

The accompanying financial position of PT Shriram Seed Indonesia (the Company), which comprises the statement of financial position as of March 31, 2019, and the statements of profit or loss and other comprehensive income, changes in capital deficiency and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, are presented in United States Dollar. The financial statements in United States Dollar are derived from the audited financial statements, which we have expressed an unmodified opinion with emphasis of matter paragraph on those financial statements on April 9, 2019. The translation from Indonesian Rupiah into United States Dollar is based on the guidelines regarding translation to the presentation currency stated in the PSAK No. 10, "The Effect of Changes in Foreign Exchange Difference".

The accompanying financial statements as of and for the year ended March 31, 2019 are prepared solely for the information and use of the Company's management and should not be distributed to or used by parties other than the Company's management.

**REGISTERED PUBLIC ACCOUNTANTS  
ANWAR & REKAN**



**Patricia, CPA**  
Public Accountant Registration No. AP. 0749

April 9, 2019

**PT SHRIRAM SEED INDONESIA**  
**STATEMENT OF FINANCIAL POSITION**  
**As of March 31, 2019**  
**(Expressed in United States Dollar, unless otherwise stated)**

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand and in bank	4,24,25	284,329	1,186,309
Trade receivables - third parties	5,24,25	628,326	584,686
Inventories	6	49,398	-
Advances and prepaid expenses	7,23	1,098,095	62,681
<b>Total Current Assets</b>		<b><u>2,060,148</u></b>	<b><u>1,833,676</u></b>
<b>NON-CURRENT ASSETS</b>			
Fixed assets - net	8	26,817	29,311
Deferred tax assets	10c	111,228	75,173
Other assets	9,24,25	7,525	15,167
<b>Total Non-current Assets</b>		<b><u>145,570</u></b>	<b><u>119,651</u></b>
<b>TOTAL ASSETS</b>		<b><u><u>2,205,718</u></u></b>	<b><u><u>1,953,327</u></u></b>

*See accompanying Notes to the Financial Statements  
which are an integral part of the financial statements taken as a whole.*

**PT SHRIRAM SEED INDONESIA**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**As of March 31, 2019**  
**(Expressed in United States Dollar, unless otherwise stated)**

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables - related parties	11,23,24,25	-	385,357
Other payables	12,24,25		
Related parties	23	504,661	416,977
Third parties		5,556	21,147
Shareholder's loans	13,23,24,25	2,200,000	900,000
Accrued expenses	14,24,25	55,348	8,163
Taxes payable	10a	5,676	12,886
Current portion of:			
Consumer financing payables	15,24,25	4,300	6,357
<b>Total Current Liabilities</b>		<b><u>2,775,541</u></b>	<b><u>1,750,887</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term portion of:	15,24,25		
Consumer financing payables		-	1,169
Post-employment benefit obligation	16	266,092	115,120
<b>Total Non-current Liabilities</b>		<b><u>266,092</u></b>	<b><u>116,289</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>3,041,633</u></b>	<b><u>1,867,176</u></b>
<b>EQUITY (CAPITAL DEFICIENCY)</b>			
Share capital, US\$ 1 par value per share			
Authorized, issued and fully paid - 5,350,000 shares	17	5,350,000	5,350,000
Effect of changes in foreign exchange difference		443,697	454,905
Deficits		<u>(6,629,612)</u>	<u>(5,718,753)</u>
<b>TOTAL EQUITY (CAPITAL DEFICIENCY)</b>		<b><u>(835,915)</u></b>	<b><u>86,152</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>2,205,718</u></b>	<b><u>1,953,328</u></b>

*See accompanying Notes to the Financial Statements  
which are an integral part of the financial statements taken as a whole.*

**PT SHRIRAM SEED INDONESIA**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the Year Ended  
**March 31, 2019**  
(Expressed in United States Dollar, unless otherwise stated)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>SALES</b>	18	1,133,874	2,742,718
<b>COST OF SALES</b>	19,23	<u>(906,858)</u>	<u>(2,489,775)</u>
<b>GROSS PROFIT</b>		<b>227,016</b>	<b>252,943</b>
Selling expenses	20	(102,585)	(168,023)
General and administrative expenses	21,23	(942,513)	(824,190)
Other expenses - net	22	<u>(43,856)</u>	<u>(642,096)</u>
<b>OPERATING LOSS</b>		<b>(861,938)</b>	<b>(1,381,366)</b>
Finance cost	23	(110,321)	(93,894)
<b>LOSS BEFORE INCOME TAX</b>		<b>(972,259)</b>	<b>(1,475,260)</b>
<b>DEFERRED INCOME TAX BENEFIT (EXPENSE)</b>	10b	<u><b>44,018</b></u>	<u><b>(101,861)</b></u>
<b>NET LOSS FOR THE YEAR</b>		<b>(928,241)</b>	<b>(1,577,121)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Item that will be reclassified to profit or loss</b>			
Effect of changes in foreign exchange difference		(11,208)	(16,069)
<b>Item that will not be reclassified to profit or loss</b>			
Remeasurements of post-employment benefits	16	23,176	(4,719)
Related income tax	10c	<u>(5,794)</u>	<u>1,180</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		<b>6,174</b>	<b>(19,608)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b><u>(922,067)</u></b>	<b><u>(1,596,729)</u></b>

*See accompanying Notes to the Financial Statements which are an integral part of the financial statements taken as a whole.*

**PT SHRIRAM SEED INDONESIA**  
**STATEMENT OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)**  
For the Year Ended  
**March 31, 2019**  
(Expressed in United States Dollar, unless otherwise stated)

	<u>Share Capital</u>	<u>Effect of Changes in Foreign Exchange Difference</u>	<u>Deficits</u>	<u>Total Equity (Capital Deficiency)</u>
<b>Balance as of April 1, 2017</b>	<b>5,350,000</b>	<b>470,974</b>	<b>(4,138,093)</b>	<b>1,682,881</b>
Net loss for the year	-	-	(1,577,121)	(1,577,121)
Other comprehensive loss	-	(16,069)	(3,539)	(19,608)
<b>Balance as of March 31, 2018</b>	<b>5,350,000</b>	<b>454,905</b>	<b>(5,718,753)</b>	<b>86,152</b>
Net loss for the year	-	-	(928,241)	(928,241)
Other comprehensive loss	-	(11,208)	17,382	6,174
<b>Balance as of March 31, 2019</b>	<b>5,350,000</b>	<b>443,697</b>	<b>(6,629,612)</b>	<b>(835,915)</b>

