DCM Shriram Aqua Foods Limited
Balance Sheet as at March 31, 2020

| | Notes | As at March 31, 2020 (Rs. in Thousands) | As at March 31, 2019 (Rs. in Thousands) |
|---|---|---|---|
| **ASSETS** | | | |
| Non-current assets | | | |
| Investment Property | 2 | 1,183 | 1,183 |
| Financial Assets | | | |
| Security Deposits | 3 | 5,233 | 5,233 |
| | | 6,416 | 6,416 |
| Current Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 4 | 50 | 93 |
| Loans | 5 | 14,500 | 14,500 |
| Others | 6 | 11,964 | 11,577 |
| | | 26,514 | 26,170 |
| **Total assets** | | 32,930 | 32,586 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 7 | 83,512 | 83,512 |
| Other Equity | 8 | (50,804) | (51,072) |
| **Total equity** | | 32,708 | 32,440 |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 9 | 1 | 1 |
| | | 1 | 1 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| - trade outstanding dues of micro enterprises and small enterprises | | - | - |
| - trade outstanding dues of creditors other than micro enterprises and small enterprises | 10 | 151 | 123 |
| Current Tax Liability (Net) | 11 | 57 | 9 |
| Other current liabilities | 12 | 13 | 13 |
| **Total** | | 221 | 145 |
| **Total equity and liabilities** | | 32,930 | 32,586 |
| See accompanying notes to the financial statements | 13 | | |

In terms of our report of even date

For and on behalf
**S S Kothari Mehta & Company**
**Chartered Accountants**
Firm registration no: 000756N

Amit Goel

**Amit Goel**
Partner
membership No: 500607

Place : New Delhi
Date : 25.05.2020

KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

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

**Vikram S Shriram**
Director
DIN-00027127

**Ajay S Shriram**
Director
DIN-00027137

**A K Jain**
Company Secretary

DCM Shriram Aqua Foods Limited

Statement of Profit and Loss for the year ended March 31, 2020

| | Notes | For the year ended March 31, 2020 (Rs. in Thousands) | For the year ended March 31, 2019 (Rs. in Thousands) |
|---|---|---|---|
| Other income | 13 | 1,383 | 1,416 |
| Total revenue | | 1,383 | 1,416 |
| Expenses | | | |
| Finance costs | 14 | * | * |
| *(Rs. 56; March 31, 2019- Rs 49 ) | | | |
| Other expenses | 15 | 767 | 804 |
| Total expenses | | 767 | 804 |
| Profit before tax | | 616 | 612 |
| Tax expense | 16 | | |
| - Current tax | | 348 | 368 |
| - Tax adjustments related to earlier years | | - | 164 |
| Tax expense | | 348 | 532 |
| Profit after tax | | 268 | 80 |
| Other comrehensive income | | - | - |
| Total comprehensive income for the year | | 268 | 80 |
| Earnings per equity share-basic/diluted (Rs.) | 17 | 0.03 | 0.01 |

See accompanying notes to the financial statements

In terms of our report of even date

For and on behalf:
**S S Kothari Mehta & Company**
**Chartered Accountants**
Firm registration no: 000756N

Amit Goel

**Amit Goel**
Partner
membership No: 500607

Place : New Delhi
Date: 25-05-2020

S.S. KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

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

**Vikram S Shriram**
Director
DIN-00027127

**Ajay S Shriram**
Director
DIN-00027137

A K Jain
Company Secretary

DCM Shriram Aqua Foods Limited

Cash flow Statement for the year ended March 31, 2020

| | For the year ended March 31, 2020 (Rs. in Thousands) | For the year ended March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| A. Cashflow from operating activities | | |
| Net profit before tax | 616 | 612 |
| Adjustments for : | | |
| Interest income | (1,381) | (1,416) |
| Operating (loss) before working capital changes | (765) | (804) |
| Increase/(Decrease) in Trade payables | 28 | 83 |
| Increase/(Decrease) in Other liabilities | - | - |
| **Cash generated from operations** | (737) | (721) |
| Income tax (paid)/Refund | (300) | 444 |
| **Net cash from operating activities** | (1,037) | (277) |
| **B. Cash flow from investing activities** | | |
| Interest received | 949 | 259 |
| **Net cash from investing activities** | 949 | 259 |
| **C. Cash Flow from Financing Activities** | | |
| Security deposite given | - | (45) |
| Security deposite refund received | 45 | - |
| **Net cash from Financing activities** | 45 | (45) |
| **Net increase/(decrease) in cash and cash equivalents** | (43) | (63) |
| Cash and cash equivalents at the beginning of the year | 93 | 156 |
| Cash and cash equivalents at the end of the year | 50 | 93 |

In terms of our report of even date

For and on behalf:
**S S Kothari Mehta & Company**
Chartered Accountants
Firm registration no: 000756N

Amit Goel

**Amit Goel**
Partner
membership No: 500607

Place : New Delhi
Date : 25.05.2020

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

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

**Vikram S Shriram**
Director
DIN-00027127

**Ajay S Shriram**
Director
DIN-00027137

**A K Jain**
Company Secretary

DCM Shriram Aqua Foods Limited
Statement of changes in equity for the year ended March 31, 2020

| | (Rs. in Thousands) |
|---|---|
| A. Equity share capital | |
| As at March 31, 2019 | 83,512 |
| As at March 31, 2020 | 83,512 |

B. Other equity

| | Reserves and surplus |
|---|---|
| | Retained earnings |
| As at March 31, 2018 | (51,152) |
| Additions: | |
| Profit for the year | 80 |
| | - |
| As at March 31, 2019 | (51,072) |
| Additions: | |
| Profit for the period | 268 |
| As at March 31, 2020 | (50,804) |

In terms of our report of even date

For and on behalf:
S S Kothari Mehta & Company
Chartered Accountants
Firm registration no: 000756N

Amit Goel

**Amit Goel**
Partner
membership No: 500607

Place : New Delhi
Date : 25.05.2020

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

**Vikram S Shriram**
Director
DIN-00027127

**Ajay S Shriram**
Director
DIN-00027137

**A K Jain**
Company Secretary

| Note-2 Investment Property | (Rs. in Thousands) |
|---|---|
| | Freehold land |
| Gross Carrying amount | |
| Balance as at March 31, 2018 | 1,185 |
| Balance as at March 31, 2019 | 1,185 |
| Balance as at March 31, 2020 | 1,185 |
| Net balance as at March 31, 2019 | 1,185 |
| Balance as at March 31, 2020 | 1,185 |

(a) The fair value of the Company's investment properties as at March 31, 2020 and March 31, 2019 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:

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Fair value | 15,395 | 14,325 |
| Level of hierarchy | 3 | 3 |

| | This Year | Previous Year |
|---|---|---|
| Rental income | - | - |
| Direct operating expenses from property that generated rental income | - | - |
| Income from investment properties before depreciation | - | - |
| Depreciation | - | - |
| **Income from investment properties after depreciation** | - | - |

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

| | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| **Non-current assets** | | |
| **Note-3 Other financial assets** | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Security deposits | 5,233 | 5,233 |
| Total | 5,233 | 5,233 |

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Current-assets

Note-4 Cash and cash equivalents

| | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Balances with banks on | | |
| - current accounts | 49 | 92 |
| Cash on hand | 1 | 1 |
| Total | 50 | 93 |

**Note-5 Loans**

| | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Loans given to Holding company | 14,500 | 14,500 |
| Total | 14,500 | 14,500 |

**Note-6 Other financial assets**

| | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 201 (Rs. in Thousands |
|---|---|---|
| Interest accrued but not due on loan given to holding company | 4,043 | 3,61 |
| Claim receivable | 7,921 | 7,92 |
| Security Deposit | - | 4 |
| Total | 11,964 | 11,5 |

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Note-7 Equity Share Capital

| | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| **Authorised** | | |
| 8,999,000 (March 31, 2019 - 8,999,000) Equity shares of Rs. 10 each) | 89,990 | 89,990 |
| 100 (March 31, 2019- 100) 12% Cumulative Redeemable Preference shares of Rs. 100 each (refer note e) | 10 | 10 |
| | 90,000 | 90,000 |
| **Issued, subscribed and paid up** | | |
| 8,351,207 (March 31, 2019 - 8,351,207 Equity shares of Rs. 10 each, fully paid up) | 83,512 | 83,512 |
| | 83,512 | 83,512 |

**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, 2019 - 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"

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Note-8 Other equity

| | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Equity Component of compound financial instruments* (refer note 7.a) | - | - |
| Retained Earnings | | |
| Surplus in Statement of Profit and loss | | |
| Opening balance | (51,072) | (51,152) |
| Add: Profit during the year | 268 | 80 |
| | (50,804) | (51,072) |
| **Other equity** | (50,804) | (51,072) |

* Represent Rs. 407 (March 31, 2019 - Rs. 407)

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

DCM Shriram Aqua Foods Limited
Notes to financial statements for the year ended March 31, 2020

Non current liabilities

**Note-9 Financial Liabilities**

| | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Long-term borrowings | | |
| Unsecured - at amortized cost | | |
| Liability component of compound financial instrument* | 1 | 1 |
| | 1 | 1 |

* Represents Rs 516 (March 31, 2019 - Rs 460)

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

Current liabilities

**Note-10 Trade Payables**

| Particulars | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Total outstanding due to micro, small and medium enterprise | - | - |
| Total outstanding due of other than micro, small and medium enterprise | 151 | 123 |
| | 151 | 123 |

**Note-11 Current Tax Liability**

| Particulars | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Provision for Tax | 715 | 723 |
| Less: Advance Tax | (658) | (714) |
| | 57 | 9 |

**Note-12 Other current liabilities**

| Particulars | As At March 31, 2020 (Rs. in Thousands) | As At March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Statutory levies | 13 | 13 |
| | 13 | 13 |

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

Note-13 Other Income

| | For the year ended on March 31, 2020 (Rs. in Thousands) | For the year ended on March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Interest income on loan given to Holding Company | 1,381 | 1,378 |
| Interest - Others | - | 38 |
| Other Income | 2 | - |
| | 1,383 | 1,416 |

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Note 14 Finance Cost

| | For the year ended on March 31, 2020 (Rs. in Thousands) | For the year ended on March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost* | - | - |
| | - | - |

*[illegible]

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Note-15 Other Expenses

| | For the year ended on March 31, 2020 (Rs. in Thousands) | For the year ended on March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Retainership fee | 654 | 625 |
| Travelling and conveyance | 75 | 124 |
| Auditors' remuneration | | |
| Audit fee | 30 | 30 |
| Miscellaneous expenses | 8 | 25 |
| | 767 | 804 |

Note-26 Tax Expenses

| | For the year ended on March 31, 2020 (Rs. in Thousands) | For the year ended on March 31, 2019 (Rs. in Thousands) |
|---|---|---|
| Current tax | 348 | 368 |
| | 348 | 368 |
| Tax adjustments related to earlier years | - | 164 |
| | 348 | 532 |

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

17 **Earning Per Share (EPS)**

The Company reports basic and diluted earnings per share in accordance with Ind AS-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 earning per share are computed using the weighted average number of shares and dilutive potential equity shares outstanding during the year.

| Particulars | UOM | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| Profit/(Loss) as per statement of profit and loss | Rs in thousand | 768 | 80 |
| Dividend on 12% redeemable cumulative Preference shares | Rs in thousand | 0.09 | 0.08 |
| Profit/(Loss) attributable to equity shareholders | Rs in thousand | 768 | 80 |
| Weighted average number of equity shares outstanding | No's | 83,51,207 | 83,51,207 |
| Basic and diluted earning per share in rupees (Face value Rs. 10 per share) | Rupees | 0.09 | 0.01 |

18 **Going Concern**

As on March 31, 2020, the Company has accumulated losses of Rs. 50,804 (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.

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

**a. Name of related parties and nature of related party disclosures**

Holding Company: DCM Shriram Limited

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

Fellow subsidiaries: Shriudyog Marketing Pvt. Ltd., Shriudyog Marketing Corporation, DCM Shriram Credit & Investments Ltd., DCM Shriram Foundation, Hariyali Rural Ventures Ltd., Shriram Bioseed Ventures Ltd., Bioseed India Ltd., DCM Shriram Infrastructure Ltd., Fenesta India Ltd., Ajay Shriram Services Private Limited, Prabha Shridhar Facilities Private Limited, AVAS Global PTE Limited, Singapore, VSS Associates Private Limited, Shri Ganpati Fertilizers Ltd., Shridhar Shriram Foundation, PT Shriram Seed, Indonesia, Shriram Bioseed (Thailand) Ltd., Bioseed Research USA Inc, Bioseeds Holdings Pte. Ltd., Bioseed Research Philippines Inc, Bioseed Vietnam Ltd., Bioseeds Ltd., PT Shriram Genetics, Indonesia, PSD Estate LLP, Hariyali Kisaan Bazaar Ltd., Grapes Farms Private Limited, Alfresco Estate Private Limited, Orchard Plantations Private Limited, Jhelum Farms Private Limited, Red Rose Infrastructure Private Limited, Camp Infrastructure Private Limited, Bolli & Lilly Farms LLP, Das Wine & Finance Private Limited, Deep Capacitors Private Limited, SRCC Development Foundation, Universta Agricultural LLP, India Reality Excellence Fund II LLP, Shriram Axiall Private Limited, Realitus Trading & Farming LLP

**a. Transactions with the Holding Company**

(Rs. in Thousand)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Interest income | 1,383 | 1,378 |
| **Balance outstanding as at year end** | | |
| Unsecured Loan | 14,500 | 14,500 |
| Interest accrued on loan | 4,043 | 3,611 |

23 **Auditors Remuneration:**

(Rs. In Thousand)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Statutory audit fee | 30 | 30 |
| Other services | - | - |

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

24 Contingent Liabilities:

(Rs. in Thousand)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Claims against the Company not acknowledged as debts | - | - |

25 Capital commitments

(Rs. in Thousand)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) | - | - |
| Other commitments | - | - |

26 Income tax expense

(Rs. in Thousand)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| (a) **Income tax expense:** | | |
| Current tax: | | |
| Current tax on profits for the year | 348 | 368 |
| Adjustment for earlier year | - | 164 |
| **Total current tax expense:** | 348 | 532 |
| (b) **Reconciliation of tax expense and the accounting profit** | | |
| Profit before tax | 616 | 612 |
| Tax rate | 25.17% | 26.00% |
| Income tax expense | 155 | 159 |
| Tax effect of amount which are not deductable in calculating taxable income | 155 | 159 |
| Income tax expense | - | - |
| (c) **Income tax recognised directly in equity** | - | - |
| (d) **Income tax recognised directly in other comprehensive income** | - | - |

27 **Liquidity Risk Management:**

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.

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

(Rs. in Thousand)

| Contractual Maturities of financial liabilities 31-03-2020 | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|
| Borrowings | - | 1 | 1 |
| Trade Payables | 151 | - | 151 |
| **Total non derivative liabilities** | 151 | 1 | 152 |

| Contractual Maturities of financial liabilities 31.03.2019 | 0-1 year | Between 1 to 5 years | Total |
|---|---|---|---|
| Borrowings | - | 1 | 1 |
| Trade Payables | 123 | - | 123 |
| **Total non derivative liabilities** | 123 | 1 | 124 |

28 **Financial Instruments by Category**

(Rs. in Thousand)

| Particulars | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized cost | FVTPL | FVOCI | Amortized cost |
| **Financial Assets** | | | | | | |
| Loans | - | - | 14,500 | - | - | 14,500 |
| Cash and Cash Equivalents | - | - | 50 | - | - | 95 |
| Others | - | - | 17,197 | - | - | 16,810 |
| **Total Financial Assets** | - | - | 31,747 | - | - | 31,403 |
| **Financial Liabilities** | | | | | | |
| Liability component of compound financial instruments | - | - | 1 | - | - | 1 |
| Trade payables | - | - | 151 | - | - | 123 |
| **Total Financial Liabilities** | - | - | 152 | - | - | 124 |

29 The Company does not have employees owing to which IndAS 19 on 'Employees Benefits' and other employee related laws i.e. Employee Provident Fund and Employee State Insurance, bonus, gratuity etc. are also not applicable to it.

30 The Company has made assessment of impact of COVID 19 related lockdown on carrying value of fixed assets, other receivables and cash flow as at the balance sheet date and has concluded that there is no adjustment required in these financial statements. The Company will continue to monitor any material changes in future economic conditions.

31 Notes 1 to 31 form an integral part of the financial statements

In terms of our report of even date

For and on behalf:
**S S Kothari Mehta & Company**
**Chartered Accountants**
Firm registration no: 000756N

Amit Goel

**Amit Goel**
Partner
membership No. 500607

Place : New Delhi
Date : 25.05.2020

For and on behalf of the Board of Directors
[illegible]CM Shriram Aqua Foods Limited

**Vikram S Shriram**
Director
DIN-00027127

**Ajay S Shriram**
Director
DIN-00027137

**A K Jain**
Company Secretary

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

B.R. GUPTA & CO.
CHARTERED ACCOUNTANTS
K-55, Connaught Circus, New Delhi-110001

## 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, 2020, 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, 2020, 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.

**Emphasis of Matter:**

We draw attention to Note 1.2(ii) of the financial statements regarding preparation of financial statements on non-going concern basis for the reasons as stated in the said note where all the assets have been stated at their realizable value and the liabilities have been stated at a value at which they are expected to be settled. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for 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 and Those Charged with Governance 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, the Board of Directors 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 the Board of Directors 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.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**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, to the extent applicable.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.

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 Registration Number 001478N/N500005

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAI8985

Place of Signature: New Delhi
Date: 27/05/2020

## 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 paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2020, we report that:

i) In respect of fixed assets comprising property, plant and equipment:

The Company does not have any fixed assets. Accordingly, 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. Accordingly, the provision of clause 3(ii) 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 loans, secured or unsecured, to any of the Companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

iv) In our opinion and according to information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. However, the Company has complied with the provisions of Sections 186 of the Act in respect of guarantee given on behalf of Holding Company.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise

vi) On the basis of available information and explanations 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 provident fund, employees' state insurance, income-tax and Goods and Service Tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the extent applicable to it. Further, no undisputed statutory dues were outstanding, as at 31st March, 2020 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 or sales tax or service tax or duty of customs or duty of excise or value added tax 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.

S.R. GUPTA & CO. CHARTERED ACCOUNTANTS NEW DELHI

x) According to the information and explanations given to us, no 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) In our opinion and according to the information and explanations given to us, the Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

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. Accordingly, provisions of clause 3 (xvi) of the order are not applicable.

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

B. R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAI8985

Place of Signature: New Delhi
Date: 29/05/2020

Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS financial statement of Bioseed India 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 **Bioseed India Limited ("the Company")** as of March 31, 2020 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, 2020, 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

B. R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAI8925

Place of Signature: New Delhi
Date: 27/05/2020

# Bioseed India Limited
## Balance Sheet as at March 31, 2020

(Amount in ₹ Thousands)

| Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| I. Assets | | | |
| Current assets | | | |
| a) Financial assets | | | |
| i) Cash and cash equivalents | 2 | 449 | 499 |
| Total Current Assets | | 449 | 499 |
| Total Assets | | 449 | 499 |
| II. Equity and Liabilities | | | |
| Equity | | | |
| a) Equity Share capital | 3 | 1,000 | 1,000 |
| b) Other Equity | 4 | (576) | (550) |
| Total Equity | | 424 | 450 |
| **Liabilitites** | | | |
| **Non-current liabilities** | | | |
| a) Financial Liabilities | | | |
| i) Borrowings | 5 | 1 | 1 |
| Total Non current Liabilities | | 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 | | 24 | 48 |
| Total Non current Liabilities | | 24 | 48 |
| **Total Equity and Liabilities** | | 449 | 499 |

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

(Ashwani Kumar Mishra)
Partner
Membership No. 078856

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

(Parveen Aggarwal)
*Director*
DIN - 02472057

(Ashok Kumar Nandwani)
*Director*
DIN - 02469619

Place of Signature: New Delhi
Date: 27/05/2020

## Bioseed India Limited
### Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹ Thousands)

| Particulars | | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|---|
| I. | Other Income | 7 | 21 | - |
| II. | Total Income | | 21 | - |
| III. | Expenses | | | |
| | Finance costs | 8 | - | - |
| | Other expenses | 9 | 47 | 28 |
| | Total Expenses (III) | | 47 | 28 |
| IV. | Profit/ (loss) before tax | | (26) | (28) |
| V. | Tax expense | | | |
| | - Current tax | | - | - |
| VI. | Profit/(loss) for the year (IV-V) | | (26) | (28) |
| VII. | Other Comprehensive Income | | | |
| (A) | Items that will be reclassified to statement of profit and loss | | - | - |
| (B) | Items that will not be reclassified to statement of profit and loss | | - | - |
| | Other Comprehensive Income for the year, net of tax | | - | - |
| VIII. | Total Comprehensive income for the year | | (26) | (28) |
| IX. | Earnings Per Share Basic/Diluted (Amount in ₹) | 12 | (0.26) | (0.55) |
| 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Ashwani Kumar Mishra)
*Partner*
Membership No. 078668

Place of Signature: New Delhi
Date: 27/05/2020

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

(Parveen Aggarwal)
*Director*
DIN - 02472057

(Ashok Kumar Nandwani)
*Director*
DIN - 02469519

# Bioseed India Limited
## Cash flow statement for the year ended March 31, 2020

(Amount in ₹ Thousands)

| Particulars | For the year March 31, 2020 | For the year March 31, 2019 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Net (loss) before tax | (26) | (28) |
| **Operating (loss) before working capital changes** | (26) | (28) |
| Increase/ (decrease) in trade payables | (24) | 24 |
| **Net cash (used) in operating activities (A)** | (50) | (4) |
| **Cash flow from financing activities** | | |
| Proceeds from issue of share capital | - | 500 |
| **Cash flow from financing activities (B)** | - | 500 |
| **Net increase in cash and cash equivalents (A+B)** | (50) | 496 |
| Cash and cash equivalents as at the beginning of the year | 499 | 3 |
| Cash and cash equivalents as at the end of the year | 449 | 499 |
| **Components of Cash And Cash Equivalents** | | |
| With Banks- on current account | 28 | 499 |
| Liquid Fund | 421 | - |
| **Total Cash And Cash Equivalents (Note No. 2)** | 449 | 499 |

Note: Thre above statement of Cash Flows has been prepared under the 'Indirect method' as set out in Ind AS 7, Statement of Cash Flows.'

| | |
|---|---|
| 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
Partner
Membership No. 079688

Place of Signature: New Delhi
Date: 29/05/2020

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

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

**(Ashok Kumar Nandwani)**
*Director*
DIN - 02469619

# Bioseed India Limited
## Statement of changes in equity for the year ended March 31, 2020

| A. Equity share capital | (Amount in ₹ Thousands) |
|---|---|
| As at March 31, 2018 | 500 |
| Shares issued during the year | 500 |
| As at March 31, 2019 | 1,000 |
| Shares issued during the year | - |
| As at March 31, 2020 | 1,000 |

B. Other equity

(Amount in ₹ Thousands)

| Particulars | Reserves and surplus |
|---|---|
| | Retained earnings |
| **Balance As at March 31, 2018** | (522) |
| Loss for the year | (28) |
| **Balance As at March 31, 2019** | (550) |
| Loss for the year | (26) |
| **Balance As at March 31, 2020** | (576) |

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

**(Ashwani Kumar Mishra)**
*Partner*
Membership No. 078868

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

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

**(Ashok Kumar Nandwani)**
*Director*
DIN - 02469519

Place of Signature: New Delhi
Date: 27/05/2020

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 2nd Floor (West Wing), Worldmark 1, Aerocity, New Delhi-110037, India.

The financial statements are approved by Board of Directors in their board meeting held on ........

## 1.2 Statement of Compliance

The Financial Statements are prepared on an accrual basis under historical cost Convention. 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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable. The accounting policies are applied consistently to all the periods presented in the financial statements.

i. **Basis of Preparation and presentation**: The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value 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.

ii. **Dormant Company**: During the year, the Company has not carried on any business & has incurred accumulated losses resulting in reduction of net worth. Further, during the year, the Board of Directors, by resolution passed in their meeting held on February 26, 2020, has decided to obtain the status of dormant company under the provisions of Section 455 of the Companies Act, 2013 and the Companies (Miscellaneous) Rules, 2014. The same has been approved by the shareholders through special resolution in the extra ordinary general meeting held on March 13, 2020. The Ministry of Corporate Affairs has issued the status certificate as Dormant Company on 3rd April 2020. Due to these reasons, the going concern assumption is no longer appropriate. Therefore the current year's financials have been prepared on liquidation basis of accounting i.e assets have been stated at their realizable value and liabilities have been stated at the amounts at which they are expected to be settled.

## 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 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.

**Fair Value Policy:** 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or 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.

**(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.

**Income tax:** The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

**(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.

Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings

**(d) Current & Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification:

(i) **Assets:** An asset is treated as current when it is:

b. Expected to be realized or intended to be sold or consumed in normal operating cycle.
c. Held primarily for the purpose of trading.
d. Expected to be realized within twelve months after the reporting period, or
e. Cash or cash equivalent unless restricted from being exchanged or used to settle a
f. Liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(ii) **Liabilities:** A liability is current when:

a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting period.

All other liabilities are classified as non-current.

**(e) Cash & Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

**(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:

i. Basic Earnings 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.
ii. For the purpose of calculating Diluted Earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

S.P. GUPTA & CO. CHARTERED ACCOUNTANTS NEW DELHI

## Bioseed India Limited
### Notes to Financial Statements for the year ended March 31, 2020

(Amount in ₹ Thousands)

| Note 2: Cash and cash equivalents | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balances with banks on | | |
| -current accounts | 28 | 499 |
| Mutual Fund Investment (Fair value through Profit and Loss) 86.778(March 31, 2019: Nil) units of Nippon India Liquid fund-Direct Plan Growth | 421 | - |
| | 449 | 499 |

B.R. GUPTA & CO.
NEW DELHI
CHARTERED ACCOUNTANTS

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(Amount in ₹ Thousands)

| Note 3: Equity share capital | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 499,000 (March 31, 2019: 499,000) Equity shares of ₹ 10 each* | 4,990 | 4,990 |
| 100 (March 31, 2019: 100) Cumulative Redeemable Preference shares of ₹ 100 each | 10 | 10 |
| | 5,000 | 5,000 |
| **Issued , Subscribed and Paid up Share Capital** | | |
| 1,00,014 (March 31, 2019: 1,00,014) Equity shares of ₹ 10 each, fully paid up* | 1,000 | 1,000 |
| | 1,000 | 1,000 |

* Number of Shares are given in absolute numbers.

Notes:

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

| | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| DCM Shriram Limited* | 100,014 | 100% | 100,014 | 100% |
| | 100,014 | 100% | 100014 | 100% |

* This includes 6 (March 31, 2019: 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 March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| DCM Shriram Limited, the holding Company | 100,014 | 100,014 |

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

(Amount in ₹ Thousands)

| Equity shares of INR 10 each issued, subscribed and fully paid | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of shares | INR value | No. of shares | INR value |
| Shares outstanding at the beginning of the year | 100,014 | 1,000 | 50,007 | 500 |
| Shares issued during the year | - | - | 50,007 | 500 |
| Shares bought back during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | 100,014 | 1,000 | 100,014 | 1,000 |

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(Amount in ₹ Thousands)

| Note 4: Other equity | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Equity Component of other financial instruments* | - | - |
| * Represents Rs. 380 (March 31, 2019 - Rs 380) | | |
| Retained Earnings | (576) | (550) |
| | (576) | (550) |

**(a) For movement during the year in Other Equity, refer 'Statement of changes in equity'**

**b) Nature and Purpose of Other Reserves**

**i) Retained Earnings**
Retained earnings are the profits that the Company has earned/bear till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**(ii) Equity Component of Other financial instruments**
It represnets equity component of financial liability w.r.t. cumulative redeemable preference shares issued by the Company.

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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(Amount in ₹ Thousands)

| Note 6: Trade Payables | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Financial Liabilities | | |
| Total outstanding dues to micro and small enterprise | - | - |
| Total outstanding dues of other than micro and small enterprise | 24 | 48 |
| | 24 | 48 |

Notes:

a) 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

| Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 | As at March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Particulars** | | |
| i) The Principal Amount & Interest due thereon remaining unpaid to any supplier as at end of the year | | |
| - Principal Amount due | - | - |
| - Interest accrued and due on above | - | - |
| ii) The amount of interest paid by the buyer in terms of Sec16 of MSME Development Act,2006, along with the amount of payment made to supplier beyond the appointed day during each accounting year. | - | - |
| iii) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| v) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under Sec 23 of MSME Development Act,2006. | - | - |

b) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2020.

c) The above does not includes any amount due to be transferred to Investor Education & Protection Fund.

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B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Note 7: Other income (Rs. in Thousands)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Gain on Fair Valuation of Mutual Funds' Units (measured at FVTPL) | 21 | - |
| Total | 21 | - |

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## Bioseed India Limited
### Notes to Financial Statements for the year ended March 31, 2020

(Amount in ₹ Thousands)

| Note 8: Finance costs | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest expense on financial liabilities measured at amortized cost (Refer note below) | - | - |
| | - | - |

Note: Interest Expense represents ₹ 61 (March 31, 2019 ₹ 53)

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## Bioseed India Limited
### Notes to Financial Statements for the year ended March 31, 2020

| Note 9: Other expenses | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| | (Amount in ₹ Thousands) | |
| Auditors' remuneration | | |
| - Statutory Audit fee | 24 | 24 |
| Filing fees | 7 | 1 |
| Miscellaneous expenses | 16 | 3 |
| | 47 | 28 |

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# Bioseed India Limited
## Notes to Financial Statements for the year ended March 31, 2020

(Amount in ₹ Thousands)

| Note 10 Income tax expense | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| (a) Income tax expense | | |
| **Current tax** | | |
| Current tax on profits for the year | - | - |
| Adjustments for current tax of prior year | - | - |
| **Total current tax expense** | - | - |

(b) Reconciliation of tax expense and the accounting profit

(Amount in ₹ Thousands)

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit/(Loss) before tax | (26) | (28) |
| Income tax expense @25.17% | (7) | (7) |
| Effect of tax losses on which deffered tax is not recognized | 7 | 7 |
| Income exempt from tax | | |
| Disallowance u/s 14 A | | |
| - Others (non business expenses) | - | - |
| **Income tax expense** | - | - |
| **(c) Income tax recognised directly in equity** | - | - |
| **(d) Income tax recognised in other comprehensive income** | - | - |

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GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

### Note 11: Contingent Liability

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

(Amount in ₹ Thousands)

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | INR | USD | INR | USD |
| Amount Guaranteed * | 3,024,000 | 40,000 | 1,382,994 | 20,000 |
| Amount Outstanding * | 2,757,208 | 36,471 | 1,301,847 | 18,824 |

* Restated at 1 USD = INR (FY 2019-20 1 USD = INR 75.60 & FY 2018-19 1 USD = INR 69.15)

* 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.

b) Arrears of Dividend on 12% redeemable cumulative Preference Shares ₹ 1 Thousand (2018-19 - ₹ 1 Thousand) from financial year 2001-2002.

### Note 12: Earning Per Share (EPS)

(Amount in ₹ Thousands)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| (Loss) as per statement of profit and Loss | (26) | (28) |
| Dividend on 12% redeemable cumulative Preference shares | # | # |
| (Loss) attributable to equity shareholders | (26) | (28) |
| Weighted average number of equity shares | 100,014 | 51,240 |
| Basic and diluted earning per share in rupees (Face value Rs. 10 per share) | (0.26) | (0.55) |

# Represents Rs 84 (2018-19 - 84/-)

### Note 13: 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 with the Holding Company and year end balance:**

(Amount in ₹ Thousands)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Equity Share capital issued | - | 500 |
| Corporate Guarantee issued for benefit of holding company | 1,512,000 | - |
| Total | 1,512,000 | 500 |
| Closing Balance of BG issued | 2,757,208 | 1,301,847 |

### Note 14: Financial Instruments by Category

(Amount in ₹ Thousands)

| Particulars | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortized cost | FVPL | FVOCI | Amortized cost |
| Cash and Cash Equivalents | 421 | - | 28 | - | - | 499 |
| **Total Financial Assets** | 421 | - | 28 | - | - | 499 |
| | | | | | | |
| Liability component of compound financial instruments | - | - | 1 | - | - | 1 |
| Trade payables | - | - | 24 | - | - | 48 |
| **Total Financial Liabilities** | - | - | 25 | - | - | 49 |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Note 15 :Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes cash and cash equivalents and Others.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All activities for risk management purposes are carried out by the teams that have the appropriate skills, experience and supervision.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings and short term deposits.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

B. Credit risk

Credit risk is the risk that 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 financing activities, including deposits with banks and other financial instruments.

i) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

**The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.**

| As at March 31, 2020 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Borrowings | - | - | 1 | 1 |
| Trade payables | - | 24 | - | 24 |
| Total | - | 24 | 1 | 25 |

| As at March 31, 2019 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Borrowings | - | - | 1 | 1 |
| Trade payables | - | 48 | - | 48 |
| Total | - | 48 | 1 | 49 |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

a) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets As At March 31, 2020:

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Assets Measured At Amortised Cost** | | | | |
| Cash and Cash Equivalents | | | | |
| - Bank | 28 | - | - | - |
| - Mutual Fund Investment (Fair value through Profit and Loss) | 421 | 421 | - | - |
| Total A | 449 | 421 | - | - |

b) Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities As At March 31, 2020:

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Liabilities Measured at Amortised Cost** | | | | |
| Trade payables | 24 | - | - | - |
| Borrowings | 1 | - | - | - |
| Total B | 25 | - | - | - |

c) Quantitative Disclosures Fair Value Measurement Hierarchy for Assets As At March 31, 2019:

| | As At March 31, 2019 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Assets Measured At Amortised Cost** | | | | |
| Cash and Cash Equivalents | | | | |
| - Bank | 499 | - | - | - |
| Total C | 499 | - | - | - |

d) Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities As At March 31, 2019:

| | As At March 31, 2019 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Liabilities Measured at Amortised Cost** | | | | |
| Trade payables | 48 | - | - | - |
| Borrowings | 1 | - | - | - |
| Total D | 49 | - | - | - |

Management has assessed that Fair value of cash and cash equivalents & trade payables approximate their carrying amount, largely due to the short-term nature of these instruments.

NEW DELHI
ACCOUNTANTS

# Bioseed India Limited

## Notes to Financial Statements for the year ended March 31, 2020

Note 19

In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

Note 20: Deferred Tax

Due to continued losses and in view of the fact that the Company is now a dormant company, the Company has not recognized deferred tax assets against business losses as there is no probability of realization of the same.

Note 21:

The figures are rounded off to the nearest rupees thousands.

Note 22:

Notes 1 to 22 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: 27/05/2020

## 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, 2020, 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, 2020, the Loss and other 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 other information. The other information comprises the information included in the Board's Report, but does not include the 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 and Those Charged with Governance 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, 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, the Board of Directors 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 Board of Directors 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, to the extent applicable.

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 Statement of Cash Flows 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 24 to the financial statements.
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 explanations 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAJ3143

Place of Signature: New Delhi
Date: 25/05/2020

## 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 paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2020, we report that:

i) The Company does not have any fixed assets comprising property, plant and equipment as at reporting date & during the year, hence the provisions of paragraph 3(i) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

ii) In respect of its inventory:

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. 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 loans, secured or unsecured, to any of the Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, 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 made any loans, investment, guarantees and securities during the year, therefore provisions of section 185 and 186 are not applicable to the Company. Accordingly, paragraph 3(iv) of the Order is not applicable.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.

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 and Goods and Service Tax and other statutory dues, as applicable, with the appropriate authorities. However, duty of Excise and duty of Customs are not applicable to the current operations of the Company. Further, no undisputed statutory dues were outstanding, as at 31st March, 2020 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 or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except following:-

**(Amount in ₹ thousand)**

| Statute | Year | Demand Raised | Demand Paid | Forum where demand pending |
|---|---|---|---|---|
| VAT, Bihar | 2013-14 | 321 | 129 | Appellate Authority |
| VAT, Chennai | 2015-16 | 150 | 150 | Appellate Tribunal |
| VAT, Uttar Pradesh | 2016-17 | 168 | 168 | Check Post Authority |
| VAT, Kerala | 2014-15 to 2016-17 | 499 | 499 | Intelligence Inspector and Asst. Commissioner |

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. Accordingly, clause 3(viii) of the Order 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 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) In our opinion and according to the information and explanations given to us, in our opinion and according to the information and explanations given to us, the Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

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. Accordingly, provisions of clause 3 (xvi) of the order are not applicable.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAJ3143

Place of Signature: New Delhi
Date: 25/05/2020

**Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS financial statement of Fenesta India 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 Fenesta India **Limited ("the Company")** as of March 31, 2020 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, 2020, 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAJ3143

Place of Signature: New Delhi
Date: 25/05/2020

# Fenesta India Limited
## Balance Sheet as at March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

| Particulars | Notes | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|---|
| **I. Assets** | | | |
| **Non-Current Assets** | | | |
| (a) Property, plant and equipment | 2 | - | 2 |
| (b) Other Intangible assets | 2.1 | - | - |
| (c) Financial Assets | | | |
| (i) Other Financial Assets | 3 | 289 | 169 |
| (d) Deferred tax assets (net) | 5 | 511 | 221 |
| (e) Non Current Tax Assets | 4 | 1,029 | 6,035 |
| **Total Non- Current Assets** | | **1,829** | **6,427** |
| **Current Assets** | | | |
| (a) Inventories | 7 | 1,538 | 29,004 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 8 | 29,970 | 46,803 |
| (ii) Cash and cash equivalents | 9 | 341 | 1,499 |
| (iii) Other Financial Assets | 3 | 291 | 242 |
| (c) Other Current assets | 6 | 10,733 | 17,490 |
| **Total Current Assets** | | **42,873** | **95,038** |
| **Total Assets** | | **44,702** | **101,465** |
| **II. Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity Share capital | 10 | 500 | 500 |
| (b) Other Equity | 11 | 2,897 | 3,956 |
| **Total Equity** | | **3,397** | **4,456** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Provisions | 12 | 660 | 408 |
| **Total Non- Current Liabilities** | | **660** | **408** |
| **Current liabilities** | | | |
| (a) Financial Liabilites | | | |
| (i) Trade payables | 13 | | |
| (A) total outstanding dues of micro enterprises and smal enterprises; | | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enteiprises.*; | | 24,774 | 61,904 |
| (b) Other current liabilities | 14 | 15,788 | 34,307 |
| (c) Provisions | 12 | 83 | 54 |
| (d) Current tax liabilities (Net) | 15 | - | 336 |
| **Total Current Liabilities** | | **40,645** | **96,601** |
| **Total Equity and Liabilities** | | **44,702** | **101,465** |
| Summary of Significant Accounting Policies | 1.3 | | |