*See accompanying Notes to the Financial Statements  
which are an integral part of the financial statements taken as a whole.*



**PT SHRIRAM SEED INDONESIA**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended  
**March 31, 2019**  
(Expressed in United States Dollar, unless otherwise stated)

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(972,259)	(1,475,260)
Adjustments for:		
Effect of changes in foreign exchange difference	(10,439)	(15,063)
Finance cost	110,321	93,894
Employee benefit expenses	205,275	34,598
Adjustment of employee benefit	(28,674)	11,719
Depreciation of fixed assets	7,616	6,227
Loss on disposal assets	-	2
Operating loss before changes in working capital	(688,160)	(1,343,883)
Changes in working capital:		
Trade receivables - third parties	(43,640)	1,053,681
Other receivables	-	22,820
Advances and prepaid expenses	(1,035,414)	723,148
Inventories	(49,398)	643,107
Other assets	7,642	155
Trade payables	(385,357)	(75,599)
Other payables	72,093	57,478
Accrued expenses	47,185	(63,000)
Taxes payable	(7,210)	7,543
<b>Cash generated from (used in) operation</b>	<b>(2,082,259)</b>	<b>1,025,450</b>
Finance cost paid	(110,321)	(93,894)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(2,192,580)</b>	<b>931,556</b>
<b>CASH FLOWS FOR INVESTING ACTIVITY</b>		
Acquisition of fixed assets (Note 8)	(6,174)	(1,469)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shareholder's loans	1,300,000	-
Payment of consumer financing payables	(3,226)	(8,123)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,296,774</b>	<b>(8,123)</b>
<b>NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANK</b>	<b>(901,980)</b>	<b>921,964</b>
<b>CASH ON HAND AND IN BANK AT THE BEGINNING OF THE YEAR</b>	<b>1,186,309</b>	<b>264,345</b>
<b>CASH ON HAND AND IN BANK AT END OF THE YEAR</b>	<b>284,329</b>	<b>1,186,309</b>

*See accompanying Notes to the Financial Statements  
which are an integral part of the financial statements taken as a whole.*

**PT SHRIRAM SEED INDONESIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of March 31, 2019 And for the Year Then Ended**  
**(Expressed in United States Dollar, unless otherwise stated)**

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**1. GENERAL**

**The Company's Establishment and General Information**

PT Shriram Seed Indonesia ("the Company") was established based on notarial deed of Adrian Djuaini S.H., No. 01 dated February 4, 2011. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his decision letter No. AHU-0014411.AH.01.09.Tahun 2011 dated February 22, 2011.

The Company's Articles of Association have been amended several times, the latest amendment was based on Deed No. 1 of Utiek R. Abdurachman, S.H., M.LI., M.Kn., dated November 3, 2015 concerning the amendment of the articles of association. This amendment was received and recorded in the Minister of Law and Human Rights of the Republic of Indonesia through his letter No. AHU-0946728.AH.01.02.Year 2015 dated November 26, 2015.

In accordance with article 3 of the Company's Articles of Association, the scope of its activities is engaged in seed's import and distribution. The Company started its commercial operation on April 1, 2012. The Company is domiciled in Mayapada Tower 1, 7<sup>th</sup> Floor Suite 06E Jendral Sudirman Street Kav 28, Karet Setiabudi, South Jakarta.

Immediate parent Company is Bioseeds Holdings Pte. Ltd., incorporated and domiciled in Singapore.

**The Board of Commissioners and Director, and Employees**

The members of the Boards of Commissioners and Director of the Company as of March 31, 2019 and 2018 are as follows:

President Commissioner : Jitender Kumar Jain  
Commissioner : Paresh Kumar Verma  
Commissioner : Parveen Kumar Aggarwal  
President Director : Joseph Abraham Anand

As of March 31, 2019 and 2018, the Company had a total of 9 and 11 permanent employees (unaudited), respectively.

**Issuance of Financial Statements**

The financial statements have been authorized for issue by the Director of the Company, who is responsible for the preparation and completion of financial statements, on April 9, 2019.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Compliance with Financial Accounting Standards (SAK)**

The financial statements have been prepared in accordance with Indonesian SAK which include, the Statements of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK) issued by Financial Accounting Standards Board of the Indonesian Institute of Accountant (DSAK-IAI).

**Basis of Measurement in Preparation of Financial Statements**

The financial statements have been prepared based on the going-concern assumption and basis of the historical cost, except for certain accounts which are measured on the basis described in the related accounting policies.

The financial statements also have been prepared based on the accrual basis, except for the statement of cash flows, which are prepared under the cash basis. The statement of cash flows has been prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities.

**PT SHRIRAM SEED INDONESIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of March 31, 2019 And for the Year Then Ended**  
**(Expressed in United States Dollar, unless otherwise stated)**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Measurement in Preparation of Financial Statements (continued)**

The accounting policies adopted in the preparation of the financial statements are consistent with those adopted in the preparation of the financial statement for the year ended March 31, 2019, except for the adoption of several amendments and improvements to PSAK effective April 1, 2018 as disclosed in this note.

Unless otherwise stated, all figures presented in the financial statements are stated in United States (US) Dollar. The financial statements of the Company in Indonesian Rupiah have been translated into US Dollar using the following procedures:

- (a) Monetary assets and liabilities are translated using closing rate.
- (b) Equity are translated using exchange rates at the date of transactions.
- (c) Income and expenses are translated using exchange rates at the dates of the transactions.
- (d) All resulting differences are recognized in other comprehensive income.

The preparation of financial statements in conformity with Indonesian SAK requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

**Adoption of Amendments to PSAK**

The Company has adopted several amendments to PSAK that are mandatory for application effective April 1, 2018. The adoption of the following amendments to PSAK did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years:

- Amendments to PSAK 2: Statement of Cash Flows, on Disclosure Initiative
- Amendments to PSAK 46: Income Taxes, on Recognition of Deferred Tax Assets for Unrealized Losses

**Foreign Currencies Transactions and Balances**

**a. Functional and Presentation Currency**

The functional currency of the Company is Indonesian Rupiah (Rupiah).