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

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

(Ashwani Kumar Mishra)
*Partner*
Membership Number 078668

Place of Signature: New Delhi
Date: 25/05/2020

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
## Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

| | Particulars | Note No | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|---|
| I | Revenue from operations | 16 | 174,312 | 392,763 |
| II | Other Income | 17 | 669 | 2,303 |
| III | **Total Income (I+II)** | | 174,981 | 395,066 |
| IV | **Expenses** | | | |
| (a) | Purchases of Stock-in-Trade | 18 | 137,837 | 373,355 |
| (b) | Changes in inventory of Stock-in-trade | 19 | 25,540 | 7,218 |
| (c) | Employee benefits expense | 20 | 2,751 | 2,014 |
| (d) | Finance Costs | 21 | - | 28 |
| (e) | Depreciation and Amortisation | 2 | - | 0 |
| (f) | Other Expenses | 22 | 9,983 | 9,107 |
| | **Total Expenses** | | 176,111 | 391,722 |
| V | **Profit/ (loss) before exceptional items and tax (III-IV)** | | (1,130) | 3,344 |
| VI | **Exceptional Items** | | - | - |
| VII | **Profit/ (loss) before tax (V-VI)** | | (1,130) | 3,344 |
| VIII | **Tax Expense** | 5 | | |
| (a) | Current tax | | - | 404 |
| (b) | Deferred tax | | (277) | 462 |
| (c) | Tax adjustments related to earlier years | | 184 | - |
| | **Total Tax Expenses** | | (113) | 866 |
| IX | **Profit/(loss) for the year (VII-VIII)** | | (1,017) | 2,478 |
| X | **Other Comprehensive Income** | | | |
| (A) | Income tax on items that will be reclassified to statement of profit and loss net of taxes | | - | - |
| (B) | (i) Items that will not be reclassified to statement of profit and Re-measurement gains/ (losses) on defined benefit plans | | (55) | 22 |
| | (ii) Income tax on items that will not be reclassified to statement of profit and loss | | 14 | (6) |
| | **Other Comprehensive Income for the year, net of tax** | | (41) | 16 |
| XI | **Total Comprehensive Income for the year** | | (1,058) | 2,494 |
| XII | **Earnings Per Share** | 23 | | |
| | 1) Basic (amount in Rs.) | | (20.34) | 49.56 |
| | 2) Diluted (amount in Rs.) | | (20.34) | 49.56 |

Summary of Significant Accounting Policies 1.3

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

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Ashwani Kumar Mishra)
*Partner*
Membership Number 078668

Place of Signature: New Delhi
Date: 25/05/2020

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, 2020

(All amounts in ₹ thousands, unless otherwise stated)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| **Net profit/(Loss) before tax** | (1,130) | 3,344 |
| Adjustments for : | | |
| Interest Income | (476) | (7) |
| Excess Allowances for doubtful debt w/back | (17) | (1,918) |
| Sundry balance written back | (172) | (378) |
| Bad debts/Advances written off | 50 | 459 |
| Loss on writing off PPE | 2 | - |
| **Operating profit / (loss) before adjustments** | (1,744) | 1,499 |
| Adjustments for : | | |
| Decrease/ (increase) in inventories | 27,467 | 5,291 |
| Decrease/ (increase) in trade receivables | 16,801 | 17,792 |
| Decrease/ (increase) in long term loans & advances | (120) | 506 |
| Decrease/ (increase) in short term loans & advances | (49) | 122 |
| Decrease/ (increase) in other assets | 6,756 | (1,546) |
| Increase/ (decrease) in trade payables | (36,957) | 1,539 |
| Increase/ (decrease) in other current liabilities | (18,519) | (28,045) |
| Increase/ (decrease) in non current liabilities | 252 | 28 |
| Increase/ (decrease) in short term provisions | (26) | (1) |
| **Cash generated from operations** | (6,139) | (2,816) |
| Income taxes (paid) / refund (Net) | 4,504 | (740) |
| **Net cash flow from operating activities** | (1,635) | (3,556) |
| **B. Cash flow from investing activities** | - | - |
| Interest received | 476 | 7 |
| **Net cash flow from investing activities** | 476 | 7 |
| **C. Cash flow from financing activities** | - | - |
| **Net increase/(decrease) in cash and cash equivalents** | (1,158) | (3,549) |
| Cash and cash equivalents as at opening | 1,499 | 5,048 |
| **Cash and cash equivalents as at closing** | 341 | 1,499 |
| Cash and Cash equivalents is represented by:- | | |
| **Balance with banks in current account ( Refer Note 9)** | 341 | 1,499 |

**As per our report of even date attached**

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

(Ashwani Kumar Mishra)
*Partner*
Membership Number 078668

Place of Signature: New Delhi
Date: 25/05/2020

**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

## Statement of Changes in Equity for the year ended March 31, 2020

**(All amounts in ₹ thousands, unless otherwise stated)**

**A. Equity share capital**

| Particulars | |
|---|---|
| **Balance as at April 01, 2018** | **500** |
| Changes during the year | - |
| **Balance as at March 31, 2019** | **500** |
| Changes during the year | - |
| **Balance as at March 31, 2020** | **500** |

**B. Other equity**

| Particulars | Other Equity |
|---|---|
| | Retained earnings |
| **As at March 31, 2018** | **1,461** |
| Profit/(Loss) for the year | 2,478 |
| Other Comprehensive Income for the year* | 16 |
| **As at March 31, 2019** | **3,956** |
| Profit/(Loss) for the year | (1,017) |
| Other Comprehensive Income for the year* | (41) |
| **As at March 31, 2020** | **2,897** |

* Represents re-measurement of defined benefit plans

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 Registration Number 008352N

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668

Place of Signature: New Delhi
Date: 25/05/2020

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

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

**(Ajay S. Shriram)**
*Director*
DIN No. 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 Worldmark 1, 2nd floor (West Wing), Aerocity, New Delhi -110037, 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 ___________.

### 1.2 Statement of compliance

The Financial Statements are prepared on an accrual basis under historical cost Convention. 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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

i. **Basis of Preparation and presentation**: The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value as explained in the relevant accounting policies mentioned. The financial statements are presented in rupees and all values are rounded to the nearest thousand except otherwise stated.

ii. **Going Concern:** The board of directors have considered the financial position of the Company at March 31, 2020, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

iii. Application of New Accounting Pronouncements

The following Ind As pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year:

- Ind AS 116, Leases with effect from April 1, 2019
- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments with effect from April 1, 2019
- Amendment to Ind AS 12 – Income taxes with effect from April 1, 2019
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement with effect from April 1, 2019

None of the changes described above, or any of the other changes to the Ind AS, have a material impact on the net worth, financial position, financial performance ~~or~~ on the cash flow of the Company.

GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**1.3 Significant Accounting Policies**

**a) Property, plant and equipment**

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

**Subsequent costs**: The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting de-recognized. The cost for day-to-day servicing of property, plant and equipment are recognized in statement of profit and loss as and when incurred.

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:

Estimated useful lives are as under

| Asset | Useful Life |
|---|---|
| Office Equipment | 6 Years |

Depreciation is calculated on a pro-rata basis from the date of additions, except in case of assets costing up to 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 up to the year of sale/discard.

**b) 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.

**c) 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 |

d) **Revenue Recognition**

The Company recognizes revenue from trading of windows and its installation, and other income is recognized on accrual basis.
Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' The effect on adoption of Ind-AS 115 was insignificant.
Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

'Use of significant Judgement in Revenue Recognition
- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.
- The Company assesses its revenue arrangements against specific recognition criteria like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

e) 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.

f) **Employee Benefit**

**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.

**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.

**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.

**g) Current & Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification:

(i) **Assets:** An asset is treated as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle.
b. Held primarily for the purpose of trading.
c. Expected to be realized within twelve months after the reporting period, or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a
e. liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(ii) **Liabilities:** A liability is current when:

a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting period.

All other liabilities are classified as non-current

**h) Cash & Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

**i) 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:

i. Basic Earnings 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.
ii. For the purpose of calculating Diluted Earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings

**j) 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.

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**Subsequent measurement:**

A. **Non-derivative financial instruments**

(i) **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.

(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) **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.

**Fair Value Policy:** 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

**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.

k) **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.

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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:

**Income tax:** The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

**Useful Life of property, plant and equipment:** The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**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.

**Leases:** Where the Company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the The Company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. Estimates include calculating the discount rate which is based on the incremental borrowing rate.

Where the The Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

**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

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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.

l) Leases

**Company as a lessee**

Until March 31, 2019, the Company recognized leases in accordance with Ind AS 17. A lease was defined as an agreement whereby the lessor conveys to the lessee in return for a series of payments the right to use an asset for an agreed period of time. The lessor and lessee accounted for the lease on the basis of the distribution of the risks and rewards associated with the leased asset.

Insofar as all the substantial risks and rewards were transferred to the Company as lessee, the respective leased assets were capitalized at fair value or the lower present value of the minimum lease payments and depreciated using the straight-line method on the basis of the useful life of the underlying asset or the lease term, if this was shorter. The payment obligations resulting from future lease payments were discounted and recognized as a liability.

Where the Company was the lessee in operating leases, in other words, if not all material risks and rewards were transferred, the lease or rental payments were recognized directly as expenses in the statement of Profit and Loss.

Since April 1, 2019, the Company has recognized leases in accordance with Ind AS 116. This defines a lease as a contract, or part of a contract, whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in exchange for consideration.

Transition approach and use of practical expedients. The Company has applied the cumulative catch-up method for the transition. The cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings at April 01, 2019, with no restatement of comparative information. Right-of-use assets are generally measured at an amount equal to the lease liability, adjusted for payments made before the lease commencement date, lease incentives and other items related to the lease agreement that were recognised on the balance sheet immediately before the date of initial application. Some right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the lease commencement date, but discounted using the Company's incremental borrowing rate at April 01, 2019. Some practical expedients permitted by the standard are used, notably:

** To not reassess upon transition whether an existing contract contains a lease. The definition of a lease under Ind AS 116 has been applied only to contracts entered into or changed on or after April 01, 2019.

** The recognition exemptions for short-term leases and leases of low-value assets.

** To apply Ind AS 37 for onerous leases instead of performing an impairment review.

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The Company at the commencement date recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

**l) 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.

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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

Note 2: Property, Plant and Equipment

| Particulars | Leasehold improvements | Office & Other Equipments | Total |
|---|---|---|---|
| **Gross Carrying amount** | | | |
| **At Deemed Cost** | | | |
| Balance at March 31, 2018 | 59 | 27 | 86 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Balance as at March 31, 2019 | 59 | 27 | 86 |
| Additions | - | - | - |
| Disposals | (59) | (27) | (86) |
| Balance as at March 31 , 2020 | - | - | - |

| Accumulated Depreciation | Leasehold Improvements | Office & Other Equipments | Total |
|---|---|---|---|
| Balance at March 31, 2018 | 59 | 25 | 84 |
| Additions | - | 0 | 0 |
| Disposals | - | - | - |
| Balance as at March 31, 2019 | 59 | 25 | 84 |
| Additions | - | | - |
| Disposals | (59) | (25) | (84) |
| Balance as at March 31 , 2020 | - | - | - |
| **Net carrying amount** | | | |
| As at March 31, 2020 | - | - | - |
| As at March 31, 2019 | - | 2 | 2 |

Note 2.1 : Intangible Assets

| | Software | Total |
|---|---|---|
| **Gross Carrying amount** | | |
| **At Deemed Cost** | | |
| Balance at March 31, 2018 | 4 | 4 |
| Additions | - | - |
| Disposals | - | - |
| Balance at March 31, 2019 | 4 | 4 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at March 31 , 2020 | 4 | 4 |

| Accumulated Amortisation | Software | Total |
|---|---|---|
| Balance at March 31, 2018 | 4 | 4 |
| Additions | - | - |
| Disposals | - | - |
| Balance at March 31, 2019 | 4 | 4 |
| Additions | - | - |
| Disposals | - | - |
| As at March 31, 2020 | 4 | 4 |
| **Net carrying amount** | | |
| As at March 31, 2020 | - | - |
| As at March 31, 2019 | - | - |

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.

**(All amounts in ₹ thousands, unless otherwise stated)**

| Note 3: Other Financial Assets | Non - Current | | Current | |
|---|---|---|---|---|
| **Particulars** | **As At March 31,** | **As At March 31, 2019** | **As At March 31, 2020** | **As At March 31, 2019** |
| **(Unsecured considered good unless otherwise stated)** | | | | |
| Security Deposit | 289 | 169 | 291 | 242 |
| | 289 | 169 | 291 | 242 |

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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(All amounts in ₹ thousands, unless otherwise stated)

**Note 4 : Non Current Tax Assets**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Advance tax<br>(Net of Provisions of ₹Nil thousands(March 31, 2019 :₹ 662 thousands) | 1,029 | 6,035 |
| | 1,029 | 6,035 |



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**(All amounts in ₹ thousands, unless otherwise stated)**

**Note 5 : Income Tax Expense**

The major components of income tax expense for the period ended March 31, 2020 are:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Current tax | - | 404 |
| Deferred tax | (277) | 462 |
| Income tax adjustment for earlier years | 164 | - |
| **Income tax expense reported in the statement of profit or loss** | (113) | 866 |

**OCI section**

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

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Net loss/(gain) on remeasurements of defined benefit plans | 14 | (6) |
| **Income tax charged to OCI** | 14 | (6) |

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020**

| Particucairs | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Accounting profit before tax from continuing operations | (1,130) | 3,344 |
| **Accounting profit before income tax** | **(1,130)** | **3,344** |
| At India's statutory income tax rate of 25.168% (March 31, 2019 : 26%) | (284) | 869 |
| Adjustment in respect of current income tax for previous year | 164 | - |
| Deferred tax impact of Employee Benefits | - | 15 |
| Impact of change in tax rate | 6 | - |
| Deferred tax impact on provision for Bad and Doubtful Debts | - | 449 |
| Deferred tax impact on Property, Plant and Equipment | - | (1) |
| Effect of tax losses on which deferred tax is not recognised and others | - | - |
| **Non-deductible expenses for tax purposes:** | | |
| Property Plant and Equipment | - | (1) |
| Provision for Doubtful Debts | - | (454) |
| Provision for Employee Benefits | - | 35 |
| Finance cost | - | 5 |
| Ind AS Adjustment | 1 | 7 |
| **Deductible expenses for tax purposes:** | | |
| Ind AS Adjustment | - | (7) |
| Provision for Employee Benefits | - | (51) |
| **At the income tax rate of 25.168%** | (113) | 866 |
| Income tax expense reported in the statement of profit and loss | (113) | 866 |

(All amounts in ₹ thousands, unless otherwise stated)

**Deferred tax assets (Net)**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Deferred tax assets relates to the following:** | | |
| Defined Benefit Obligation | 187 | 120 |
| Unabsorbed Business Loss | 210 | - |
| Others | 60 | 52 |
| Provision for Bad and Doubtful Debts | 51 | 45 |
| Property, plant and equipment | 3 | 4 |
| | 511 | 221 |
| **Deferred tax liability** | - | - |
| | - | - |
| **Total deferred tax assets/(liabilities) (Net)** | 511 | 221 |

**Deferred tax expense/income:**

**Statement of profit and loss**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Deferred tax assets relates to the following :** | | |
| Defined Benefit Obligation | (67) | (1) |
| Unabsorbed Business Loss | (210) | - |
| Others | (8) | 21 |
| Provision for Bad and Doubtfull Debts | (7) | 449 |
| Property, Plant and Equipment | 0 | (1) |
| | (290) | 468 |
| **Deferred tax liability relates to the following :** | | |
| Property, Plant and Equipment | - | - |
| | - | - |
| **Net deferred tax charge** | (290) | 468 |
| Recognised in statement of profit and loss | (277) | 462 |
| Recognised in other comprehensive income | (14) | 6 |

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(All amounts in ₹ thousands, unless otherwise stated)

### Note 6 : Other Current Assets

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Balance with statutory authorities* | 10,672 | 11,478 |
| Prepaid Expenses | 22 | 5,933 |
| Others | 39 | 79 |
| | **10,733** | **17,490** |

* Includes ₹ 945 thousand ( March 31, 2019: ₹945 thousand) paid under protest.

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(All amounts in ₹ thousands, unless otherwise stated)

**Note 7: Inventories**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Stock-in-trade | 1,538 | 27,078 |
| Goods in transit | - | 1,926 |
| | **1,538** | **29,004** |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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(All amounts in ₹ thousands, unless otherwise stated)

### Note 8 : Trade receivables

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| - Considered good - Secured; | - | - |
| - Considered good - Unsecured; | 29,970 | 46,803 |
| - Receivables which have Credit Impaired; | 204 | 172 |
| | **30,174** | **46,975** |
| Less: Loss Allowance | (204) | (172) |
| | **29,970** | **46,803** |

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(All amounts in ₹ thousands, unless otherwise stated)

### Note 9: Cash and cash equivalents

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Cash and cash equivalents includes: | | |
| Balances with banks on | | |
| - current accounts | 341 | 1,499 |
| | 341 | 1,499 |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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(All amounts in ₹ thousands, unless otherwise stated)

**Note 10 : Equity Share capital**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 50,000 (March 31, 2019 : 50,000) Equity shares of Rs.10 each* | 500 | 500 |
| | **500** | **500** |
| **Issued, subscribed and paid up share capital** | | |
| 50,000 (March 31, 2019 : 50,000) Equity shares of Rs. 10 each* | 500 | 500 |
| | **500** | **500** |

* Number of Shares are given in absolute numbers.

**Notes:**

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

| | As At March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | **No. of Shares** | **% holding** | **No. of Shares** | **% holding** |
| DCM Shriram Limited** | 50,000 | 100% | 50,000 | 100% |
| | **50,000** | **100%** | **50,000** | **100%** |

**This includes 60 (March 31, 2019 : 60) equity shares held by other shareholders as nominee on behalf of DCM Shriram

ii) **No. of Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| 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 ₹ 10 each issued, subscribed and fully paid** | No. of shares | Amount |
|---|---|---|
| Shares outstanding as at March 31, 2018 | 50,000 | 500 |
| Changes during the year | - | - |
| Shares outstanding as at March 31, 2019 | 50,000 | 500 |
| Changes during the year | - | - |
| Shares outstanding as at March 31, 2020 | 50,000 | 500 |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(All amounts in ₹ thousands, unless otherwise stated)**

Note 11 : Other equity

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Retained Earnings | 2,897 | 3,956 |
| | 2,897 | 3,956 |

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

**b) Nature and Purpose of Other Reserves**

i) **Retained Earnings**
Retained earnings are the profits that the Company has earned/bear till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

**Note 12 : Provisions**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 | As At March 31, 2020 | As At March 31, 2019 |
| Provision for Gratuity | 290 | 185 | 35 | 26 |
| Provision for Earned leave | 281 | 164 | 36 | 19 |
| Provision for Medical leave | 88 | 59 | 12 | 9 |
| | 660 | 408 | 83 | 54 |

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(All amounts in ₹ thousands, unless otherwise stated)

## Note 13: Trade payables

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Total outstanding dues to micro and small enterprise | | |
| Total outstanding dues of other than micro and small enterprise | - | - |
| -Trade payables to holding company | 23,861 | 60,830 |
| -Employee dues payable | 25 | 6 |
| -Others | 889 | 1,068 |
| | 24,774 | 61,904 |

**Notes:**

(a) 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 December 31,2019.

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| (i) The Principal Amount & Interest due thereon remaining unpaid to any supplier as at end of the year | | |
| - Principal Amount due | - | - |
| - Interest accrued and due on above | - | - |
| (ii) The amount of interest paid by the buyer in terms of Sec16 of MSME Development Act,2006, along with the amount of payment made to supplier beyond the appointed day during each accounting | - | - |
| (iii) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| (iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| (v) The amount of further interest remaining due and payable even in succeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under Sec 23 of MSME | - | - |

b) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2020.

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**(All amounts in ₹ thousands, unless otherwise stated)**

**Note 14 : Other Current Liabilities**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Statutory dues payables | 254 | 304 |
| Advances from Customers | 15,235 | 34,003 |
| Security from customers | 12 | - |
| Book Overdraft | 287 | - |
| | **15,788** | **34,307** |

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(All amounts in ₹ thousands, unless otherwise stated)

## Note 15: Current Tax Provisions (Net)

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Provision for Tax<br>(Net of Advance tax : ₹Nil thousands (March 31,2019: ₹90 thousands) | - | 336 |
| | - | 336 |

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(All amounts in ₹ thousands, unless otherwise stated)

**Note 16: Revenue from operations**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Revenue from sale of:** | | |
| - Traded Products | 166,523 | 388,341 |
| - Services | 7,788 | 4,422 |
| **Revenue from operations*** | **174,312** | **392,763** |

*The above Revenue from operations includes ₹11,597 thousands(March 31,2019: ₹ 25,898 thousands) against advance received from customers balance at the beginning of the period.

Note 16.1 Disaggregated revenue information: The company has traded in and installation of UPVC and Aluminum Windows and Doors.

Note 16.2 Reconciliation of Revenue from operations with Contract Price:

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Contract Price | 174,312 | 392,763 |
| Total Revenue from operations | 174,312 | 392,763 |

**Note 17: Other Income**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest on Income Tax Refund | 478 | - |
| Interest income on Financial Asset | 1 | 7 |
| Excess Allowances for doubtful debt w/back | 17 | 1,918 |
| Sundry balance written back | 172 | 378 |
| | 669 | 2,303 |

B.R. GUPTA & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

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(All amounts in ₹ thousands, unless otherwise stated)

**Note 18: Purchases of Stock-In-Trade**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Purchases of Stock-in-Trade | 137,837 | 373,355 |
| | **137,837** | **373,355** |

**Note 19: Changes in Inventory of Stock-in-Trade**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Opening Stock | 27,078 | 34,295 |
| Less: Closing Stock | 1,538 | 27,078 |
| | **25,540** | **7,218** |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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(All amounts in ₹ thousands, unless otherwise stated)

### Note 20: Employee Cost

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Salary, Bonus & Other Expenses | 2,325 | 1,677 |
| Contribution to PF & Other Funds | 278 | 197 |
| Gratuity | 59 | 50 |
| Staff & Workmen Welfare Expenses | 89 | 90 |
| | **2,751** | **2,014** |

### Note 21: Finance Cost

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest paid (Others) | - | 28 |
| | **-** | **28** |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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# Fenesta India Limited

## Notes to Financial Statements for the year ended March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

**Note 22: Other Expenses**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Rent | 1,631 | 1,766 |
| Rates & Taxes | 1 | 66 |
| Repairs-Office Building | 39 | 68 |
| Electricity Charges | 77 | 77 |
| Auditor's Remuneration | | |
| -Audit Fees | 100 | 100 |
| -Tax Audit Fees | 40 | 55 |
| '-Out of Pocket Expenses | 6 | - |
| Travelling expense | 8 | 13 |
| Bad debts/Advances written off | - | 286 |
| Allowance for Doubtful debts | 50 | 172 |
| Installation charges | 7,377 | 4,334 |
| Insurance Charges | 107 | 187 |
| Legal & Professional Expense | 350 | 1,964 |
| Bank Charges | 194 | 19 |
| Miscellaneous expenses | 4 | - |
| | 9,983 | 9,107 |

**Note 23 : Earning Per Share**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit attributable to the equity holders of the parent (₹ in '000') | (1,017) | 2,476 |
| Weighted average number of equity shares for basic and diluted EPS | 50 | 50 |
| **Basic and diluted earnings per share(In Rs.) (face value ₹ 10 per** | (20.34) | 49.56 |

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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**(All amounts in ₹ thousands, unless otherwise stated)**

**Note 24: Contingent Liabilities/ Claims not acknowledged as debts**

| Particulars | Year | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|---|---|---|---|---|---|
| | | Demands Raised | Amounts Paid | Demands Raised | Amounts Paid |
| VAT, Chennai | 2015-16 | 150 | 150 | 150 | 150 |
| VAT, Uttar Pradesh | 2016-17 | 139 | 139 | 139 | 139 |
| VAT, Uttar Pradesh | 2016-17 | 29 | 29 | 29 | 29 |
| VAT, Kerala | 2016-17 | 122 | 122 | 122 | 122 |
| VAT, Kerala | 2014-15 | 262 | 262 | 262 | 262 |
| VAT, Kerala | 2015-16 | 116 | 116 | 116 | 116 |
| VAT, Bihar | 2013-14 | 321 | 129 | 321 | 129 |
| Total | | **1,138** | **945** | **1,138** | **945** |

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# Fenesta India Limited



**(All amounts in ₹ thousands, unless otherwise stated)**

**Note 25: 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, 2020 | As at March 31,2019 |
|---|---|---|
| Employers contribution to Provident Fund | 176 | 104 |
| Employers contribution to Superannuation Fund | 102 | 93 |

**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 31,2020 | As at Mar 31, 2019 | As at Mar 31,2020 | As at Mar 31, 2019 | As at Mar 31,2020 | As at Mar 31, 2019 |
| Discount rate (per annum) | 6.65% | 7.70% | 6.65% | 7.70% | 6.65% | 7.70% |
| 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% |
| **I. Expense recognized in statement of profit and loss** | | | | | | |
| Current service cost | 42 | 36 | 93 | 30 | | 7 |
| **Total expense** | 114 | 28 | 134 | -17 | | 7 |

* 100% of IALM 2012-14

| Particulars | Gratuity (Unfunded) | | Earned leave(Unfunded) | | Medical leave (Unfunded) | |
|---|---|---|---|---|---|---|
| | As at Mar 31,2020 | As at Mar 31, 2019 | As at Mar 31,2020 | As at Mar 31, 2019 | As at Mar 31,2020 | As at Mar 31, 2019 |
| **II. Net asset/(liability) recognized in the balance sheet** | | | | | | |
| Present value of Defined benefit obligation | 326 | 212 | 317 | 183 | 100 | 68 |
| Net liability | 326 | 212 | 317 | 183 | 100 | 68 |
| Non-current liability | 290 | 186 | 281 | 164 | 88 | 59 |
| Current liability | 36 | 26 | 36 | 19 | 12 | 9 |
| **III. Change in the present value of obligation during the year** | | | | | | |
| Present value of obligation as at the beginning of the year | 212 | 184 | 183 | 213 | | |
| Interest cost | 16 | 15 | 14 | 17 | | |

**(All amounts in ₹ thousands, unless otherwise stated)**

| | | | | | | |
|---|---|---|---|---|---|---|
| Current service cost | 42 | 35 | 92 | 30 | - | - |
| Benefits paid | | | | -12 | | |
| Actuarial (gains) / losses on obligation | 55 | -22 | 27 | -65 | - | - |
| Past service cost | | | | | | |
| Present value of obligation as at the end of the year | 326 | 212 | 317 | 183 | 100 | 68 |

A quantitative sensitivity analysis for significant assumption as is as shown below:

| Particulars | Gratuity (Unfunded) | | Earned leave(Unfunded) | | Medical leave(Unfunded) | |
|---|---|---|---|---|---|---|
| | As at Mar 31,2020 | As at Mar 31, 2019 | As at Mar 31,2020 | As at Mar 31, 2019 | As at Mar 31,2020 | As at Mar 31, 2019 |
| **A. Discount rate** | | | | | | |
| Effect on DBO due to + 1% in Discount Rate | 288 | 190 | 280 | 162 | 93 | 63 |
| Effect on DBO due to -1 % in Discount Rate | 373 | 239 | 363 | 208 | 109 | 73 |
| **B. Salary Growth rate** | | | | | | |
| Effect on DBO due to + 1% in Salary Growth rate | 372 | 239 | 362 | 208 | 109 | 73 |
| Effect on DBO due to - 1% in Salary Growth rate | 288 | 189 | 280 | 162 | 93 | 63 |
| **C. Attrition Rate** | | | | | | |
| Effect on DBO due to + 50% of attrition rates | 318 | 213 | 309 | 184 | 80 | 54 |
| Effect on DBO due to - 50% of attrition rates | 338 | 209 | 329 | 191 | 129 | 88 |
| **D. Mortality Rate** | | | | | | |
| Effect on DBO due to +10% of mortality rates | 326 | 212 | 317 | 183 | 100 | 67 |
| Effect on DBO due to - 10% of mortality rates | 326 | 212 | 317 | 183 | 100 | 68 |

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[This space has been left blank intentionally]

**(All amounts in ₹ thousands, unless otherwise stated)**

**Note 26: Financial Risk Management objectives and policies**

The Company's principal financial liabilities comprise trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes investments, loans, trade receivable, cash and cash equivalents and Others.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All activities for risk management purposes are carried out by the teams that have the appropriate skills, experience and supervision.

A. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings and short term deposits.

i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ii) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency)

B. **Credit risk**

Credit risk is the risk that 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 (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

I) **Trade receivables**

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Customer credit risk is managed by the managment subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.
The ageing analysis of trade receivables as of the reporting date is as follows:

| Particulars | Neither past due nor | Less than 30 days | 30 to 90 days | 90 to 180 days | More than 180 days | Total |
|---|---|---|---|---|---|---|
| Trade Receivables as of March 31, 2019 | - | 30,628.00 | 13,720.00 | 439.00 | 2,016.00 | **46,803** |
| Trade Receivables as of March 31, 2020 | - | 16,889.00 | 6,852.00 | 3,387.00 | 2,842.00 | **29,970** |

The company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

The gross carrying amount of trade receivables is ₹ 29,970 thousands (31 March, 2019: ₹ 46,803 thousands). During the year, the Company has written off trade receivables of ₹Nil ( March 31, 2019 ₹286 thousand).

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

II) **Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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**(All amounts in ₹ thousands, unless otherwise stated)**

C. **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

(I) **Maturities of financials liabilities:** The tables below analyse 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

| Contractual maturities of financial liabilities (Non Derivative)- 31.03.20 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Trade Payables-Payable to Holding Company | - | 23,861 | - | 23,861 |
| Trade Payables-Employee Dues Payables | - | 25 | - | 25 |
| Trade Payables-Others | - | 889 | - | 889 |
| **Total** | - | **24,774** | - | **24,774** |

| Contractual maturities of financial liabilities (Non Derivative)- 31.03.19 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Trade Payables-Payable to Holding Company | - | 60,830 | - | 60,830 |
| Trade Payables-Employee Dues Payables | - | 6 | - | 6 |
| Trade Payables-Others | - | 1,068 | - | 1,068 |
| **Total** | - | **61,904** | - | **61,904** |

**Note 27: Financial instruments by categories**

| Particulars | 31-Mar-20 | | | 31-Mar-19 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortized cost | FVPL | FVOCI | Amortized cost |
| **Financial Assets** | | | | | | |
| Other Financial Assets (Non- | - | - | 289 | - | - | 169 |
| Trade and other receivables | - | - | 29,970 | - | - | 46,803 |
| Cash and cash equivalents | - | - | 341 | - | - | 1,499 |
| Other Financial Assets (Current) | - | - | 291 | - | - | 242 |
| **Total Financial Assets** | - | - | **30,891** | - | - | **48,713** |
| | | | | | | |
| **Financial Liabilities** | | | | | | |
| Trade payables | - | - | 24,774 | - | - | 61,904 |
| **Total Financial Liabilities** | - | - | **24,774** | - | - | **61,904** |

**Note 28: Fair Values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

**a) Fair value of Financial Assets:**

| | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As At March 31, | As At March 31, | As At March 31, | As At March 31, |
| **Financial Assets** | | | | |
| Trade Receivable | 29,970 | 46,803 | - | - |
| Cash and Cash Equivalents | 341 | 1,499 | - | - |
| Others | 580 | 411 | - | - |
| | 30,891 | 48,713 | - | - |

**b) Fair Value of Financial Liabilities:**

| | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As At March 31, | As At March 31, | As At March 31, | As At March 31, |
| **Financial Liabilities** | | | | |
| Trade payables | 24,774 | 61,904 | - | - |
| | 24,774 | 61,904 | - | - |

Management has assessed that Fair value of trade receivables, cash and cash equivalents, Bank balances other than cash and cash equivalents, Security Deposits and trade payables approximate their carrying amount, largely due to the short-term nature of these instruments.

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(All amounts in ₹ thousands, unless otherwise stated)

**Note 29: Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**a) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial Assets As At March 31, 2020:**

| | As At March 31, 2020 | Quoted prices in active markets | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| **Financial Assets Measured At Amortised Cost** | | | | | |
| Other Financial Assets (Non-Current) | 289 | - | - | - | - |
| Trade and other receivables | 29,970 | - | - | - | - |
| Cash and cash equivalents | 341 | - | - | - | - |
| Other Financial Assets (Current) | 291 | - | - | - | - |
| | **30,891** | - | - | - | - |

**b) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial liabilities As At March 31, 2020:**

| | As At March 31, 2020 | Quoted prices in active markets | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| **Financial Liabilities Measured at Amortised Cost** | | | | | |
| Trade payables | 24,774 | - | - | - | - |
| | 24,774 | - | - | - | - |

**c) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial Assets As At March 31, 2019:**

| | As At March 31, 2019 | Quoted prices in active markets | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| **Financial Assets Measured At Amortised** | | | | | |
| Other Financial Assets (Non-Current) | 169 | - | - | - | - |
| Trade and other receivables | 46,803 | - | - | - | - |
| Cash and cash equivalents | 1,499 | - | - | - | - |
| Other Financial Assets (Current) | 242 | - | - | - | - |
| | 48,713 | - | - | - | - |

**d) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial liabilities As At March 31, 2019:**

| | As At March 31, 2019 | Quoted prices in active markets | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| **Financial Liabilities Measured at Amortised Cost** | | | | | |
| Trade payables | 61,904 | - | - | - | - |
| | 61,904 | - | - | - | - |

Management has assessed that Fair value of other receivables, cash and cash equivalents, other financial assets, Security deposit and trade payables approximate their carrying amount, largely due to the short-term nature of these instruments.

**(All amounts in ₹ thousands, unless otherwise stated)**

**Note 30: Capital management**

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Provisions **(Refer Note No. 12 )** | 743 | 462 |
| Trade Payables **(Refer Note No. 13 )** | 24,774 | 61,904 |
| Other current liabilities **(Refer Note No. 14 )** | 15,788 | 34,307 |
| Current tax liabilities (Net) **(Refer Note No. 15 )** | - | 336 |
| Less: Cash and Cash Equivalents **(Refer Note No. 9)** | (341) | (1,499) |
| **Net Debt** | **40,964** | **95,510** |
| Equity share capital **(Refer Note No. 10)** | 500 | 500 |
| Other equity **(Refer Note No. 11)** | 2,897 | 3,956 |
| **Total Capital** | **3,397** | **4,456** |
| **Total Capital Plus Net Debt** | **44,361** | **99,965** |
| **Gearing Ratio** | **0.92** | **0.96** |

**Note 31 : Disclosure in respect of leases as per Ind AS 116 'Leases' :**

**Assets taken on lease**

(a) Short-term leases and leases of low-value assets are accounted for using the recognition exemption permitted by Ind AS 116. Expenses for short-term leases and less of low value assets are recognised on a straight-line basis. Amounts recognised in the statement of profit or loss. The statement of profit or loss shows the following amounts relating to leases:

| **Particulars** | **As At Mar 31, 2020** | **As At March 31, 2019** |
|---|---|---|
| Expense relating to short-term leases (included in Rent) | 1,831.04 | 1,766 |
| Total cash outflows for short term leases | 1,831 | 1,766 |

(b) The Company's leasing activities:
The Company has entered into lease agreements for lease of godowns, generally for a period of one year to two years with renewal option and which can be terminated by either party to the lease conract without compensating other party by serving notice period as per the terms of the agreements.

(c) In applying IndAS 116 for the first time, the Company has used the following practical expedients:
- Accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases

(d) Lesses commited and not yet commenced:
There are no leases commited which have not yet commenced as on reporting date.

**Note 32: 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**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Purchases | 137,837 | 373,365 |
| Installation Charges | 7,377 | 4,334 |
| Installation Charges adjusted from prepaid expenses | (5,851) | 820 |

**(All amounts in ₹ thousands, unless otherwise stated)**

C. **Balance outstanding DCM Shriram Limited**

| Particulars | For the year ended March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Payable outstanding at the year end | 23,861 | 60,830 |

**Note 33: Segment Information**

i. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the company as a single unit), the operations of the Company falls undertrading and installation of UPVC and Aluminum Windows and Doors, which is considered to be the only reportable segment.

ii.During the year ended March 31, 2020 and March 31, 2019, the Company has two major customer with turnover amounts to ₹128,545 thousands and ₹ 92,538 thousands respectively which amounts to 10% or more of the Company's total revenues.

**Note 34: Subsequent Events**

The outbreak of COVID-19 in India does not have or likely to have a significant adverse impact on the Company's operations. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due for payment.

**Note 35** : The figures are rounded off to the nearest thousands.

**Note 36:** Notes 1 to 35 form an integral part of the financial statements.

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

| | | |
|---|---|---|
| Place of Signature: New Delhi<br>Date: 2.5/05/2020 | **(Ajit S. Shriram)**<br>*Director*<br>DIN 00027918 | **(Ajay S. Shriram)**<br>*Director*<br>DIN No. 00027137 |

## 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, 2020, 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, 2020, 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.

### Emphasis of Matter:

We draw attention to Note 1.2(a) of the financial statements regarding preparation of financial statements on liquidation basis for the reasons as stated in the said note where all the assets have been stated at their realizable value and the liabilities have been stated at a value at which they are expected to be settled. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for 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 and Those Charged with Governance 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, the Board of Directors 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 the Board of Directors 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.

NEW DELHI
CHARTERED ACCOUNTANTS

## 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, to the extent applicable.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAG5351

Place of Signature: New Delhi
Date: 27/05/2020

## 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 paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2020, we report that:

i) In respect of fixed assets comprising property, plant and equipment:

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, the Company does not have any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

ii) The Company does not have inventory. Accordingly, the provision of clause 3(ii) 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 loans, secured or unsecured, to any of the Companies, firms, Limited Liability Partnerships(LLPs) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (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 has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise

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 provident fund, employees' state insurance, income-tax and Goods and Service Tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the extent applicable to it. Further, no undisputed statutory dues were outstanding, as at 31st March, 2020 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 or sales tax or service tax or duty of customs or duty of excise or value added tax 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 fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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xi) In our opinion and according to the information and explanations given to us, the Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

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. Accordingly, provisions of clause 3 (xvi) of the order are not applicable.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAS5351

Place of Signature: New Delhi
Date: 24/05/2020

## Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS financial statement of DCM Shriram Infrastructure 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 **DCM Shriram Infrastructure Limited ("the Company")** as of March 31, 2020 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, 2020, 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAG5351

Place of Signature: New Delhi
Date: 27/05/2020

# DCM Shriram Infrastructure Limited
## Balance Sheet as at March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

| Particulars | Notes | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|---|
| **I. Assets** | | | |
| **Non-current assets** | | | |
| (a) Property, Plant and equipment | 2 | 92 | 92 |
| (b) Intangible Assets | 2.1 | - | - |
| (b) Capital Work-in-Progress | 2.2 | - | 218,700 |
| (c) Financial assets | | | |
| - Other Financial Assets | 3 | 3 | 3 |
| Total Non-Current Assets | | 95 | 218,795 |
| **Current Assets** | | | |
| (a) Financial Assets; | | | |
| (i) Cash And Cash Equivalents | 4 | 259 | 828 |
| (b) Other Current Assets | 5 | 9 | 12 |
| Total Current Assets | | 268 | 840 |
| **Total assets** | | 363 | 219,635 |
| **II. Equity And Liabilities** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 6 | 500 | 500 |
| (b) Other Equity | 7 | (320,081) | (72,643) |
| Total Equity | | (319,581) | (72,143) |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 8 | 1,701 | 289,170 |
| Total Non-Current Liabilities | | 1,701 | 289,170 |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 8 | 315,000 | - |
| (ii) Trade payables | 9 | | |
| - Total outstanding dues of micro and small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro and small enterprises | | 72 | 38 |
| (iii) Other Financial liabilities | 10 | 3,083 | 2,502 |
| (b) Other current liabilities | 11 | 68 | 68 |
| Total Current Liabilities | | 318,223 | 2,608 |
| **Total equity and liabilities** | | 363 | 219,635 |

**Summary of significant Accounting Policies**

**The accompanying notes form 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

GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Ashwani Kumar Mishra)
*Partner*
Membership Number 078668

Place of signature: New Delhi
Date: 29/05/2020

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

| | |
|---|---|
| **(Ashok K. Nandwani)** | **(Parveen Aggarwal)** |
| *Director* | *Director* |
| (DIN - 02469619) | (DIN - 02472057) |