The presentation currency used in the preparation of the financial statements is the United States Dollar (USD). At the end of each reporting period, the assets and liabilities of the Company are translated into the presentation currency at the spot rate which is the exchange rate prevailing at the end of the reporting period and their profit or loss are translated at the average rate during the period. The resulting differences arising from translations of the financial statements of the Company are included in other comprehensive income and presented as part of "The effect of Changes in Foreign Exchange Difference" in the statements of changes in equity.

**b. Transactions and Balances**

Foreign currencies transactions are translated in to respective functional currency of the Company using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items and on retranslation of monetary items are included in the profit or loss. As of March 31, 2019 and 2018, the exchange rate used based on rate by management was Rp 14,241 and Rp 13,764, respectively.

**PT SHRIRAM SEED INDONESIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of March 31, 2019 And for the Year Then Ended**  
**(Expressed in United States Dollar, unless otherwise stated)**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Transactions with Related Parties**

In accordance with PSAK No. 7, "Related Party Disclosures", parties are considered to be related if one party has the ability to control (by way of ownership, directly or indirectly) or exercise significant influence (by way of participation in the financial and operating policies) over the other party in making financial and operating decisions.

All significant transactions with related parties are disclosed in Note 23 to the financial statements

**Financial Instruments**

Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the marketplace concerned.

The Company classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held to maturity investment and (iv) available for sale financial assets.

As of March 31, 2019 and 2018, the Company only had financial assets classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current-assets for maturities shorter than twelve months; otherwise they are classified as non-current asset. The Company's loans and receivables comprised of cash on hand and in bank, trade receivables - third parties and other assets in the statement of financial position.

Loans and receivables are initially recognized at fair value plus any transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment. Financial assets are derecognized when the rights to receive cash flows from the assets have ceased to exist or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial Liabilities

The Company classifies its financial liabilities into two categories (i) at fair value through profit or loss and (ii) financial liabilities measured at amortized cost.

As of March 31, 2019 and 2018, the Company only had financial liabilities measured at amortized cost that comprised of trade payables - related parties, shareholder's loans, other payables, accrued expenses, and consumer financing payables. After the initial recognition which is at fair value plus transaction costs, the Company measures all financial liabilities at amortized cost using effective interest rate method. Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expired.

Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, 1) the Company currently has a legally enforceable right to offset the recognized amounts and 2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**PT SHRIRAM SEED INDONESIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of March 31, 2019 And for the Year Then Ended**  
**(Expressed in United States Dollar, unless otherwise stated)**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Impairment of Financial Assets**

At each statement of financial position date, management assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is an objective evidence of impairment.

For financial asset measured at amortized cost, loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at original effective interest rate of the financial assets. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss is recognized in profit or loss.

Management initially assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

**Cash on Hand and in Banks**

Cash on hand and in banks represent cash on hand and cash in banks neither used as collateral nor restricted.

**Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost of inventories is carried on the average cost method and includes expenditures incurred in acquiring the inventories and bringing them to their present location and condition. Allowance for decline in value of inventories, which is provided to reduce the carrying value of inventories to their net realizable value, is determined based on a review of the condition of the individual inventory items at the end of the year.

**Prepaid Expenses**

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

**Fixed Assets**

Fixed assets are initially recorded at cost. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repairs and maintenance are charged to profit or loss. The carrying amount of the replaced part is derecognized during the financial year in which they are incurred.

Depreciation of fixed assets is computed using the straight-line method, based upon the estimated useful lives of the related fixed assets, as follows:

	<u>Years</u>
Vehicles	8
Furniture and fixtures	4
Telephone installation	4
Office equipment	4

**PT SHRIRAM SEED INDONESIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of March 31, 2019 And for the Year Then Ended**  
**(Expressed in United States Dollar, unless otherwise stated)**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fixed Assets (continued)**

The estimated useful life, residual value, and depreciation method of fixed assets are reviewed at each financial year end with the effect of any changes in accounting estimate accounted for on a prospective basis.

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is recognized in statement of profit or loss in the year the item it is derecognized.

**Impairment of Non-financial Assets**

Non-financial assets that have an indefinite useful life are not subject to amortisation but tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**Leases**

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Company determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Assets acquired under finance leases

Leases of fixed assets where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in obligations under finance leases. The interest element of the finance cost is taken to profit or loss over the leased period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalized leased assets are depreciated over the estimated useful life of the assets except if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, in which case the leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

**Post-employment Benefit Obligation**

The Company provides defined post-employment benefits to their employees in accordance with Indonesian Labour Law No. 13/2003.

The Company's net obligation in respect of the defined benefit plan is calculated as the present value of the post-employment benefit obligation at the end of the reporting period. The post-employment benefit obligation is determined using the Projected Unit Credit Method which is usually dependent on one or more factors such as age, years of service and compensation.

**PT SHRIRAM SEED INDONESIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of March 31, 2019 And for the Year Then Ended**  
**(Expressed in United States Dollar, unless otherwise stated)**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Post-employment Benefit Obligation (continued)**

Remeasurements of post-employment benefit obligation, comprise of a) actuarial gains and losses, b) the return of plan assets, excluding interest, and c) the effect of asset ceiling, excluding interest, are recognized immediately in the other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in the subsequent periods.

The Company's recognizes the (1) service costs, comprising of current service cost, past-service cost, and any gain or loss on settlement, and (2) net interest expense immediately in profit or loss.

**Revenue and Expense Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and there is actual delivery made and the same is accepted by the customer.

Expenses are recognized when these are incurred (accrual basis).

**Income Tax**

Income tax expenses represent the sum of the current tax and deferred tax.

Tax is recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognized outside profit or loss. Tax that relates to items recognized in other comprehensive income is recognized in other comprehensive income and tax that relates to items recognized directly in equity is recognized in equity.

**i. Current Tax**

The current tax payable is based on taxable income for the year. Taxable profit differs from profit as reported in the respective profit or loss and other comprehensive income of the companies in the Company because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable nor deductible. The respective current tax liability of each entity in the Company is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates the amount reported in the Annual Tax Return (SPT) in relation to the circumstances in which the applicable tax regulations are subject to interpretation and, if necessary, the management will calculate the amount of provision that may arise.