# DCM Shriram Infrastructure Limited
## Statement of Profit & Loss for the year ended March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

| Particulars | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| I Other Income | 12 | - | 293 |
| II **Total Income** | | - | 293 |
| III **Expenses** | | | |
| (a) Finance costs | 13 | 28,176 | 25,722 |
| (b) Depreciation expense | 2 | - | - |
| (c) Other Expenses | 14 | 219,242 | 94,291 |
| **Total Expenses** | | 247,418 | 120,013 |
| IV **Profit/ (loss) before exceptional items and tax (II-III)** | | (247,418) | (119,720) |
| V Exceptional Items | | - | - |
| VI **Profit/(Loss) before tax (IV-V)** | | (247,418) | (119,720) |
| VII **Tax expense:** | 15 | | |
| (a) Current tax | | - | - |
| (b) Deferred tax | | - | - |
| **Total tax expense (VII)** | | - | - |
| VIII **Profit/(loss) for the year (VI-VII)** | | (247,418) | (119,720) |
| IX **Other Comprehensive Income** | | | |
| (A) Items that will be reclassified to statement of profit and loss net of taxes | | - | - |
| (B) Items that will not be reclassified to statement of profit and loss net of taxes | | - | - |
| X **Total other comprehensive income for the year** | | - | - |
| XI **Total comprehensive income of the year (VII+X)** | | (247,418) | (119,720) |
| **Earnings per share:** | | | |
| - Basic/Diluted | 16 | (4,947.87) | (2,394.06) |

**Summary of significant Accounting Policies**

**The accompanying notes form 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

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668

Place of signature: New Delhi
Date: 22/05/2020

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

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

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

# DCM Shriram Infrastructure Limited

## Statement of Cash Flows for the year ended March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Net (loss) before tax | (247,418) | (119,720) |
| Less: Profit on sale of Fixed Assets | - | 293 |
| Add: Interest paid | 28,176 | 25,722 |
| Add: Provision for Impairment | 218,700 | 93,505 |
| **Operating (loss) before working capital changes** | (542) | (786) |
| Adjustments for : | | |
| Decrease/ (increase) in other current assets | 3 | (1) |
| Increase/ (decrease) in trade payables | 34 | - |
| Increase/ (decrease) in other current liabilities | (0) | 158 |
| **Net cash (used) in operating activities (A)** | (505) | (629) |
| **B. Cash flow from investing activities** | | |
| Sales of fixed assets | - | 382 |
| **Net cash (used) in investing activities (B)** | - | 382 |
| **C. Cash flow from financing activities** | | |
| Increase in loan from related party(Non-cash impact) | - | 24,918 |
| Proceeds from receipt of call money on Preferences Shares | - | 1,000 |
| Interest paid (Non-cash impact) | - | (25,079) |
| Interest paid | (64) | (64) |
| **Net cash from financing activities (C)** | (64) | 775 |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | (569) | 528 |
| Cash and cash equivalents as at opening | 828 | 300 |
| Cash and cash equivalents as at closing | 259 | 828 |
| **Components of Cash And Cash Equivalents** | | |
| Cash in hand | 1 | 1 |
| With Banks- on current account | 258 | 827 |
| **Total Cash And Cash Equivalents (Note No. 4)** | 259 | 828 |

**Note:** The above statement of Cash Flows has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of Cash

**Summary of significant Accounting Policies**

**The accompanying notes form 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668

Place of signature: New Delhi
Dated: 29/05/2020

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

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

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

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# DCM Shriram Infrastructure Limite
## Statement Of Changes In Equity as at March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

A. Equity share capital

| Particulars | |
|---|---|
| Balance as at April 01, 2018 | 500 |
| Changes during the year | - |
| Balance as at March 31, 2019 | 500 |
| Changes during the year | - |
| Balance as at March 31, 2020 | 500 |

B. Other Equity

| Particulars | Equity component of compound financial instruments | Reserves and surplus | Total |
|---|---|---|---|
| | | Retained earnings | |
| As at March 31, 2018 | 122,503 | (76,289) | 46,214 |
| Additions: | | | |
| 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) |
| Additions: | | | |
| On account of issue of Preference Share Capital | | | - |
| Total comprehensive income for the year | - | (247,418) | (247,418) |
| As at March 31, 2020 | 123,366 | (443,427) | (320,061) |

Summary of significant Accounting Policies

**The accompanying notes form 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

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

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078688

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

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

Place of signature: New Delhi
Date: 27/05/2020

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 2nd Floor, (West Wing) Worldmark -1, Aerocity New Delhi -110 037

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

1.2 **Statement of Compliance**

The Financial Statements are prepared on an accrual basis under historical cost Convention. 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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable. The accounting policies are applied consistently to all the periods presented in the financial statements.

a. **Basis of Preparation and presentation**: The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value 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.

During the year the Govt of Himachal Pradesh cancelled the allotment of Chhatru Hydro project to the company as explained in note 2.2. The regulatory framework as well as the business scenario for power projects is uncertain and therefore the Company is not able to firm up any concrete business plan. Therefore the current year's financials have been prepared on liquidation basis of accounting i.e assets have been stated at their realizable value and liabilities have been stated at the amounts at which they are expected to be settled.

1.3 **Significant Accounting Policies**

a) **Property, Plant and Equipment**

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

**Subsequent costs**: The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting de-recognized. The cost for day-to-day servicing of property, plant and equipment are recognized in statement of profit and loss as and when incurred.

(i) Estimated useful lives are as under:

| Asset | Useful life |
|---|---|
| Plant and Machinery (Computers) | 3 Years |
| Furniture & Fittings | 10 Years |
| Vehicles | 8 Years |
| Office Equipments | 5 Years |

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(ii) Estimated residual value:

| Asset | Residual value |
|---|---|
| Certain electrical equipment | 10% |
| Other assets | 0-5% |

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.

b) **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 as follows:

| | |
|---|---|
| Technical know-how | 10 years |
| Softwares | 5 years |

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

c) **Current & Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification:

(i) **Assets:** An asset is treated as current when it is:
   a. Expected to be realized or intended to be sold or consumed in normal operating cycle.
   b. Held primarily for the purpose of trading.
   c. Expected to be realized within twelve months after the reporting period, or
   d. Cash or cash equivalent unless restricted from being exchanged or used to settle a
   e. liability for at least twelve months after the reporting period.

   All other assets are classified as non-current.

(ii) **Liabilities:** A liability is current when:
   a. It is expected to be settled in normal operating cycle
   b. It is held primarily for the purpose of trading
   c. It is due to be settled within twelve months after the reporting period, or
   d. There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting period.

   All other liabilities are classified as non-current

d) **Cash & Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

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e) **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:

i. Basic Earnings 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.

ii. For the purpose of calculating Diluted Earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings

f) **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.

**Fair Value Policy:** 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

**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.

g) **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 then its carrying amount, the impairment loss is accounted for.

**Income tax:** The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings

**Useful life:** The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(All amounts in ₹ thousands, unless otherwise stated)

2 Property, plant and equipment

| | Plant and Equipment | Furniture and Fixtures | Office Equipments | Vehicles | Total |
|---|---|---|---|---|---|
| **Gross Carrying amount(Deemed cost)** | | | | | |
| Balance at March 31, 2018 | 13 | 87 | 141 | 343 | 584 |
| Additions made during the year | - | - | - | - | - |
| Disposals/adjustments during the year | - | - | - | (343) | (343) |
| Balance at March 31, 2019 | 13 | 87 | 141 | - | 241 |
| Additions made during the year | - | - | - | - | - |
| Disposals/adjustments during the year | - | - | - | - | - |
| Balance as at March 31, 2020 | 13 | 87 | 141 | - | 241 |

Accumulated Depreciation

| | Plant and Equipment | Furniture and Fixtures | Office equipments | Vehicles | Total |
|---|---|---|---|---|---|
| Balance at March 31, 2018 | - | 63 | 86 | 253 | 402 |
| Depreciation charge during the year | - | - | - | - | - |
| Disposals/adjustments during the year | - | - | - | (253) | (253) |
| **Balance at March 31, 2019** | - | 63 | 86 | - | 149 |
| Depreciation charge during the year | - | - | - | - | - |
| Disposals/adjustments during the year | - | - | - | - | - |
| **Balance as at March 31, 2020** | - | 63 | 86 | - | 149 |
| **Net carrying amount** | | | | | |
| **Balance as at March 31, 2020** | 13 | 24 | 55 | - | 92 |
| As at March 31, 2019 | 13 | 24 | 55 | - | 92 |

2 **Other intangible assets**

| | |
|---|---|
| **Gross Carrying amount(Deemed cost)** | |
| Gross carrying amount as at March 31, 2018 | 28 |
| Additions made during the year | - |
| Disposals/adjustments during the year | - |
| **Balance at March 31, 2019** | 28 |
| Additions made during the year | - |
| Disposals/adjustments during the year | - |
| **Balance as at March 31, 2020** | 28 |
| **Accumulated Depreciation** | |
| Balance at March 31, 2018 | 28 |
| Depreciation charged during the year | - |
| Disposals/adjustments during the year | - |
| **Balance at March 31, 2019** | 28 |
| Depreciation charged during the year | - |
| Disposals/adjustments during the year | - |
| **Balance as at March 31, 2020** | 28 |
| **Net carrying amount** | |
| **Balance as at March 31, 2020** | - |
| **As at March 31, 2019** | - |

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.

GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(All amounts in ₹ thousands, unless otherwise stated)

2 Capital work in progress

| | |
|---|---|
| Balance at March 31, 2018 | 312,205 |
| Additions made during the year | - |
| Disposals/adjustments during the year | - |
| Less: Provision for impairment | 93,505 |
| Gross carrying amount as at March 31, 2019 | 218,700 |
| Additions made during the year | - |
| Less: Provision for impairment | 218,700 |
| **Net carrying amount as at March 31, 2020** | - |

Chhatru Hydro Electric Power Project (the project) was allotted by the Govt. of Himachal Pradesh (GoHP) in July 2007 to the Company for 108 MW in the District Lahaul & Spiti in Himachal Pradesh. The Company had deposited upfront premium of ₹ 218,700 thousand and also incurred ₹ 93,505 thousand on certain direct expenses (including testing, survey etc).

The project was delayed beyond reasonable time due to lack of infrastructure, power transmission and other facilities to be provided by the GoHP. During the year, the Company has received an order from the GoHP for cancellation of said project and forfeiture of upfront premium amount. The Company has not accepted the order for forfeiture of premium amount and has taken the appropriate legal action for its recovery in accordance with law and has gone into arbitration against such order. The arbitration proceedings are pending as at the close of the year. Though the Company is optimistic of recovery of this amount but, on prudence basis, the Company has made the provision for impairment of ₹ 218,700 thousand.

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(All amounts in ₹ thousands, unless otherwise stated)

Note 3: Other Financial Assets

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **- Loans & Advances (at amortised cost)** | | |
| - Security Deposits* (unsecured considered good, unless otherwise stated) | 3 | 3 |
| | 3 | 3 |

*The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

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**Note 4: Cash and cash equivalents**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Balances With Banks | | |
| - Current Account | 258 | 827 |
| Cash on Hand | 1 | 1 |
| | 259 | 828 |

**Note 5: Other current assets**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Prepaid Expenses | 9 | 10 |
| Others- Advance Recoverable | - | 2 |
| | 9 | 12 |

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(All amounts in ₹ thousands, unless otherwise stated)

| Note 6: Equity Share capital | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 50,007* (March 31, 2019 - 50,007) Equity shares of ₹ 10 each | 500 | 500 |
| 1,000,000* (March 31, 2019 - 10,00,000) Preference shares of ₹ 10 each | 10,000 | 10,000 |
| 6,448,993* (March 31, 2019 - 6,448,993) Unclassified shares of ₹ 10 each | 64,490 | 64,490 |
| 100* (March 31, 2019 - 100) Unclassified shares of ₹ 100 each | 10 | 10 |
| | 75,000 | 75,000 |
| **Issued, Subscribed and Paid up Share capital** | | |
| 50,007* (March 31, 2019 - 50,007 ) Equity shares of ₹ 10 each, fully paid | 500 | 500 |
| | 500 | 500 |

* Number of shares are given in absolute numbers.

**Notes:**

i) **Reconciliation of 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 | No. of shares | INR value |
|---|---|---|
| **Balance as at March 31, 2018** | 50,007 | 500 |
| Shares issued during the year | - | - |
| Shares bought back during the year | - | - |
| **Balance as at March 31, 2019** | 50,007 | 500 |
| Shares issued during the year | - | - |
| Shares bought back during the year | - | - |
| **Balance as at March 31, 2020** | 50,007 | 500 |

ii) **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.

iii) **Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| DCM Shriram Credit and Investment Limited, the holding Company*** | 50,007 | 50,007 |

***This includes 6 (March 31, 2019 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Credit and Investment Limited.

iv) **Details of shareholders holding more than 5% shares in the Company**

| | As At March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| DCM Shriram Credit and Investment Limited** | 50,007 | 100% | 50,007 | 100% |
| | 50,007 | 100% | 50,007 | 100% |

**This includes 6 (March 31, 2019 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Credit and Investment Limited.

(All amounts in ₹ thousands, unless otherwise stated)

| Note 7: Other Equity | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| - Equity component of other financial instruments | 123,366 | 123,366 |
| - Retained earnings | (443,427) | (196,009) |
| | (320,061) | (72,643) |

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

b) Nature and Purpose of Other Reserves

**i) Retained Earnings**
Retained earnings are the profits that the Company has earned/bear till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**(ii) Equity Component of Other financial instruments**
It represents equity component of financial liability w.r.t. equity component of loan taken at concessional rate of interest and cumulative redeemable preference shares issued by the Company.

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(All amounts in ₹ thousands, unless otherwise stated)

| Note 8: Borrowings | Current | | Non- Current | |
|---|---|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 | As At March 31, 2020 | As At March 31, 2019 |
| **Unsecured - At Amortized Cost** | | | | |
| Loan from Parent company of Holding Company* | 315,000 | - | - | 287,651 |
| Liability Component of Compound Financial Instruments ** | - | - | 1,701 | 1,519 |
| | 315,000 | - | 1,701 | 289,170 |

*Loan from Parent company of Holding Company

| Category and Terms of repayment | Amount | Rate of interest |
|---|---|---|
| Interest Free (Repayble on or before 31-03-2021) | 307,845,549 | 0% |
| With interest (Repayable on or before 31-03-2021) | 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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(All amounts in ₹ thousands, unless otherwise stated)

**Note 9 :Trade payables**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Total outstanding dues to micro and small enterprise | - | - |
| Total outstanding dues of other than micro and small enterprises | 72 | 38 |
| | 72 | 38 |

**Notes:**

a) 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.

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| (i) The Principal Amount & Interest due thereon remaining unpaid to any supplier as at end of the year | | |
| - Principal Amount due | - | - |
| - Interest accrued and due on above | - | - |
| (ii) The amount of interest paid by the buyer in terms of Sec16 of MSME Development Act,2006, along with the amount of payment made to supplier beyond the appointed day during each accounting year. | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| (v) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under Sec 23 of MSME Development Act,2006. | - | - |

b) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2020.

**Note 10 : Other financial liabilities**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Interest accrued but not due on loan | 3,083 | 2,502 |
| | **3,083** | **2,502** |

**Note 11 : Other current liabilities**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Statutory Liabilities | 68 | 66 |
| | 68 | 66 |

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(All amounts in ₹ thousands, unless otherwise stated)

Note 12: Other Income

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit on sale of Property, Plant and Equipment | - | 293 |
| | - | 293 |

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# DCM Shriram Infrastructure Limited
## Notes to Financial Statements for the year ended March 31, 2020

(All amounts in ₹ thousands, unless otherwise stated)

| Note 13 : Finance cost | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest expense on financial liabilities classified at amortized cost on Financial Instruments to a related party | 28,176 | 25,722 |
| | 28,176 | 25,722 |

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(All amounts in ₹ thousands, unless otherwise stated)

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Note 14 : Other expenses** | | |
| Auditors' Remuneration | | |
| -Statutory audit fees | 41 | 41 |
| Repair And Maintenance - Others | 4 | 219 |
| Retainership fee | 173 | 314 |
| Provision for impairment in value of Capital work in progress (refer note 2.2) | 218,700 | 93,505 |
| Miscellaneous Expenses | 324 | 212 |
| | **219,242** | **94,291** |

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(All amounts in ₹ thousands, unless otherwise stated)

Note 15: Income tax expense

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **(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, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit/(Loss) before tax | (247,418) | (119,720) |
| Income tax rate | 25% | 26.00% |
| Income tax expense | (62,275) | (31,127) |
| Effect of tax losses on which deffered tax is not recongnised | 62,275 | 31,127 |
| Income exempt from tax | | |
| Disallowance u/s 14 A | | |
| - Others (non business expenses) | | |
| **Income tax expense** | - | - |
| **(c) Income tax recognised directly in equity** | - | - |
| **(d) Income tax recognised in other comprehensive income** | - | - |

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(All amounts in ₹ thousands, unless otherwise stated)

16. Earning Per Share (EPS):

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Profit as per statement of profit and Loss | (247,418) | (119,720) |
| Dividend on .01% redeemable cumulative | # | # |
| Weighted average number of equity shares | 50,007 | 50,007 |
| Basic and diluted earning per share in rupees (Face value Rs. 10 per share) | (4,947.67) | (2,394.06) |

(# Represents ₹1000 (2018-19 : ₹ 963)

17. **Financial Instruments by Category**

| Particulars | March 31, 20 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortized cost | FVPL | FVOCI | Amortized cost |
| Loans & Advances | - | - | 3 | - | - | 3 |
| Cash and Cash Equivalents | - | - | 259 | - | - | 828 |
| **Total Financial Assets** | - | - | 262 | - | - | 831 |
| | | | | | | |
| Borrowings | - | - | 316,701 | - | - | 289,170 |
| Trade payables | - | - | 72 | - | - | 38 |
| Other Financial Liabilities | - | - | 3,083 | - | - | 2,502 |
| **Total Financial Liabilities** | - | - | 319,856 | - | - | 291,710 |

18. **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise trade payables, borrowings and other liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes loans & advances and cash and cash equivalents.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All activities for risk management purposes are carried out by the teams that have the appropriate skills, experience and supervision.

A. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings and short term deposits.

I) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

B. **Credit risk**

Credit risk is the risk that 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 (primarily trade receivables).and from its financing activities, including deposits with banks and other financial instruments.

I) **Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

C. **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

**The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.**

| Contractual maturities of financial liabilities (Non Derivative)- 31.03.20 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Borrowings | | 315,000 | 1,701 | |
| Trade Payables | | 72 | | |
| Other financial liabilities | | 3,083 | | |
| Total | - | 318,155 | 1,701 | |

(All amounts in ₹ thousands, unless otherwise stated)

| Contractual maturities of financial liabilities (Non Derivative)- 31.03.2019 | On demand | 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 |
| Total | - | 2,540 | 289,170 | 291,710 |

19. **Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

a) Fair value of Financial Assets:

| Financial assets | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 | As At March 31, 2020 | As At March 31, 2019 |
| Others | | | | |
| - Security Deposits | 3 | 3 | - | - |
| Cash and Cash Equivalents | 259 | 828 | | |
| | 262 | 831 | - | - |

b) **Fair Value of Financial Liabilities:**

| **Financial Liabilities** | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 | As At March 31, 2020 | As At March 31, 2019 |
| **Financial Liabilities** | | | | |
| Trade payables | 72 | 38 | - | - |
| Borrowings | 316,701 | 289,170 | - | - |
| Others | | | | |
| - Interest accrued but not due on loan | 3,083 | 2,502 | - | - |
| | 319,856 | 291,710 | - | - |

Due to short term nature of cash and cash equivalents & other financial assets, their carrying amount approximate to their fair value. Loans, Loan from Holding Company and trade payables approximate their carrying amounts.

19. **Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**a) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial instruments As At March 31, 2020:**

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Assets Measured At Amortised Cost** | | | | |
| Others | | | | |
| - Security Deposits | 3 | - | - | - |
| Cash and Cash Equivalents | 259 | - | - | - |
| | 262 | - | - | - |
| **Financial Liabilities Measured at Amortised Cost** | | | | |
| Trade payables | 72 | - | - | - |
| Borrowings | 316,701 | - | - | - |
| Others | | | | |
| - Interest accrued but not due on loan | 3,083 | - | | |
| | 319,856 | - | | |

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(All amounts in ₹ thousands, unless otherwise stated)

b) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial instruments As At March 31, 2019:

| | As At March 31, 2019 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Assets Measured At Amortised Cost** | | | | |
| Loans & Advances | 3 | - | - | - |
| Cash and Cash Equivalents | 828 | - | - | - |
| | 831 | - | - | - |
| **Financial Liabilities Measured at Amortised Cost** | | | | |
| Trade payables | 38 | - | - | - |
| Borrowings | 289,170 | - | - | - |
| Others | | | | |
| - Interest accrued but not due on loan | 2,502 | - | - | - |
| | 291,710 | - | - | - |

20. **Contingent Liability:**
Arrears of dividend on 0.01% Cumulative Preference Shares of ₹10 each is ₹ 3,526 (2018-19 – ₹ 2526).

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

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Consultancy and Retainer ship Fees | - | - |
| Telephone | - | - |
| Project Travelling & related expenses | - | - |
| | | |
| **Particulars** | **2019-20** | **2018-19** |
| Welfare expenses | - | - |
| Depreciation | - | - |
| Detailed Project Report expenses | - | - |
| Repair and Maintenance | - | - |
| Miscellaneous expenses | - | - |
| Add: Brought Forward from the previous year | - | 33,376 |
| Less: Impairment of capital work in progress | - | (33,376) |
| **Total** | - | - |

22. **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

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Interest expenses | 28,176 | 25,722 |
| Loan taken | - | - |
| Issue of Cumulative Redeemable Preference Share | - | 1,000 |
| **Balance payable at the year end** | | |
| Unsecured loan (payable) | 315,000 | 287,651 |
| Liability Component of Compound Financial Instruments | 1,701 | 1,519 |
| Interest accrued but not due | 3,083 | 2,502 |

**23. Deferred Tax**
Due to continued losses, the Company has not recognized deferred tax assets against business losses as there is no probability of realization of the same.

**24. Segment Information**

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the company as a single unit). Since the Company doesn't have any operations hence, there are no reporatble segment.

2. During the year ended 31st March, 2020, the Company doesn't have any revenue from operation, hence there is no reportable transactions with a single external customer which amounts to 10% or more of the Company's revenues.

25. Subsequent Event
The outbreak of COVID-19 in India does not have or likely to have a significant adverse impact on the Company as it is not having any business activity as of now.

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

27. Notes 1 to 27 form an integral part of the financial statements.

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

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

(Parveen Aggarwal)
*Director*
(DIN - 02472067)

Place of Signature: New Delhi
Dated: 29/05/2020

B.R. GUPTA & CO.
CHARTERED ACCOUNTANTS
K-55, Connaught Circus, New Delhi-110001

## Independent Auditor's Report

To the Board of Directors of **DCM Shriram Credit & Investment Limited**

We have audited the accompanying standalone financial statements of **DCM Shriram Credit & Investment Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 standalone financial statements"). The financial statements have been prepared by management solely to enable the Company to prepare its consolidated financial statements as of March 31, 2020 and for the year then ended.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS standalone financial statements solely to enable the Company to prepare its consolidated IND AS financial statements and 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 prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") 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.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the standalone financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone have been prepared, in all material respects, in conformity with the Indian Accounting Standards prescribed under section 133 of the Act ("Ind AS") and accounting principles generally accepted in India and are suitable for inclusion in the Consolidated Ind AS Financial Statements of the Company.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**Basis of Accounting and Restriction on Distribution and Use**
The standalone financial statements are prepared to assist **the Company** solely to enable in preparation of its consolidated financial statements as of March 31, 2020 and for the year then ended.

As a result, the financial statements may not be suitable for another purpose. Our report is intended solely to be used for the above stated purpose and should not be distributed to or used by parties other than the Company.

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

B. R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAK6260

Place of Signature: New Delhi
Date: 25|05|2020

# DCM Shriram Credit and Investments Limited
## Balance Sheet as at March 31, 2020

(Amount in ₹ Thousand)

| Particulars | Note No | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|---|
| I. Assets | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and equipment | 2 | - | 80 |
| (b) Investment property | 3 | 1,866 | 1,866 |
| (c) Financial assets | | | |
| (i) Investments | 4 | 23,036 | 71,346 |
| (ii) Loans | 5 | 14,500 | - |
| (d) Non-Current Tax Assets (Net) | 6 | 2,695 | 2,235 |
| **Total Non-Current Assets** | | 42,097 | 75,527 |
| Current assets | | | |
| (a) Inventories | 7 | 42 | 45 |
| (b) Financial assets | | | |
| (i) Cash and cash equivalents | 9 | 8,898 | 7,017 |
| (ii) Bank balances other than cash and cash equivalents | 10 | 7 | 7 |
| (iii) Loans | 5 | 100,000 | - |
| (iv) Others | 11 | 29 | 45 |
| (c) Other current assets | 12 | 6 | 5 |
| **Total Current Assets** | | 108,982 | 7,119 |
| **Total Assets** | | 151,079 | 82,646 |
| II. Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share capital | 13 | 60,012 | 60,012 |
| (b) Instruments entirely equity in nature | 14 | 30,000 | 30,000 |
| (b) Other Equity | 15 | (54,382) | (7,532) |
| **Total Equity** | | 35,630 | 82,480 |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 14,501 | 1 |
| (ii) Trade Payables | 19 | - | - |
| - Total outstanding dues of micro enterprises and small enterprises | | | |
| - Total outstanding dues of Other than micro enterprises and small enterprises | | | |
| (b) Provisions | 17 | 36 | - |
| **Total Non-Current Liabilites** | | 14,537 | 1 |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18 | 100,000 | - |
| (ii) Trade payables | 19 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 147 | 145 |
| (iii) Other financial liabilities | 19.1 | 338 | - |
| (b) Other current liabilities | 20 | 177 | 20 |
| (c) Provisions | 17 | 250 | - |
| **Total Current Liabilites** | | 100,912 | 165 |
| **Total Equity and Liabilities** | | 151,079 | 82,646 |
| 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

(Ashwani Kumar Mishra)
*Partner*
Membership No. 078666

Place of signature: New Delhi
Date: 25/05/2020

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)

# DCM Shriram Credit and Investments Limited
## Statement of Profit & Loss for the year ended March 31, 2020

(Amount in ₹ Thousand)

| Particulars | Note No | For the Year Ended March 31, 2020 | For The Year Ended March 31, 2019 |
|---|---|---|---|
| I Revenue from operations | 21 | 4,663 | 1,453 |
| II Other income | 22 | 520 | 376 |
| III Total income (I +II) | | 5,183 | 1,829 |
| IV Expenses | | | |
| (a) Change in inventories of stock-in-trade | 23 | 3 | 5 |
| (b) Finance costs | 24 | 3,310 | 930 |
| (c) Depreciation and amortisation expense | 2 | 2 | 38 |
| (d) Other expenses | 25 | 1,032 | 339 |
| Total Expenses (IV) | | 4,347 | 1,312 |
| V Profit/ (loss) before exceptional item and tax (III-IV) | | 836 | 517 |
| VI Exceptional items | | - | - |
| VII Profit/ (loss) before tax (V-VI) | | 836 | 517 |
| VIII Tax Expense | 26 | | |
| (a) Current tax | | - | 83 |
| (b) Tax adjustments related to earlier years | | 7 | 47 |
| Total Tax Expenses | | 7 | 130 |
| IX Profit after tax (VII-VIII) | | 829 | 387 |
| X Other Comprehensive income | | | |
| - Items that will not be re-classified to profit and loss | | | |
| - Equity instruments through other comprehensive income | | (47,679) | (7,487) |
| - Items that will be re-classified to profit and loss | | - | - |
| Other comprehensive income for the year, net of tax | | (47,679) | (7,487) |
| XI Total comprehensive income for the year, net of tax (IX-X) | | (46,850) | (7,100) |
| X Earnings per share - Basic (Amount in ₹) | 27 | 0.14 | 0.06 |
| - Diluted (Amount in ₹) | | - | - |
| 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

**(Ashwani Kumar Mishra)**

*Partner*

Membership No. 078668

Place of signature: New Delhi

Date: 25/05/2020

**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)

# DCM Shriram Credit and Investments Limited

## Cash Flow Statement for the year ended March 31, 2020

(Amount in ₹ Thousand)

| Particulars | For The Year Ended March 31, 2020 | For The Year Ended March 31, 2019 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Net profit/(loss) before tax | 836 | 517 |
| Adjustments for : | | |
| Depreciation | 2 | 38 |
| Interest expense | 3,310 | 929 |
| Provision for standard Assets | 286 | - |
| Profit on sale of FA | (13) | - |
| Fair value of financial assets through Profit and loss | 126 | 120 |
| Provision for value of investment | 500 | - |
| Interest income | (29) | - |
| Operating profit before working capital changes | 5,018 | 1,604 |
| Adjustments for : | | |
| Increase/ (decrease) in trade payables | - | (1) |
| Increase/ (decrease) in other current liabilities & provisions | 156 | (402) |
| Increase/ (decrease) in other financial liabilities | - | (2,114) |
| Decrease/ (increase) in other current assets | (1) | - |
| Decrease/ (increase) in inventories | 3 | 5 |
| Decrease/ (increase) in inter corporate deposits | (114,500) | 27,000 |
| Decrease/ (increase) in other financial assets | 18 | 539 |
| Cash generated from operations | (109,309) | 26,631 |
| Income tax paid ( net of refund) | (467) | (145) |
| **Net Cash from operating activities (A)** | **(109,776)** | **26,486** |
| **B. Cash flow from investing activities** | | |
| Sale of Fixed Assets | 91 | - |
| **Net Cash from investing activities (B)** | **91** | **-** |
| **C. Cash flow from financing activities** | | |
| Repayment of loan to holding company (including interest) | (2,934) | (21,682) |
| Loan taken from Holding company (Net of repayment) | 114,500 | - |
| **Net cash (used) in financing activities ('C)** | **111,566** | **(21,682)** |
| **Net increase in cash and cash equivalents (A+B+C)** | **1,881** | **4,804** |
| Cash and cash equivalents as at opening | | |
| Cash and cheques in hand and balance with banks | 7,017 | 2,213 |
| Cash and cash equivalents as at closing | 8,898 | 7,017 |
| **Components of Cash And Cash Equivalents** | | |
| With Banks- on current account | 1,453 | 968 |
| Mutual Fund Investment (Nippon securities) | 7,445 | 6,049 |
| **Total Cash And Cash Equivalents (Note No. 8)** | **8,898** | **7,017** |
| 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Ashwani Kumar Mishra)

*Partner*

Membership No. 078668

(Ajit S. Shriram)

*Director*

(DIN - 00027918)

(Ajay S. Shriram)

*Director*

(DIN - 00027137)

Place of signature: New Delhi

Date: 25/05/2020

## DCM Shriram Credit and Investments Limited
### Statement of Changes in Equity as at March 31, 2020

(Amount in ₹ Thousand)

A. Share Capital

| Particulars | Equity Share | Compulsorily Convertible Preference Shares |
|---|---|---|
| As at March 31, 2018 | 60,012 | 30,000 |
| Changes during the year | - | - |
| As at March 31, 2019 | 60,012 | 30,000 |
| Changes during the year | - | - |
| As at March 31, 2020 | 60,012 | 30,000 |

B. Other equity

(Amount in ₹ Thousand)

| Particulars | Equity component of compound financial instrument | Reserves and surplus | | Items of other comprehensive income | Total |
|---|---|---|---|---|---|
| | | Retained Earnings | Statutory Reserve * | Equity instruments through other comprehensive | |
| **As at March 31,2018** | 0 | (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 | - | - | - | (7,467) | (7,467) |
| **As at March 31, 2019** | 0 | (41,236) | 8,495 | 25,209 | (7,532) |
| **Additions:** | | | | | |
| Profit/(loss) for the year | - | 829 | - | | 829 |
| Transfer (from)/ to statutory reserve | - | (112) | 112 | - | - |
| Other comprehensive income for the year | - | - | - | (47,679) | (47,679) |
| **As at March 31, 2020** | 0 | (40,519) | 8,607 | (22,470) | (54,382) |

*Created u/s 45 IC of the Reserve Bank of India Act, 1934 which requires 20% of profit to be transferred to special reserves before any dividend is declared.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

(Ashwani Kumar Mishra)
Partner
Membership No. 076659

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

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

Place of signature: New Delhi
Date: 25-5-2020

# DCM Shriram Credit And Investments Limited

## Notes to Standalone Financial Statements for the year ended March 31, 2020

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 2nd Floor (West Wing), Worldmark 1, Aerocity, New Delhi-110037, India.

The financial statements are approved by Board of Directors in their board meeting held on ____________

### 1.2 Statement of Compliance

The Financial Statements are prepared on an accrual basis under historical cost Convention. 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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

a) **Basis of Preparation and Presentation**
The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value 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.

b) **Going Concern:** The board of directors have considered the financial position of the Company at March 31, 2020, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations

### 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.

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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.

**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.

**Income tax:** The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

**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.

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

**Subsequent costs**: The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting

R.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS de-recognized. The cost for day-to-day servicing of property, plant and equipment are recognized in statement of profit and loss as and when incurred.

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 |

(ii) Residual value

| Asset | Residual value |
|---|---|
| Vehicles | 5% |

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 Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

The Company is following straight line method of depreciation in respect of buildings. Depreciation on buildings is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of building is 58-60 years and estimated residual value is 5%.

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

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NEW DELHI
CHARTERED ACCOUNTANTS

e) **Revenue Recognition**

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) Revenue from lease of investment property is recognized based on contractual stipulation

iii) **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.

f) **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.

g) **Current & Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification:

(i) **Assets:** An asset is treated as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle.
b. Held primarily for the purpose of trading.
c. Expected to be realized within twelve months after the reporting period, or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a
e. liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(ii) **Liabilities**: A liability is current when:

a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting period.

All other liabilities are classified as non-current

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h) **Cash & Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

i) **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:

i. Basic Earnings 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.

ii. For the purpose of calculating Diluted Earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earning.

j) **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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(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.

**Fair Value Policy:** 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

**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.

**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

S.R. GUPTA & CO. NEW DELHI

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.*

**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.

k) **Impairment**

**i) Financial assets**

The Company recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**ii) Non-financial assets:**

**Tangible and intangible assets**

Property, plant and equipment and intangible assets 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 recognised 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

**l) 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.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Note 2: Investment Properties (Deemed Cost)

(Amount in ₹ thousand)

| Particulars | Freehold Land |
|---|---|
| A. Gross carrying amount | |
| Balance as at April 1, 2018 | 1,866 |
| Addition during the year | - |
| Balance as at March 31, 2019 | 1,866 |
| Addition during the year | - |
| Balance as at March 31, 2020 | 1,866 |
| B. Accumulated Depreciation | |
| Balance as at April 1, 2018 | - |
| Depreciation charge for the year | - |
| Balance as at March 31, 2019 | - |
| Depreciation charge for the year | - |
| Balance as at March 31, 2020 | - |
| C. Net carrying amount | |
| Balance as at March 31, 2019 | 1,866 |
| Balance as at March 31, 2020 | 1,866 |

**Investment Property disclosures under Ind AS 40**

**(a) Amount recognized in Statement of Profit and Loss on account of Investment property**

(Amount in ₹ thousand)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Rental Income | - | - |
| Direct operating expenses from property that generated rental income | - | - |
| Income from investment properties before depreciation | - | - |
| Depreciation | - | - |
| Income from investment properties after depreciation | - | - |

**(b) Fair value**

The fair value of the Company's investment properties as at March 31,2020 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 of the Company's investment properties and fair value hierarchy are as follows:**

(Amount in ₹ Thousand)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Fair value of Land | 41,305 | 42,933 |
| Fair valuation Hierarchy | Level 3 | Level 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.

# DCM Shriram Credit And Investments Limited
## Notes to Financial Statements as at March 31, 2020

**Note 3 : Property, plant and equipment**

(Amount in ₹ Thousand)

| Particulars | Vehicle |
|---|---|
| <u>Gross carrying amount (deemed cost)</u> | |
| **As at April 1, 2018** | 256 |
| Add: Additions made during the year | - |
| Less: Disposals / adjustments during the year | - |
| **As at March 31, 2019** | 256 |
| Add: Additions made during the year | - |
| Less: Disposals / adjustments during the year | 256 |
| **As at March 31, 2020** | - |
| <u>Depreciation and impairment</u> | |
| **As at April 1, 2018** | 138 |
| Add: Depreciation charge for the year | 38 |
| Less: On disposals / adjustments during the period | - |
| **As at March 31, 2019** | 176 |
| Add: Depreciation charge for the year | 2 |
| Less: On disposals / adjustments during the period | (178) |
| **As at March 31, 2020** | - |
| <u>Net carrying amount</u> | |
| **As at March 31, 2020** | - |
| As at March 31, 2019 | 80 |

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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(Amount in ₹ Thousand)

| Note 4: Non-Current Investments | | As At March 31, 2020 | | As At March 31, 2019 |
|---|---|---|---|---|
| Non Trade Investments | | | | |
| Government securities (Unquoted) (at cost) | | | | |
| National Saving Certificates | | - | | 8 |
| Investment in shares, units and bonds | | | | |
| **Quoted (At fair value through other comprehensive income)** | | | | |
| 1,40,000 (March 31, 2019 - 1,40,000) equity shares of IFCI Ltd. of ₹10/- each fully paid up | | 567 | | 1,932 |
| 2,98,795 (March 31, 2019 - 2,98,795) equity shares of Bank of Baroda of ₹ 2/- each fully paid up | | 15,893 | | 38,182 |
| 20,108 (March 31, 2019 - 20,108) equity shares of Gujarat State Petronet Ltd of ₹ 10 each fully paid up | | 3,498 | | 3,834 |
| 17,150 (March 31, 2019 - 17,150) equity shares of Punjab National Bank of ₹ 2 each fully paid-up | | 505 | | 1,629 |
| 89,350 (March 31, 2019 - 89,350) equity shares of Yes Bank Ltd of ₹ 2 each fully paid up | | 2,006 | | 24,580 |
| **Unquoted (At fair value through other comprehensive income)** | | | | |
| 3,00,000 (March 31, 2019 - 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 | 3,000 | - | 3,000 | - |
| 2,00,000 (March 31, 2019 - 2,00,000) equity shares of Elentarie Commercial Ltd. of ₹10 each fully paid-up | 15,000 | | 15,000 | |
| Less : Impairment in value of investment | 15,000 | - | 15,000 | - |
| 40,000 (March 31, 2019 - 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 | 7,500 | - | 7,500 | - |
| **Quoted (At fair value through profit and loss)** | | | | |
| 5,400 (March 31, 2019 - 5,400 ) Equity Fund Unit Scheme of Unit Trust of India of ₹10/- each fully paid up | | 449 | | 575 |
| **Investment in Subsidiaries** | | | | |
| **Unquoted (at cost)** | | | | |
| 50,007 (March 31, 2019 - 50,007) Equity shares of DCM Shriram Infrastructure Ltd. of ₹10 each fully paid up | 500 | | 500 | |
| Less : Impairment in value of investment | 500 | - | - | 500 |
| 10,000 (March 31, 2019 - 10,000) Equity shares of DCM Shriram Foundation of ₹10 each fully paid up | | 100 | | 100 |
| | | **23,036** | | **71,346** |

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Aggregate Book Value:** | | |
| Unquoted | 25,600 | 26,106 |
| Aggregate provision for impairment of investments | 25,500 | 25,500 |
| **Quoted (At fair value through other comprehensive income)** | | |
| Book Value | 16,904 | 16,604 |
| Fair Value | 22,497 | 70,165 |
| **Quoted (At fair value through profit and loss)** | | |
| Book Value | 47 | 47 |
| Fair Value | 449 | 575 |

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(Amount in ₹ Thousand)