**ii. Deferred Tax**

Deferred tax is recognized using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses to the extent that it is probable that taxable income will be available against which deductible temporary differences and the carry forward of unused tax losses can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from (a) the initial recognition of goodwill; (b) or of an asset or liability in a transaction that is (i) not a business combination, and (ii) at the time of the transaction, affects neither the accounting profit nor taxable income or loss.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Tax (continued)**

ii. Deferred Tax (continued)

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the benefit of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and liabilities can be offset if, and only if, (a) there is a legally enforceable right to offset the current tax assets and liabilities and (b) the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of sales, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future years.

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Determination of Functional Currency

Functional currency is the currency of the primary economic environment in which the Company operates. This is the currency that mainly influences the sales price for goods or services, the currency of the country whose competitive forces and regulations mainly determined the sales price of goods and services, or the currency that mainly influences labor, material and other cost of providing the goods and services. When the indicators are mixed, the management made judgment to determine the most appropriate functional currency to describe the economic effect of underlying transactions, events and conditions of the Company's operations.

Classification of Financial Assets and Financial Liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2014). The financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2 to the financial statements.

**Key Sources of Estimation Uncertainty**

The key assumptions related to the future and other main sources of estimation uncertainty at the reporting date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are disclosed below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared.



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**3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)**

**Key Sources of Estimation Uncertainty (continued)**

Existing conditions and assumptions about future developments may change due to market changes or conditions arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of trade receivables

Impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to original term of debts. An assessment is made at each statement of financial position date of whether there is any indication of impairment or whether there is any indication that an impairment loss previously recognized in prior years may no longer exist or may have decreased. Where the actual results differ from the amounts that were initially assessed, such differences will result in a material adjustment to the carrying amounts of trade receivables within the next financial year. The carrying amount of the trade receivables is disclosed in Note 5 to the financial statements.

Impairment of Inventories

Management reviews aging analysis at each statement of financial position date, and makes allowance for obsolete and slow moving inventory items identified that are no longer suitable for use in production. Management estimates the net realizable value of such finished goods based primarily on the latest invoice prices and current market conditions. The carrying amount of the inventories is disclosed in Note 6 to the financial statements

Useful Lives of Fixed Assets

Fixed asset is depreciated using the straight-line method based on estimated useful lives of 4 to 8 years, which is the common life expectancy applied in the industry. Changes in the pattern of usage and the level of technological development could impact the economic useful life and residual value of fixed assets. Therefore, future depreciation charges could be revised. The net carrying amount of fixed assets at the statement of financial position date is disclosed in Note 8 to the financial statements.

Post-employment Benefit Obligation

The determination of the Company's post-employment benefit obligation and employee benefits expense is dependent on selection of certain assumptions, those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Company's assumptions are accounted in accordance with the policies as mentioned in Note 16 to the financial statements.

Income Taxes

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liability for expected income tax based on estimates of whether additional corporate income tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Company's carrying amount of taxes payable and deferred tax assets are disclosed in Note 10 to the financial statements.

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**4. CASH ON HAND AND IN BANK**

	<b>2019</b>	<b>2018</b>
Cash on hand	23	1,009
Cash in bank		
Standard Chartered Bank		
Rupiah	88,677	1,185,109
United States Dollar	195,629	191
Sub-total	284,306	1,185,300
<b>Total</b>	<b>284,329</b>	<b>1,186,309</b>

**5. TRADE RECEIVABLES - THIRD PARTIES**

	<b>2019</b>	<b>2018</b>
Third parties	807,148	774,179
Less: provision for impairment	(178,822)	(189,493)
<b>Total</b>	<b>628,326</b>	<b>584,686</b>

The movements of provision for impairment are as follows:

	<b>2019</b>	<b>2018</b>
Balance at beginning of year	189,493	633,097
Sales for impairment of receivables	-	189,493
Effect of changes in foreign exchange difference	(10,671)	-
Reversal during the year	-	(633,097)
<b>Balance at end of year</b>	<b>178,822</b>	<b>189,493</b>

Management believes that the above provision for impairment is adequate to cover any possible losses that may arise from non-collection of accounts.

**6. INVENTORIES**

As of March 31, 2019, this account represents inventory of returned corn from customer, amounting to US\$ 49,398.

Based on management review, there are write-off corn inventories amounted to US\$ 12,525 and US\$ 389,406 as of March 31, 2019 and 2018 have been charged to other expenses - net (Note 22), respectively.

Management believes that carrying amounts of inventories do not exceed their net realizable values, therefore the Company did not provide an allowance to adjust the carrying amounts of inventories to their net realizable values.

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**7. ADVANCES AND PREPAID EXPENSES**

	2019	2018
<b>Prepaid Expenses</b>		
Rental	30,864	28,707
School fees	15,276	15,206
Profesional fees	12,463	11,899
Insurance	8,010	6,797
Others	37	-
Sub-total	66,650	62,609
<b>Advances</b>		
Advance to a PT Shriram Genetics (Note 23)	1,029,618	-
Advance to employees	1,827	72
Sub-total	1,031,445	72
<b>Total</b>	<b>1,098,095</b>	<b>62,681</b>

**8. FIXED ASSETS - NET**

The details and movements of fixed assets are as follows:

	2019			
	Beginning Balance	Additions	Effect of changes in foreign exchange difference	Ending Balance
<b><u>Acquisition Cost</u></b>				
Vehicles	38,822	4,909	(1,300)	42,431
Furniture and fixtures	4,489	-	(151)	4,338
Telephone installation	646	-	(22)	624
Office equipment	8,722	1,265	(293)	9,694
<b>Total Acquisition Cost</b>	<b>52,679</b>	<b>6,174</b>	<b>(1,766)</b>	<b>57,087</b>
<b><u>Accumulated Depreciation</u></b>				
Vehicles	11,728	6,725	(332)	18,121
Furniture and fixtures	4,476	-	(138)	4,338
Telephone installation	646	-	(22)	624
Office equipment	6,518	891	(222)	7,187
<b>Total Accumulated Depreciation</b>	<b>23,368</b>	<b>7,616</b>	<b>(714)</b>	<b>30,270</b>
<b>Net Book Value</b>	<b>29,311</b>			<b>26,817</b>

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**8. FIXED ASSETS - NET (continued)**