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Note 5 : Loans (at amortized cost)** | | |
| **Non-Current** | | |
| (a) Loans considered goods-Secured* | 14,500 | - |
| (b) Loans considered goods-Unsecured | - | - |
| (c) Loans which have significant increase in Credit Risk | - | - |
| (d) Loans - Credit impaired | - | - |
| | **14,500** | - |
| **Current** | | |
| (a) Loans considered goods-Secured | - | - |
| (b) Loans considered goods-Unsecured | 100,000 | - |
| (c) Loans which have significant increase in Credit Risk | - | - |
| (d) Loans - Credit impaired | - | - |
| | **100,000** | - |

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# DCM Shriram Credit And Investments Limited
## Notes to Financial Statements as at March 31, 2020

(Amount in ₹ Thousand)

| Note 6 : Non-Current Tax Assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Advance Tax (Net of Provisions of 459 thousand (March 31, 2019: 452 thousand)) | 2,695 | 2,235 |
| | 2,695 | 2,235 |

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(Amount in ₹ Thousand)

| Note 7: Inventories* | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Equity Shares ( Quoted)** | | |
| 800 ( March 31, 2019: 800) shares of Jindal Poly Films | 39 | 39 |
| 300 ( March 31, 2019: 300) shares of Punjab Communication | 3 | 6 |
| 200 ( March 31, 2019: 200) shares of Jindal Poly Investment and Finance Company Ltd | - | - |
| 200 ( March 31, 2019: 200) shares of Universus Photo Imagings Ltd | - | - |
| | 42 | 45 |

*Inventories are valued at lower of Cost and NRV(Net realisable value)

| Note 8: Trade Receivables | | |
|---|---|---|
| (a) Trade Receivables considered goods-Secured | - | - |
| (b) Trade Receivables considered goods-Unsecured | - | - |
| (c) Trade Receivables which have significant increase in Credit Risk | - | - |
| (d) Trade Receivables -Credit impaired | - | - |
| | - | - |

| Note 9: Cash and Cash Equivalents | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Balances with banks | | |
| - Current accounts | 1,453 | 968 |
| Mutual Fund Investment (Fair value through Profit and Loss) 1534.800 (March 31, 2019: 1,326.038) units of Nippon India Liquid Fund-Direct Plan-Growth (Formerly Reliance Liquid Fund) | 7,445 | 6,049 |
| | 8,898 | 7,017 |

| Note10 : Bank balances other than cash and cash equivalents | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Balances with banks | | |
| - Current accounts (Earmarked) | 7 | 7 |
| | 7 | 7 |

| Note 11 : Others Financial Current Assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Interest accrued but not due | 29 | - |
| Security Deposit* | - | 45 |
| | 29 | 45 |

*The Company has determined its security deposits not to be in the nature of loans, and accordingly classified as part of other financial assets.

| Note 12 : Other Current Assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Prepaid expenses | 6 | 5 |
| | 6 | 5 |

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(Amount in ₹ Thousand)

| Note 13 : Equity Share capital | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 6,001,208 (March 31, 2019 - 6,001,208 ) Equity shares of ₹ 10 each* | 60,012 | 60,012 |
| 8 (March 31, 2019 - 8) Preference Shares of ₹100 each* | 1 | 1 |
| 5,997,792 (March 31, 2019 - 5,997,792) Unclassified Shares of ₹ 10 each* | 59,978 | 59,978 |
| 92 (March 31, 2019 - 92) Unclassified Shares of ₹ 100 each* | 9 | 9 |
| | 120,000 | 120,000 |
| **Issued, Subscribed and Paid up Share capital** | | |
| 60,01,208 (March 31, 2019 - 60,01,208) Equity shares of ₹ 10 each, fully paid up* | 60,012 | 60,012 |
| | **60,012** | **60,012** |

* Number of Shares are given in absolute numbers.

Notes:

**a) Reconciliation Of Shares Outstanding At The Beginning of the Year and at the End of the Year**

(Amount in ₹ Thousand)

| | No. of shares | INR value |
|---|---|---|
| Shares outstanding as at March 31, 2018 | 6,001,208 | 60,012 |
| Changes during the year | - | - |
| Shares outstanding as at March 31, 2019 | 6,001,208 | 60,012 |
| Changes during the year | - | - |
| **Shares outstanding as at March 31, 2020** | **6,001,208** | **60,012** |

**b) 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.

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

(Amount in ₹ Thousand)

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Equity*** | | |
| DCM Shriram Limited | 6,001,208 | 6,001,208 |

***This includes 6 (March 31, 2019 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Credit and Investment Limited.

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

(Amount in ₹ Thousand)

| | As At March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| Equity | | | | |
| DCM Shriram Limited** | 6,001,208 | 100% | 6,001,208 | 100% |
| | 6,001,208 | 100% | 6,001,208 | 100% |

**This includes 6 (March 31, 2019 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

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# DCM Shriram Credit And Investments Limited

## Notes to Financial Statements as at March 31, 2020

(Amount in ₹ Thousand)

| Note 14: Instruments entirely equity in nature | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 30,00,000 (March 31, 2019 - 30,00,000 ) Preference Shares of ₹ 10 each* | 30,000 | 30,000 |
| | 30,000 | 30,000 |
| **Issued, Subscribed and Paid up Share capital** | | |
| 30,00,000 (March 31, 2019 - 30,00,000) 0.01% Compulsorily convertible preference share ₹ 10 each* | 30,000 | 30,000 |
| | 30,000 | 30,000 |

* Number of Shares are given in absolute numbers.

**Notes:**

**a) Reconciliation Of Shares Outstanding At The Beginning of the Year and at the End of the Year**

(Amount in ₹ Thousand)

| Compulsorily Convertible Preference Shares | | |
|---|---|---|
| Shares outstanding as at March 31, 2018 | 3,000,000 | 30,000 |
| Changes during the year | - | - |
| Shares outstanding as at March 31, 2019 | 3,000,000 | 30,000 |
| Changes during the year | - | - |
| **Shares outstanding as at March 31, 2020** | **3,000,000** | **30,000** |

**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. |

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

(Amount in ₹ Thousand)

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Compulsorily Convertible Preference Shares** | | |
| DCM Shriram Limited | 3,000,000 | 3,000,000 |

***This includes 6 (March 31, 2019 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Credit and Investment Limited.

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

(Amount in ₹ Thousand)

| | As At March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| **Compulsorily Convertible Preference Shares** | | | | |
| DCM Shriram Limited | 3,000,000 | 100% | 3,000,000 | 100% |
| | 3,000,000 | 100% | 3,000,000 | 100% |

**This includes 6 (March 31, 2019 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

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(Amount in ₹ Thousand)

| Note 15 : Other equity | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| (i) Equity component of compound financial instrument* <br> * Represent ₹ 449 (March 31, 2019: ₹449) | - | - |
| (ii) Retained Earnings | (40,519) | (41,236) |
| (iii) Statutory Reserves | 8,607 | 8,495 |
| (iv) Other Comprehensive Income | (22,470) | 25,209 |
| | (54,382) | (7,532) |

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

b) Nature and Purpose of Other Reserves

**i) Retained Earnings**
Retained earnings are the profits that the Company has earned/bear till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**(ii) Equity Component of Other financial Instruments**
It represnets equity component of financial liability w.r.t. cumulative redeemable preference shares issued by the Company.

**(iii) Statutory Reserves**
Created u/s 45 IC of the Reserve Bank of India Act, 1934 which requires 20% of profit to be transferred to special reserves before any dividend is declared.

**(iv) Other Comprehensive Income**
It represents the cumulative gains/(losses) arising on the fair valuation of Equity Shares (other than investments in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI, net of amounts reclassified to Retained Earnings on disposal of such instruments.

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# DCM Shriram Credit And Investments Limited
## Notes to Financial Statements as at March 31, 2020

(Amount in ₹ Thousand)

| Note 16: Borrowings | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Unsecured - at amortized cost** | | |
| Liability Component of compound financial instruments* | 1 | 1 |
| Loan from Holding Company** | 14,500 | |
| | 14,501 | 1 |

* Represents ₹ 618 (March 31, 2019 - ₹ 553)

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

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

****Loan from Holding Company**

| Category and Terms of repayment | Amount | Rate of Interest |
|---|---|---|
| With interest (Repayable after 5 years) | 14,500 | 7.50% |

| Note 17: Provisions | | |
|---|---|---|
| **Non-Current** | | |
| Provision for Standard assets | 36 | - |
| | **36** | - |
| **Current** | | |
| Provision for Standard assets | 250 | - |
| | **250** | - |

| Movement of Provision is given hereunder | Current | Non- Current |
|---|---|---|
| Opening Balance as at 1.4.2018 | - | - |
| Provision Created | - | - |
| Provision Reversed | - | - |
| **Closing Balance 31.03.2019** | - | - |
| Provision Created | 250 | 36 |
| Provision Reversed | - | - |
| **Closing Balance 31.03.2020** | **250** | **36** |

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(Amount in ₹ Thousand)

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Note 18 : Short term Borrowings(Unsecured)** | | |
| From Holding Company* | 100,000 | - |
| | 100,000 | - |

*Loan from Holding Company

| Category and Terms of repayment | Amount | Rate of Interest |
|---|---|---|
| With interest (Repayable on or before 20-06-2020) | 100,000 | 9% |

**Note 19 : Trade payables**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Current** | | |
| Total outstanding dues to micro and small enterprise | | |
| Total outstanding dues of other than micro and small enterprise | 147 | 145 |
| | 147 | 145 |

Notes:

a) 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.

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

| **Particulars** | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| (i) The Principal Amount & Interest due thereon remaining unpaid to any supplier as at end of the year | | |
| - Principal Amount due | - | - |
| - Interest accrued and due on above | - | - |
| (ii) The amount of interest paid by the buyer in terms of Sec16 of MSME Development Act,2006, along with the amount of payment made to supplier beyond the appointed day during each accounting year. | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| (v) The amount of further interest remaining due and payable even in succeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under Sec 23 of MSME Development Act,2006. | - | - |

b) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2020.

**Note 19.1 : Other financial Liabilities**

| | | |
|---|---|---|
| Interest Accrued but not due | 338 | - |
| | 338 | - |

**Note 20 : Other Current Liabilities**

| | | |
|---|---|---|
| Statutory Dues | 177 | 13 |
| Other Current Liabilities | - | 7 |
| | 177 | 20 |

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(Amount in ₹ Thousand)

| Note 21 : Revenue from operations | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Interest on Inter Corporate Deposits | 4,663 | 1,453 |
| | 4,663 | 1,453 |

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# DCM Shriram Credit And Investments Limited
## Notes to Financial Statements as at March 31, 2020

(Amount in ₹ Thousand)

| Note 22 : Other income | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Dividend Income | 234 | 293 |
| Liabilities/Provisions no longer required written back | 1 | 83 |
| Profit on sale of Property, Plant and Equipment | 13 | - |
| Miscellaneous Income | 2 | - |
| Gain on Fair Valuation of Mutual Funds | 270 | - |
| | 520 | 376 |

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(Amount in ₹ Thousand)

| Note 23 : Change In Inventories of Stock-In-Trade | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Opening Stock | 45 | 50 |
| Less: Closing Stock | 42 | 45 |
| | 3 | 5 |

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(Amount in ₹ Thousand)

| Note 24: Finance Costs | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Interest expense on financial liabilities at amortized cost on loan* | 3,310 | 930 |
| | 3,310 | 930 |

*Includes interest expense on loan from related party ₹ 3310 thousand (March 31, 2019: ₹ 929 thousand)

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(Amount in ₹ Thousand)

| Note 25 : Other expenses | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Auditors' remuneration | | |
| '- Audit fee | 124 | 124 |
| '-Other services | 47 | 59 |
| Net loss on financial assets mandatorily measured at fair value through profit and loss | - | 70 |
| Membership fees | 17 | 6 |
| Insurance | 5 | 6 |
| Provision for standard Assets | 286 | - |
| Impairment in value of investment | 500 | - |
| Miscellaneous expenses | 53 | 74 |
| | 1,032 | 339 |

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Note 26: Income tax expense

(Amount in ₹ Thousand)

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| **(a) Income tax expense** | | |
| Current tax | | |
| Current tax on profits for the year | - | 83 |
| Adjustments for current tax of prior year | 7 | 47 |
| Total current tax expense | 7 | 130 |

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

(Amount in ₹ Thousand)

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Profit/(Loss) before tax | 836 | 517 |
| MTM Gain on MF | 270 | - |
| Net Profit before tax | 566 | 517 |
| | 25.17% | 26% |
| Income tax expense | 142 | 134 |
| Tax effect of | | |
| -Income exempt from tax | (59) | (76) |
| - Non business expenses | | 22 |
| -Effect of tax losses on which deferred tax is not recognised and others | (126) | (80) |
| -Adjustments in respect of current income tax of previous years | 7 | 47 |
| -Others | 43 | - |
| **Income tax expense** | 7 | 47 |
| Effect on current tax due to MAT | - | 83 |

| | | |
|---|---|---|
| **(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** | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Unabsorbed Business Loss | 26,753 | 28,079 |
| Unabsorbed Depreciation | - | 6,045 |
| Property,Plant and Equipment | - | 1,531 |
| **Total** | **26,753** | 35,655 |
| Unrecognised Tax Effect | **6,734** | 9,270 |
| Unrecognised MAT credit entitlement | - | 4,407 |

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27 Earning Per Share (EPS):

(Amount in ₹ Thousands)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Profit/(Loss) as per statement of profit and loss | 829 | 387 |
| Dividend on 12% redeemable cumulative Preference shares | # | # |
| Profit/(Loss) attributable to equity shareholders | 829 | 387 |
| Weighted average number of equity shares outstanding(nos.) | 6,001,204 | 6,001,200 |
| Weighted average number of equity shares outstanding including dilutive | 6,001,204 | 6,001,200 |
| Basic earning per share in rupees (Face value Rs. 10 per share) | 0.14 | 0.06 |
| Diluted earning per share in rupees (Face value Rs. 10 per share)## | - | - |

# Represents ₹ 60 (2018-19 - ₹65)
## Effect of conversion of preference shares into equity share is anti dilutive in nature, thus not required to be disclosed

28 Financial Instruments by Category

(Amount in ₹ Thousands)

| Particulars | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized cost | FVTPL | FVOCI | Amortized cost |
| **Financial Assets** | | | | | | |
| Investments | 446 | 22,467 | 100 | 875 | 78,171 | 600 |
| Loans and Advances | - | - | 114,500 | - | | |
| Cash and Cash Equivalents | 7,448 | - | 1,453 | 6,049 | - | 968 |
| Other Bank Balances | | | 7 | | | 7 |
| Other financial assets | - | - | 29 | - | - | 45 |
| **Total Financial Assets** | **7,894** | **22,467** | **116,089** | **6,924** | **78,171** | **1,620** |
| **Financial Liabilities** | | | | | | |
| Borrowings | - | - | 114,501 | - | - | 1 |
| Trade payables | - | - | 147 | - | - | 145 |
| Others | - | - | 338 | - | - | - |
| **Total Financial Liabilities** | - | - | **114,986** | - | - | **146** |

29 **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise trade payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes investments, loans, cash and cash equivalents and Others.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All activities for risk management purposes are carried out by the teams that have the appropriate skills, experience and supervision.

A. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings and short term deposits.

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

B. **Credit risk**

Credit risk is the risk that 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 (primarily loans and interest receivables) and from its financing activities, including deposits with banks and other financial instruments.

**i) Financial Instruments and cash deposits**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to requisite approval. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

C. **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

**The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.**

| As at March 31, 2020 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Borrowings | - | 100,000 | 14,501 | 114,501 |
| Trade payables | - | 147 | - | 147 |
| Others | | | | |
| - Interest Accrued but not due | | 338 | - | 338 |
| **Total** | - | **100,485** | **14,501** | **114,986** |

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| As at March 31, 2019 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Borrowings | - | - | 1 | 1 |
| Trade payables | - | 145 | - | 145 |
| Others | | | | |
| - Interest Accrued but not due | | - | - | - |
| Total | - | 145 | 1 | 146 |

30 Fair Value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

a) Fair value of Financial Assets:

| Financial assets | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 | As At March 31, 2020 | As At March 31, 2019 |
| Investments in equity instrument, units and bonds | 22,936 | 70,746 | 22,936 | 70,746 |
| Investment in Subsidiary | 100 | 600 | - | - |
| Cash and Cash Equivalents | | | | |
| - Bank | 1,453 | 968 | - | - |
| - Mutual Fund Investment (Fair value through Profit and Loss) | 7,445 | 6,049 | 7,445 | 6,049 |
| Other Bank balance | 7 | 7 | | |
| Others | | | | |
| - Security Deposits | 29 | - | - | - |
| - Interest Accrued but not due | - | 45 | | |
| Loans | 114,500 | - | - | - |
| | 146,470 | 78,415 | 30,381 | 76,795 |

b) Fair value of Financial Liabilities:

| | Amortised Cost | | Fair Values | |
|---|---|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 | As At March 31, 2020 | As At March 31, 2019 |
| **Financial liability** | | | | |
| Trade payables | 147 | 145 | - | - |
| Borrowings | 114,501 | 1 | - | - |
| Others | | | | |
| - Interest Accrued but not due | 338 | - | | |
| | 114,986 | 146 | - | - |

Management has assessed that Fair value of trade receivables, cash and cash equivalents, other financail assets, Loans, Loan from Holding Company and trade payables approximate their carrying amount, largely due to the short-term nature of these instruments.

31 **Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

a) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets As At March 31, 2020:

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Investments in equity instrument, units and bonds | 22,936 | 22,936 | - | - |
| Investment in Subsidiary** | 100 | - | - | - |
| Cash and Cash Equivalents | | | | |
| - Bank ** | 1,453 | - | - | - |
| - Mutual Fund Investment (Fair value through Profit and Loss) | 7,445 | 7,445 | - | - |
| Other Bank balance | 7 | - | | |
| Others | | | | |
| - Security Deposits ** | - | - | - | - |
| - Interest Accrued but not due ** | 29 | | | |
| Loans ** | 114,500 | - | - | - |
| **Total A** | 146,470 | 30,381 | - | - |

** Financial Asset are presented at amortised cost

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b) Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities As At March 31, 2020:

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Liabilities Measured at Amortised Cost** | | | | |
| Trade payables | 147 | - | - | - |
| Borrowings | 114,501 | - | - | - |
| Others | | | | |
| - Interest Accrued but not due | 338 | | | |
| Total B | 114,986 | - | - | - |

c) Quantitative Disclosures Fair Value Measurement Hierarchy for Assets As At March 31, 2019:

| | As At March 31, 2019 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Investments in equity instrument, units and bonds | 70,746 | 70,746 | - | - |
| Investment in Subsidiary** | 600 | - | - | - |
| Cash and Cash Equivalents | - | - | | |
| - Bank ** | 968 | - | - | - |
| - Mutual Fund Investment (Fair value through Profit and Loss) | 6,049 | 6,049 | - | - |
| Other Bank balance | 7 | - | | |
| Others | - | - | | |
| - Security Deposits ** | - | - | - | - |
| - Interest Accrued but not due | 45 | | | |
| Loans ** | - | - | - | - |
| **Total C** | 78,415 | 76,795 | - | - |

** Financial Asset are presented at amortised cost

d) Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities As At March 31, 2019:

| | As At March 31, 2019 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Liabilities Measured at Amortised Cost** | | | | |
| Trade payables | 145 | - | - | - |
| Borrowings | 1 | - | - | - |
| Others | | | | |
| - Interest Accrued but not due | - | | | |
| **Total D** | 146 | - | - | - |

Management has assessed that Fair value of trade receivables, cash and cash equivalents, other financial assets, Loans, Loan from Holding Company and trade payables approximate their carrying amount, largely due to the short-term nature of these instruments.