	2018				Ending Balance
	Beginning Balance	Additions	Deduction	Effect of changes in foreign exchange difference	
<b><u>Acquisition Cost</u></b>					
Furniture and fixtures	4,636	-	-	(147 )	4,489
Telephone installation	667	-	-	(21 )	646
Office equipment	7,601	1,469	107	(241 )	8,722
Vehicles	40,092	-	-	(1,270 )	38,822
<b>Total Acquisition Cost</b>	<b>52,996</b>	<b>1,469</b>	<b>107</b>	<b>(1,679)</b>	<b>52,679</b>
<b><u>Accumulated Depreciation</u></b>					
Furniture and fixtures	4,623	12	-	(159 )	4,476
Telephone installation	667	-	-	(21 )	646
Office equipment	5,572	1,245	105	(194 )	6,518
Vehicles	7,100	4,970	-	(342 )	11,728
<b>Total Accumulated Depreciation</b>	<b>17,962</b>	<b>6,227</b>	<b>105</b>	<b>(714 )</b>	<b>23,368</b>
<b>Net Book Value</b>	<b>35,034</b>				<b>29,311</b>

For the years ended March 31, 2019 and 2018, depreciation expenses of US\$ 7,616 and US\$ 6,227, respectively, have been charged to general and administrative expenses (Note 21).

The computations of gain (loss) on disposal fixed assets are as follows:

	2018
Proceeds from sale	-
Net book value	2
<b>Loss on disposal fixed assets</b>	<b>(2)</b>

Based on management's review, there are no events or changes in circumstances which may indicate impairment of fixed assets as of March 31, 2019 and 2018.

**9. OTHER ASSETS**

As of March 31, 2019 and 2018, this account represent rental deposit for building amounted to US\$ 7,525 and US\$ 15,167, respectively.

**10. TAXATION**

**a. Taxes payable**

	2019	2018
Income tax:		
Article 4 (2)	18	132
Article 21	5,284	12,412
Article 23	374	342
<b>Total</b>	<b>5,676</b>	<b>12,886</b>

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**10. TAXATION (continued)**

**b. Corporate income tax**

A reconciliation between loss before income tax, as shown in profit or loss and estimated taxable loss for the years ended March 31, 2019 and 2018 are as follows:

	<b>2019</b>	<b>2018</b>
Loss before income tax	(972,259)	(1,475,260)
Permanent differences:		
Non-deductible expenses	236,100	308,882
Temporary differences:		
Employee benefits	176,601	46,317
Provision for impairment of receivable	-	189,493
Depreciation of fixed assets	-	431
Estimated tax loss for the year	(559,558)	(930,137)
Accumulated fiscal loss at beginning of the year	(4,314,245)	(3,675,111)
Adjustment	244,747	291,004
Accumulated tax loss at the ending of the year	<b>(4,629,056)</b>	<b>(4,314,244)</b>

For the years ended March 31, 2019 and 2018, the Company was in fiscal loss position, hence no provision for current income tax was recognized.

Income tax is reconciled between loss before income tax multiplied by the applicable tax rate, as follows:

	<b>2019</b>	<b>2018</b>
Loss before income tax	(972,259)	(1,475,260)
Tax calculate at applicable tax rate	243,065	368,815
Tax effect on permanent differences	(59,025)	(77,221)
Unrecognized deferred tax asset	(140,022)	(393,455)
<b>Deferred income tax benefit (expense)</b>	<b>44,018</b>	<b>(101,861)</b>

**c. Deferred tax assets**

The calculation of deferred assets with applicable tax rate at 25% is as follows:

	<b>2019</b>					
	<b>Balances as of April 1, 2018</b>	<b>Deferred income tax benefit</b>	<b>Other comprehensive income</b>	<b>Effect of changes in foreign exchange difference</b>	<b>Adjustment due to reversal</b>	<b>Balance as of March 31, 2019</b>
Provision for impairment	46,251	-	-	(1,546)	-	44,705
Employment benefit	28,780	44,150	(5,794)	(613)	-	66,523
Depreciation of fixed assets	142	-	-	(10)	(132)	-
<b>Deferred tax assets</b>	<b>75,173</b>	<b>44,150</b>	<b>(5,794)</b>	<b>(2,169)</b>	<b>(132)</b>	<b>111,228</b>

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**10. TAXATION (continued)**

**c. Deferred tax assets (continued)**

	2018					Balance as of March 31, 2018
	Balances as of April 1, 2017	Deferred income tax benefit	Other comprehensive income	Effect of changes in foreign exchange difference	Adjustment due to reversal	
Provision for impairment	162,261	47,373	-	(1,122)	(162,261)	46,251
Employment benefit	16,828	11,579	1,180	(807)	-	28,780
Depreciation of fixed assets	34	108	-	-	-	142
<b>Deferred tax assets</b>	<b>179,123</b>	<b>59,060</b>	<b>1,180</b>	<b>(1,929)</b>	<b>(162,261)</b>	<b>75,173</b>

As of March 31, 2019 and 2018, the Company has accumulated fiscal losses carry forward amounting to US\$ 4,629,056 and US\$ 4,314,244, respectively. No deferred tax asset on unused fiscal losses has been recognized as of March 31, 2019 and 2018. The management believes that it is not probable that future taxable income will be available against which these unused fiscal losses can be utilized.

**11. TRADE PAYABLES - RELATED PARTIES**

	2019	2018
Related parties (Note 23)		
PT Shriram Genetics	-	381,462
Shriram Bioseed Genetics	-	3,895
<b>Total</b>	<b>-</b>	<b>385,357</b>

**12. OTHER PAYABLES**

	2019	2018
Related party (Note 23)		
Bioseed Holdings Pte. Ltd	438,714	351,030
PT Shriram Genetics	65,947	65,947
Third parties		
KAP Johannes Juara & Rekan	1,699	-
Employee	1,459	-
PT Priskas Jamintara	-	5,490
Others	2,398	15,657
<b>Total</b>	<b>510,217</b>	<b>438,124</b>

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**13. SHAREHOLDER'S LOANS**

The Company entered into loan agreement with Bioseeds Holdings Pte. Ltd., a major shareholder, dated May 26, 2016 stated that the loan amount was US\$ 900,000 with interest rate at 10% per annum. The period shall be 12 months from the date of remittance by the lender. Loan repayment is in whole or in part prior to its maturity period. The last renewal of this agreement is on June 1, 2018, and the period is extended to 12 months from June 2, 2018.

On November 16, 2018, The Company entered another loan agreement with Bioseeds Holdings Pte. Ltd., stated that the loan amount was US\$ 1,300,000 with interest rate at 3.71% per annum. The period shall be 12 months from the date of remittance by the lender. Loan repayment is in whole or in part prior to its maturity period.

As of March 31, 2019 and 2018, the loans amounted to US\$ 2,200,000 and US\$ 900,000, respectively.

**14. ACCRUED EXPENSES**

	<b>2019</b>	<b>2018</b>
Freight	22,529	-
Professional fee	9,785	5,667
Marketing	7,383	-
Salary	7,246	-
Outsourcing	6,526	-
Logistic	-	2,496
Others	1,879	-
<b>Total</b>	<b>55,348</b>	<b>8,163</b>

**15. CONSUMER FINANCING PAYABLES**

As of March 31, 2019 and 2018, the Company has consumer financing agreements with PT BII Finance Center, third parties, to finance acquisitions of vehicles. The loans bear annual effective interest rate ranging 9.65% and will mature in 4 (four) years from the inception date of the respective loans. This facility is guaranteed by those respective vehicles.

The future minimum payment of this consumer financing is as follow:

	<b>2019</b>	<b>2018</b>
Minimum lease payment		
Not later than 1 year	4,300	6,357
Later than 1 year and no later than 5 years	-	1,169
<b>Total</b>	<b>4,300</b>	<b>7,526</b>
Less current portion	4,300	6,357
<b>Long term portion</b>	<b>-</b>	<b>1,169</b>

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**16. POST-EMPLOYMENT BENEFIT OBLIGATION**

As of March 31, 2019 and 2018, the Company's accrued post-employment benefit obligation based on the actuarial calculation prepared by PT Dayamandiri Dharmakonsilindo, an independent actuary as stated in its report dated April 1, 2019, and March 31, 2018 with the following main assumption:

	<u>2019</u>	<u>2018</u>
Normal retirement age	55 years	55 years
Salary increase rate	8.0% per year	8.0% per year
Discount rate	8.05% per year	7.15% per year

Amounts recognized in the statement of profit or loss and other comprehensive income in respect of the defined benefit plan are as follows:

	<u>2019</u>	<u>2018</u>
Expense recognized in profit or loss:		
Current service cost	51,632	29,139
Interest cost	5,594	5,459
Past service cost due to curtailment	(27,153)	-
Liability due to recognition of past services	146,528	-
<b>Sub total</b>	<b>176,601</b>	<b>34,598</b>
Remeasurements recognized in other comprehensive income:		
Actuarial gains (losses) arising from changes in financial assumption	(23,176)	4,719
<b>Sub total</b>	<b>(23,176)</b>	<b>4,719</b>
<b>Total</b>	<b>153,425</b>	<b>39,317</b>

The movements of the estimated for post employment benefits liabilities is as follows:

	<u>2019</u>	<u>2018</u>
Beginning balance	115,120	67,310
Effect of changes in foreign exchange difference	(2,453)	(3,226)
Current service cost	51,632	29,139
Interest cost	5,594	5,459
Provision for excess benefit payment by the company	28,674	-
Past service cost due to curtailment	(27,153)	-
Liability due to recognition of past services	146,528	-
Adjustment of beginning balance		11,719
Remeasurements recognized in other comprehensive income:		
Actuarial losses (gains) arising from experience adjustments	(241)	-
Actuarial losses (gains) arising from changes in financial assumption	(22,935)	4,719
Excess benefits payment by the company	(28,674)	-
<b>Ending balance of defined benefit obligation</b>	<b>266,092</b>	<b>115,120</b>



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**17. SHARE CAPITAL**

The composition of shareholders as of March 31, 2019 and 2018 are as follows:

	Number of issued and fully paid shares	Percentage of ownership	Total
Bioseeds Holdings Pte. Ltd	5,082,500	95%	5,082,500
Brigitta Hadianto Imam Rahayoe	267,500	5%	267,500
<b>Total</b>	<b>5,350,000</b>	<b>100%</b>	<b>5,350,000</b>

**Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern whilst seeking to maximize benefits to shareholders and other stakeholders.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital efficiency of the Company, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

The computation of gearing ratio are as follows:

	2019	2018
Trade payables	-	385,357
Shareholder's loan	2,200,000	900,000
Accrued expenses	55,348	8,163
Other payables	510,217	438,124
Consumer financing payables	4,300	7,526
<b>Total</b>	<b>2,769,865</b>	<b>1,739,170</b>
Less cash on hand and in bank	284,329	1,186,309
Net debt	2,485,536	552,861
Total equity	(835,915)	86,152
<b>Gearing ratio</b>	<b>(2.97)</b>	<b>6.42</b>

**18. SALES**

In 2019 and 2018, this account represents sales of seeds amounted to US\$ 1,133,874 and US\$ 2,742,718, respectively.

**19. COST OF SALES**

In 2019 and 2018, this account represents cost of sales amounted to US\$ 906,858 and US\$ 2,489,775, respectively.

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**20. SELLING EXPENSES**

	<b>2019</b>	<b>2018</b>
Freight cost	49,655	48,199
Travelling	31,084	34,565
Marketing	19,996	85,259
Sample	1,850	-
<b>Total</b>	<b>102,585</b>	<b>168,023</b>

**21. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2019</b>	<b>2018</b>
Salaries and allowances	551,029	536,279
Employee benefit (Note 16)	176,601	34,598
Outsourcing	61,169	11,186
Professional fee	58,206	74,928
Traveling	23,952	21,790
Insurance	14,645	21,866
Rental	14,448	12,341
Telephone, internet and fax	8,476	4,833
Depreciation of fixed assets (Note 8)	7,616	6,227
Tax	6,759	5,120
Entertainment	2,660	2,554
Utilities	2,280	-
Others (each below US\$ 2,000)	14,672	92,468
<b>Total</b>	<b>942,513</b>	<b>824,190</b>

**22. OTHER EXPENSES - NET**

	<b>2019</b>	<b>2018</b>
Loss on foreign exchange	31,514	43,015
Write-off inventories (Note 6)	12,525	389,406
Impairment of trade receivables	-	189,493
Others	(183)	20,182
<b>Net</b>	<b>43,856</b>	<b>642,096</b>

**23. RELATED PARTIES INFORMATION**

Balances and transactions with related parties are as follows:

	<b>2019</b>	<b>2018</b>
<b><u>Advance purchase (Note 7)</u></b>		
PT Shriram Genetics	1,029,618	-
<b>Percentage to total asset</b>	<b>46.68%</b>	<b>-</b>

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**23. RELATED PARTIES INFORMATION (continued)**

	<u>2019</u>	<u>2018</u>
<b><u>Trade payables (Note 11)</u></b>		
PT Shriram Genetics	-	381,462
Shriram Bioseed Genetics	-	3,895
<b>Total</b>	<b>-</b>	<b>385,357</b>
<b>Percentage to total liabilities</b>	<b>-</b>	<b>20.64%</b>
<b><u>Other payables (Note 12)</u></b>		
Bioseed Holdings Pte. Ltd.	438,714	351,030
PT Shriram Genetics	65,947	65,947
<b>Total</b>	<b>504,661</b>	<b>416,977</b>
<b>Percentage to total liabilities</b>	<b>16.59%</b>	<b>22.33%</b>
<b><u>Shareholder's loans (Note 13)</u></b>		
Bioseed Holdings Pte. Ltd.	<b>2,200,000</b>	<b>900,000</b>
<b>Percentage to total liabilities</b>	<b>72.33%</b>	<b>48.20%</b>
<b><u>Purchases</u></b>		
PT Shriram Genetics	<b>959,339</b>	<b>2,489,775</b>
<b><u>Salary, allowance and bonus</u></b>		
Key Management	<b>309,284</b>	<b>289,498</b>
<b>Percentage to total general and administrative expenses</b>	<b>32.81%</b>	<b>35.13%</b>
<b><u>Professional fee</u></b>		
Brigitta Hadianto Imam Rahayoe	<b>11,964</b>	<b>10,898</b>
<b>Percentage to total general and administrative expenses</b>	<b>1.27%</b>	<b>1.32%</b>
<b><u>Finance cost</u></b>		
Bioseed Holdings Pte. Ltd.	<b>110,321</b>	<b>90,000</b>

In conducting its business, the Company entered into business and financial transaction with its related parties as follows:

<u>Related parties</u>	<u>Nature of Relationships</u>	<u>Nature of Transactions</u>
Bioseeds Holdings Pte. Ltd.	Shareholder	Shareholder's loans, other payable, and finance cost.
Shriram Bioseed Genetics	Affiliate	Trade payables.

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**23. RELATED PARTIES INFORMATION (continued)**

In conducting its business, the Company entered into business and financial transaction with its related parties as follows:

Related parties	Nature of Relationships	Nature of Transactions
PT Shriram Genetics	Affiliate	Advance purchase, trade payables, other payables and purchases.
Brigitta Hadianto Imam Rahayoe	Shareholder	Professional fee expense.

**24. FINANCIAL INSTRUMENTS**

Except for refundable deposits and consumer financing payables, the management considers that the carrying amounts of the financial assets and financial liabilities recognized in the statement of financial position approximate their fair values due to short-term maturities of these financial instruments.

For consumer financing payables, their carrying amounts approximate their fair value as the impact of discounted cash flow are not significant.

The fair value of refundable deposits are measured at cost since the fair value cannot be reliably determined.

The Company has no financial assets and financial liabilities which are measured at fair value as at March 31, 2019 and 2018.

**25. FINANCIAL RISK MANAGEMENT**

The risks arising from financial instruments to which the Company's is exposed are financial risks, which includes credit risk, interest rate risk, liquidity risk, foreign exchange risk and fair value of financial assets and liabilities.

a. Credit Risk

The Company is exposed to credit risk in the normal course of business. The Company's principal financial assets are cash and trade receivables. The Company's exposure to credit risk is primarily attributable to receivables.

To manage the credit risk associated with cash holdings the Company holds cash in various financial institutions.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities. Customer credit risk is managed by Director subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The table below shows the Company's maximum exposures related to credit risk as of March 31, 2019 and 2018

	2019				Allowance	Total
	Neither Past Due Nor Impaired	Past Due But Not Impaired				
		< 3 Months	> 3 months and < 1 year	> 1 year		
Cash on hand and in banks	284,329	-	-	-	-	284,329
Trade receivables - third parties	449,912	66,274	30,000	260,962	(178,822)	628,326
Other assets	7,525	-	-	-	-	7,525
<b>Total</b>	<b>741,766</b>	<b>66,274</b>	<b>30,000</b>	<b>260,962</b>	<b>(178,822)</b>	<b>920,180</b>

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**25. FINANCIAL RISK MANAGEMENT (continued)**

a. Credit Risk (continued)

	2018					
	Neither Past Due Nor Impaired	Past Due But Not Impaired			Allowance	Total
		< 3 Months	> 3 months and < 1 year	> 1 year		
Cash on hand and in banks	1,186,309	-	-	-	-	1,186,309
Trade receivables - third parties	163,664	294,041	120,968	195,506	(189,493)	584,686
Other assets	15,167	-	-	-	-	15,167
<b>Total</b>	<b>1,365,140</b>	<b>294,041</b>	<b>120,968</b>	<b>195,506</b>	<b>(189,493)</b>	<b>1,786,162</b>

b. Interest Rate Risk

Interest rate risk arises from change in the interest rate of shareholders loan and due to related party. The risk associated with such loans is not a material exposure as the Company monitors the fluctuation in interest rate in the future.

c. Liquidity Risk

Liquidity risk refers to the risk that the Company is unable to meet financial commitments when they fall due. The Company's maintains sufficient liquidity for its operations by closely monitoring and managing its cash flows.

The table below shows the Company's maximum exposures related to liquidity risk as of March 31, 2019 and 2018:

	2019			
	Less than 1 year	1 - 2 years	More than 2 years	Total
Accrued expenses	55,348	-	-	55,348
Other payables	510,217	-	-	510,217
Consumer financing payables	4,300	-	-	4,300
Shareholder's loan	2,200,000	-	-	2,200,000
<b>Total</b>	<b>2,769,865</b>	<b>-</b>	<b>-</b>	<b>2,769,865</b>

	2018			
	Less than 1 year	1 - 2 years	More than 2 years	Total
Trade payables	385,357	-	-	385,357
Accrued expenses	8,163	-	-	8,163
Other payables	438,124	-	-	438,124
Consumer financing payables	6,357	1,169	-	7,526
Shareholder's loan	900,000	-	-	900,000
<b>Total</b>	<b>1,738,001</b>	<b>1,169</b>	<b>-</b>	<b>1,739,170</b>

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**25. FINANCIAL RISK MANAGEMENT (continued)**

d. Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchanges rates.

Management manages its foreign currency exchange risk through maintaining adequate cash in foreign currency to meet obligations denominated in foreign currencies when due.

**26. SIGNIFICANT AGREEMENTS**

PT Shriram Genetics

- Based on Sale and Purchase of Hybrid Corn Seed Supply Agreement dated April 1, 2015. PT Shriram Genetics (the seller, a related party) shall produce and sell 750 metric tons of Hybrid Corn B89 to the Company for the period of April 1, 2015 to March 31, 2016, where the purchase price of the Hybrid Corn B89 is US\$ 2.25 / Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses warehousing and delivery charges. The agreement was renewed for another 1 year, from April 1, 2016 to March 31, 2017 until March 31, 2019. Up to the reporting date, the agreement is on renewal process.
- Based on Sale and Purchase of Hybrid Corn Seed Supply Agreement dated April 1, 2016. PT Shriram Genetics (the seller, a related party) shall produce and sell 650 metric tons of Hybrid Corn B89 to the Company for the period April 1, 2016 to March 31, 2017, where the purchase price of the Hybrid Corn B89 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses warehousing and delivery charges. As per initial estimates of Buyer, the Seller also test produce and Import Hybrid Corn B70 and Hybrid Corn B54 for the Buyer for the period of April 1, 2017 – March 31, 2017, where the purchase price of the Hybrid Corn B70 / B54 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses, warehousing and delivery charges.
- Based on Amendment of Sale and Purchase of Hybrid Corn Seed Supply Agreement dated March 30, 2017. The parties agreed to revise selling price, where the purchase price of the Hybrid Corn B89 is Rp 38,522 per kilogram, Hybrid Corn B70 is Rp 30,047 per kilogram and Hybrid Corn B54 is Rp 27,524 per kilogram.
- Based on Sale and Purchase of Hybrid Corn Seed Supply Agreement dated April 1, 2018. PT Shriram Genetics (the seller, a related party) shall produce and sell 750 metric tons of Hybrid Corn B89 to the Company for the period of April 1, 2018 to March 31, 2019, where the purchase price of the Hybrid Corn B89 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses warehousing and delivery charges. As per initial estimates of Buyer, the Seller also test produce and Import Hybrid Corn B70 and Hybrid Corn B54 for the Buyer for the period April 1, 2018 – March 31, 2019. Up to the reporting date, the agreement is on renewal process, where the purchase price of the Hybrid Corn B70 / B54 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses, warehousing and delivery charges.

**27. GOING CONCERN**

The Company incurred a comprehensive loss of US\$ 922,067 during the year ended March 31, 2019, and capital deficiency amounting to US\$ 835,915 as of March 31, 2019. As of that date, the Company's current liabilities exceeded its total assets by US\$ 569,823. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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**27. GOING CONCERN (continued)**

To manage the above condition, the Company's management plan to implement the following actions:

- Balance between sales in government subsidy and free market segments
- Aggressive promotion and growth in free market with higher profitability
- Stricter credit period with customers
- Launch of new hybrid (B59)
- Production efficiency with new hybrid with lower COGS and new tolling facilities to improve recovery which intern lower COGS and improve quality

These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**28. SUPPLEMENTARY CASH FLOWS INFORMATION**

Changes in liabilities arising from financing activities were as follows:

	<b>2019</b>		
	<u>Beginning Balance</u>	<u>Cash flows-net</u>	<u>Ending Balance</u>
Shareholder's loan	900,000	1,300,000	2,200,000
Consumer financing Payables	7,526	(3,226)	4,300

**29. RECLASSIFICATION OF ACCOUNTS**

Certain accounts in the 2018 financial statements have been reclassified to conform with the presentation of the 2019 financial statements, as follows:

<u>As Previously Reported</u>	<u>As Reclassified</u>	<u>Amount</u>	<u>Reason of reclassification</u>
Trade payables	Other payables	17,490	To adjust based on the nature of transaction
Cost of sales	Selling expenses	43,980	To adjust based on the nature of transaction
Cost of sales	General and administrative expenses	16,931	To adjust based on the nature of transaction
Other expenses - net	Finance cost	3,895	To adjust based on the nature of transaction

**30. ISSUANCE OF AMENDMENTS AND IMPROVEMENTS TO PSAK, NEW PSAK AND ISAK**

DSAK-IAI has issued the following amendments and improvements to PSAK, new PSAK and ISAK which will be applicable to the financial statements for annual periods beginning on or after:

1) January 1, 2019

- ISAK No. 33: Foreign Currency Transactions and Advance Consideration
- ISAK No. 34: Uncertainty Over Income Tax Treatments
- Amendment to PSAK No. 24: Employee Benefits, on Curtailment or Settlement Program

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**30. ISSUANCE OF AMENDMENTS AND IMPROVEMENTS TO PSAK, NEW PSAK AND ISAK  
(continued)**

1) January 1, 2019 (continued)

- PSAK No. 22: Business Combination (Improvement 2018)
- PSAK No. 26: Borrowing Costs (Improvement 2018)
- PSAK No. 46: Income Taxes (Improvement 2018)
- PSAK No. 66: Joint Arrangements (Improvement 2018)

2) January 1, 2020

- Amendments to PSAK No. 15: Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- Amendments to PSAK No. 62: Applying PSAK 71: Financial Instruments with PSAK 62: Insurance Contract
- Amendments to PSAK No. 71: Financial Instruments, on Prepayment Features with Negative Compensation
- PSAK No. 71: Financial Instruments
- PSAK No. 72: Revenue from Contract with Customers
- PSAK No. 73: Lease

The Company is still evaluating the effects of those amendments and improvements to PSAK, new PSAK and ISAK and has not yet determined the related effects on the financial statements.