32 **Capital Management**

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Borrowings (Refer Note No. 16 & 19) | 114,501 | 1 |
| Provisions (Refer Note No. 18) | 290 | - |
| Trade Payables (Refer Note No. 17) | 147 | 145 |
| Other financial liabilities (Refer Note No.17.1) | 338 | - |
| Other current liabilities (Refer Note No. 20) | 177 | 20 |
| Less: Cash and Cash Equivalents (Refer Note No. 9) | (8,898) | (7,017) |
| Net debt | 106,561 | (6,852) |

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| | | |
|---|---|---|
| Equity share capital (Refer Note No. 13) | 60,012 | 60,012 |
| Compulsorily convertible preference share (Refer Note No. 14) | 30,000 | 30,000 |
| Other equity (Refer Note No. 15) | (54,382) | (7,532) |
| Total Capital | 35,630 | 82,480 |
| Total Capital plus Net Debt | 142,181 | 75,629 |
| Gearing Ratio | 0.75 | (0.09) |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

33 Segment Information

1.In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the company as a single unit), the operations of the Company falls under investing and financing activity, which is considered to be the only reportable segment.

2.During the year ended March 31, 2020, the Company has transactions of Rs 4,830 thousands with two customers which amounts to 10% or more of the Company's revenues from operation.

34 In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

35 **Contingent Liability**

ii. Arrears of dividend on 12% cumulative redeemable preference shares of ₹ 100 each is ₹ 1,726 (2018-19 ₹ 1,632).

36 **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 |

(Amount in ₹ Thousand)

| Particulars | Holding Company | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Interest expense | 3,310 | 929 |
| Loans Taken | 314,500 | - |
| Loans Repaid | 200,000 | 20,894 |
| **Balance outstanding as at year end** | | |
| Interest Payable | 338 | - |
| Unsecured Loan | 114,500 | - |

37 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.

38 **Subsequent Events**

The outbreak of COVID-19 in India does not have or likely to have a significant adverse impact on the Company's operations. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due for payment.

39 The figures are rounded off to the nearest thousands.

40 Notes 1 to 40 form an integral part of the financial statements.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

| | |
|---|---|
| (Ajit S. Shriram) | (Ajay S. Shriram) |
| *Director* | *Director* |
| (DIN - 00027918) | (DIN - 00027137) |

Place of signature: New Delhi
Date: 25/05/2020

# DCM Shriram Credit And Investments Limited

## Grouping of Profit & Loss

(Amount in ₹ Thousand)

| 1. **Miscellaneous expenses** | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Bank Charges | 1 | 2 |
| Consultation Fees | 11 | 37 |
| Other Miscellaneous expenses | 6 | 36 |
| Subscription Charges | 35 | - |
| Adjusting Account | - | (0) |
| | 53 | 74 |

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

## 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, 2020, 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, 2020, 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 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 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 and Those Charged with Governance 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, the Board of Directors 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 the Board of Directors 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.

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NEW DELHI
CHARTERED ACCOUNTANTS

**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, to the extent applicable.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAH1842

Place of Signature: New Delhi
Date: 25/05/2020

## 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 paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2020, we report that:

i) In respect of fixed assets comprising property, plant and equipment:

The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) (a) to ( c) are not applicable to the Company.

ii) The Company does not have inventory. Accordingly, the provisions of clause 3 (ii) 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 loans, secured or unsecured, to any of the Companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (b) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

iv) In our opinion and according to the information and explanation given to us, the Company has not entered into any transaction covered under section 185 and 186 of the act. Accordingly, the provisions of clause 3(iv) of the order are not applicable.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.

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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other statutory dues to the extent applicable to it. Further, no undisputed amounts were payable in respect of income tax and other statutory dues were outstanding, as at 31st March, 2020 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 are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax 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 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) In our opinion and according to the information and explanations given to us, In our opinion and according to the information and explanations given to us, the Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

xii) The Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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.

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. Accordingly, provisions of clause 3 (xvi) of the order are not applicable.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAH1842

Place of Signature: New Delhi
Dated: 25/05/2020

## Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS financial statement of Hariyali Rural Ventures 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 **Hariyali Rural Ventures Limited ("the Company")** as of March 31, 2020 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.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**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, 2020, 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

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAH1842

Place of Signature: New Delhi
Date: 25/05/2020

## Hariyali Rural Ventures Limited
### Balance Sheet as at March 31, 2020

(Amount in ₹ thousand)

| Particulars | Notes | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|---|
| **I. Assets** | | | |
| Non-current assets | | | |
| (a) Investment Property | 2 | 7,956 | 7,956 |
| **Total non-current assets** | | 7,956 | 7,956 |
| Current Assets | | | |
| (a) Financial assets | | | |
| (i) Cash and cash equivalents | 3 | 654 | 865 |
| (ii) Other financial assets | 4 | 10,181 | 10,109 |
| (b) Current Tax assets(Net) | 5 | 402 | 273 |
| (c) Asset classified as held for sale | 6 | 13,509 | 31,615 |
| **Total current assets** | | 24,746 | 42,863 |
| **Total Assets** | | 32,702 | 50,819 |
| **II. Equity And Liabilities** | | | |
| Equity | | | |
| (a) Equity share capital | 7 | 10,000 | 10,000 |
| (b) Other equity | 8 | (10,229) | (26,643) |
| **Total equity** | | (229) | (16,643) |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 9 | | |
| - Total outstanding dues of micro and small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro and small enterprises | | 352 | 36 |
| (ii) Other financial liabilities | 10 | 31,043 | 67,341 |
| (b) Other current liabilities | 11 | 35 | 85 |
| (c) Liabilities directly associated with assets classified as held for sale | 12 | 1,501 | - |
| **Total Current Liabilities** | | 32,931 | 67,462 |
| **Total equity and Liabilities** | | 32,702 | 50,819 |

**Summary of significant Accounting Policies** 1.3

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

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Ashwani Kumar Mishra)
*Partner*
Membership No.: 078668

Place of Signature: New Delhi
Date: 25/05/2020

**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, 2020

(Amount in ₹ thousand)

| | Particulars | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|---|
| I | Revenue from operations | 13 | 150 | 75 |
| II | Other Income | | - | - |
| III | Total Income | | 150 | 75 |
| IV | Expenses | | | |
| | Finance Costs | 14 | 10 | 5 |
| | Other Expenses | 15 | 53 | 10,114 |
| | Total Expenses | | 63 | 10,119 |
| V | **Profit/ (loss) before Exceptional items (III-IV)** | | 87 | (10,044) |
| VI | **Exceptional Items** | 16 | 16,642 | 1,453 |
| VII | **Profit/ (loss) before Tax(V+VI)** | | 16,729 | (8,591) |
| VIII | **Tax Expense** | 17 | | |
| | (a) Current tax | | 38 | 7 |
| | (b) Deferred tax | | - | - |
| | (c) Tax adjustments related to earlier years | | 277 | 11 |
| IX | **Profit/(Loss) after tax** | | 16,414 | (8,609) |
| X | **Other Comprehensive Income** | | | |
| | (A) Items that will be reclassified to statement of profit and loss, net of tax | | - | - |
| | (B) Items that will not be reclassified to statement of profit and loss, net of tax | | - | - |
| | **Other Comprehensive Income for the year, net of tax** | | - | - |
| XI | **Total Comprehensive Income for the year** | | 16,414 | (8,609) |
| XII | **Earnings per equity share: (Face Value ₹ 10 per share)** | 18 | 16.41 | (8.61) |

**Summary of significant Accounting Policies**

**The accompanying notes form 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

**(Ashwani Kumar Mishra)**
*Partner*
Membership No.: 078668

Place of Signature: New Delhi
Date: 25/05/2020

**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 Cash Flows for the year ended 31 March 2020

(Amount in ₹ thousand)

| Particulars | For the year ended 31-Mar-20 | For the year ended 31-Mar-19 |
|---|---|---|
| **I. Cash flows from operating activities:** | | |
| Net (loss)/ profit before tax | 16,729 | (8,591) |
| Adjustments for: | | |
| Loss on fair valuation of property | - | 10,007 |
| **Movements in working capital:** | | |
| (Increase)/ decrease in other current assets | 18,033 | 17,699 |
| (Decrease) / increase in trade and other payables | 316 | (41) |
| (Decrease)/ increase in other Financial liabilities | (36,297) | (13,493) |
| (Decrease)/ increase in other liabilitees | 1,451 | (4,926) |
| Cash generated from operations | 232 | 716 |
| Income taxes paid | (444) | (291) |
| **Net cash (used in) / generated by operating activities (A)** | (212) | 425 |
| **II. Cash flows from investing activities:** | | |
| **Net cash (used in) / generated by investing activities (B)** | - | - |
| **III. Cash flows from financing activities:** | | |
| **Net cash (used in) / generated by financing activities (C)** | - | - |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | (212) | 425 |
| **Cash and cash equivalents at the beginning of the year** | 866 | 441 |
| **Cash and cash equivalents at the end of the year (Note No. 3)** | 654 | 866 |
| **Components of Cash And Cash Equivalents** | | |
| Cash in hand | - | - |
| With Banks- on current account | 654 | 866 |
| **Total Cash And Cash Equivalents (Note No. 3)** | 654 | 866 |

Note: The above statement of Cash Flows has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of Cash Flows.'

**Summary of significant Accounting Policies**

**The accompanying notes form 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership No.: 078688

Place of Signature: New Delhi
Date: 25/05/2020

**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, 2020

A. Equity share capital

| Particulars | (Amount in ₹ thousand) |
|---|---|
| Balance as at April 01, 2018 | 10,000 |
| Changes during the year | - |
| Balance as at March 31, 2019 | 10,000 |
| Changes during the year | - |
| Balance as at March 31, 2020 | 10,000 |

B. Other equity

(Amount in ₹ thousand)

| Particulars | Other Equity |
|---|---|
| | Retained earnings |
| As at March 31, 2018 | (18,034) |
| Profit/(Loss) for the year | (8,609) |
| As at March 31, 2019 | (26,643) |
| Profit/(Loss) for the year | 16,414 |
| As at March 31, 2020 | (10,229) |

**Nature and purpose of other reserves**

Retained earnings are the profits that the company earned till date less any transfer to general reserve, dividend and other distribution to the shareholders. All the profits made by company are transferred to the retained earning from the statement of Profit & Loss.

**Summary of significant Accounting Policies**

**The accompanying notes form 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership No.: 078668

Place of Signature: New Delhi
Date: 25/05/2020

**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

## Notes to Ind-AS Financial Statements for the year Ended March 31, 2020

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 at Worldmark 1, 2nd floor (West Wing), Aerocity, New Delhi -110037, India.

The financial statements are approved by Board of Directors in their board meeting held on ______________.

### 1.2 Statement of Compliance

The Financial Statements are prepared on an accrual basis under historical cost Convention. 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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable. The accounting policies are applied consistently to all the periods presented in the financial statements.

a) **Basis of Preparation and Presentation:**
The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value 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.

b) **Going Concern Assumption**
The net worth of the company has been completely eroded. However, its holding company has committed its 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) 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 Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

The Company is following straight line method of depreciation in respect of buildings. Depreciation on buildings is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of building is 58-60 years and estimated residual value is 5%.

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**b) Revenue Recognition**

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) Revenue from lease of investment property is recognized based on contractual stipulation

ii) 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.

**c) Current & Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification:

(i) **Assets:** An asset is treated as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle.
b. Held primarily for the purpose of trading
c. Expected to be realized within twelve months after the reporting period, or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a
e. liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(ii) **Liabilities:** A liability is current when:

a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting period.

All other liabilities are classified as non-current

**d) Cash & Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**e) 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:

i. Basic Earnings 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.

ii. For the purpose of calculating Diluted Earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are

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deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

f) **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.

**Fair Value Policy:** 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

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**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.

g) **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.

**Income tax:** The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

h) **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.

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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.

i) **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.

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# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2020

Note 2: Investment Property

(Amount in ₹ thousand)

| Particulars | Freehold Land |
|---|---|
| A. Gross carrying amount | |
| Balance as at April 1, 2018 | - |
| Addition during the year (reclassification of asset) | 7,955 |
| Balance as at March 31, 2019 | 7,956 |
| Addition during the eyar | - |
| Balance as at March 31, 2020 | 7956 |
| B. Accumulated Depreciation | |
| Balance as at April 1, 2018 | - |
| Depreciation charge for the year | - |
| Balance as at March 31, 2019 | - |
| Depreciation charge for the year | - |
| Balance as at March 31, 2020 | - |
| C. Net carrying amount | |
| Balance as at March 31, 2019 | 7,956 |
| Balance as at March 31, 2020 | 7,956 |

**Investment Property disclosures under Ind AS 40**

(a) Amount recognized in Statement of Profit and Loss on account of investment property

(Amount in ₹ thousand)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Rental Income | 150 | 75 |
| Direct operating expenses from property that generated rental income | - | - |
| Income from investment properties before depreciation | 150 | 75 |
| Depreciation | - | - |
| Income from investment properties after depreciation | 150 | 75 |

**(b) Fair value**

The fair value of the investment property as at March 31, 2020 have been arrived at on the basis of a valuation 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:**

(Amount in ₹ Thousands)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Fair value of the property | 9,300 | 7956 |
| Fair valuation Hierarchy | Level 3 | Level 3 |

(Amount in ₹ thousand)

| Note 3: Cash and cash equivalents | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Balances with banks on | | |
| -current accounts | 654 | 866 |
| | 654 | 866 |

(Amount in ₹ thousand)

| Note 4: Other Financial assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Compensation Receivable for property acquisition | 10,106 | 10,106 |
| Recievable from Holding company | 75 | - |
| | 10,181 | 10,106 |

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## Hariyali Rural Ventures Limited
## Notes to the Financial Statements as at March 31, 2020

(Amount in ₹ thousand)

| Note 5:Current Tax Assets(Net) | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Tax Deducted At Source<br>[Net of provision for tax ₹ 38 thousand (March 31, 2019: ₹ 7 thousand)] | 402 | 273 |
| | 402 | 273 |

[This space has been left blank intentionally]

## Hariyali Rural Ventures Limited
### Notes to the Financial Statements as at March 31, 2020

(Amount in ₹ thousand)

| Note 6: Assets classified as held for sale | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Freehold Land | 13,509 | 24,118 |
| Building | - | 7,500 |
| | 13,509 | 31,618 |

Refer Note 26 for other information relating to assets classified as held for sale.

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[This space has been left blank intentionally]

(Amount in ₹ thousand)

| Note 7: Equity Share Capital | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 10,00,000 (March 31, 2019 : 10,00,000) Equity shares of Rs 10 each* | 10,000 | 10,000 |
| | 10,000 | 10,000 |
| **Issued, subscribed and paid up** | | |
| 10,00,000 (March 31, 2019: 10,00,000) Equity shares of Rs 10 each*, fully paid up | 10,000 | 10,000 |
| | 10,000 | 10,000 |

* Number of shares are given in absolute numbers.

Notes:

**i) Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

(Amount in ₹ thousand)

| | As At March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of Shares | Amount |
| Equity shares of ₹10 each issued, subscribed and fully paid | | | | |
| Shares outstanding at the beginning of the year | 1,000,000 | 10,000 | 1,000,000 | 10,000 |
| Shares issued during the period | - | - | - | - |
| Shares bought back during the period | - | - | - | - |
| Shares outstanding at the end of the period | 1,000,000 | 10,000 | 1,000,000 | 10,000 |

**ii) 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.

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

| | As At March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| DCM Shriram Limited, the holding company | 1,000,000 | 100% | 1,000,000 | 100% |

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

| | As At March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| DCM Shriram Limited* | 1,000,000 | 100% | 1,000,000 | 100% |
| | 1,000,000 | 100% | 1,000,000 | 100% |

* This includes 6 (March 31, 2019 : 6) equity shares held by other shareholders as nominee on behalf of DCM Shriram Limited.

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NEW DELHI
CHARTERED ACCOUNTANTS

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# Hariyali Rural Ventures Limited

## Notes to the Financial Statements as at March 31, 2020

(Amount in ₹ thousand)

| Note 5: Other Equity | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Retained Earnings** | | |
| Balance at beginning of year | (26,643) | (18,034) |
| Add: Profit/(loss) for the year | 16,414 | (8,609) |
| Balance at end of period | (10,229) | (26,643) |

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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## Harivali Rural Ventures Limited
### Notes to the Financial Statements as at March 31, 2020

(Amount in ₹ thousand)

| Note 9: Trade payables | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Total outstanding dues to micro and small enterprise | - | - |
| Total outstanding dues of other than micro and small enterprise | 352 | 36 |
| | 352 | 36 |

Notes:

a) 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.

| Details of dues to micro and small enterprises as defined under the MSMED Act, 2006<br>Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| i) The Principal Amount & Interest due thereon remaining unpaid to any supplier as at end of the year | | |
| - Principal Amount due | - | - |
| - Interest accrued and due on above | - | - |
| ii) The amount of interest paid by the buyer in terms of Sec16 of MSME Development Act,2006 along with the amount of payment made to supplier beyond the appointed day during each accounting year. | - | - |
| iii) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| v) The amount of further interest remaining due and payable even in succeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under Sec 23 of MSME Development Act,2006. | - | - |

b) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2020.

c) The above does not includes any amount due to be transferred to Investor Education & Protection Fund.

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# Hariyali Rural Ventures Limited
## Notes to the Financial Statements as at March 31, 2020

| Note 10: Other Financial liabilites | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| | | (Amount in ₹ thousand) |
| Security Deposits(Unsecured ) | | |
| From Holding Company | 31,043 | 67,341 |
| (Refer Note 22 C) | | |
| | 31,043 | 67,341 |

| Note 11 : Other Current Liabilities | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| | | (Amount in ₹ thousand) |
| Advance rent received from Holding Company | - | 75 |
| Others | - | 10 |
| TDS Payable | 35 | |
| | 35 | 85 |

| Note 12 : Liabiliy directly associated with Assets classified as held for sale | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| | | (Amount in ₹ thousand) |
| Advance received against asset held for sale | 1,501 | - |
| | 1,501 | - |

Advance received from party for Lasalgaon property, which is classified as asset held for sale. However the agreement of sale could not be executed. Hence amount is to be refunded to the party.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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# Hariyali Rural Ventures Limited
## Notes to the Financial Statements as at March 31, 2020

(Amount in ₹ thousand)

| Note 13: Revenue from operations | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Rental Income | 150 | 75 |
| | 150 | 75 |

The Company has given its freehold land, lying under investment property, on operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term. Lease income of ₹150 thousand (March 31, 2019: ₹ 75 thousand) has been recognised and included under revenue from operations.

(Amount in ₹ thousand)

| Note 14: Finance Costs | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest on delayed payment of taxes | 10 | 5 |
| | 10 | 5 |

(Amount in ₹ '000')

| Note 15: Other Expenses | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Provision for Impairment in value of assets | - | 10,067 |
| Auditors' Remuneration | | |
| - Statutory Audit Fees | 35 | 35 |
| Bank Charges | 3 | 1 |
| Other Misc. Expenses | 14 | 11 |
| | 53 | 10,114 |

(Amount in ₹ thousand)

| Note 16: Exceptional Items | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit on sale of Assets held for disposal | 16,641 | 1,453 |
| | 16,641 | 1,453 |

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[This space has been left blank intentionally]

Note 17: Income tax expense

(Amount in ₹ thousand)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **(a) Income tax expense** | | |
| Current tax | | |
| Current tax on profits for the year | 38 | 7 |
| Adjustments for current tax of prior year | 277 | 11 |
| **Total current tax expense** | 315 | 18 |

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

(Amount in ₹ thousand)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Profit/(Loss) before tax | 16,729 | (8,591) |
| | 0.25 | 0.26 |
| Income tax expense | 4,211 | (2,234) |
| -Effect of tax losses on which deffered tax is not recongnised and others | (4,226) | 2,239 |
| -Adjustments in resped of current income tax of previous years | 277 | 11 |
| Others | 54 | 2 |
| **Income tax expense** | 315 | 18 |
| **(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:**

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Unabsorbed Long term capital Loss | 108,178 | 59,809 |
| Unabsorbed business losses | - | (28) |
| Provision for impairment in value of assets | 73 | 27,834 |
| **Total** | 108,251 | 87,615 |
| Unrecognised Tax Effect | 21,650 | 17,521 |

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18 Earning Per Share (EPS):

(Amount in ₹ thousand)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Profit/(Loss) as per statement of profit and Loss | 10,414 | (9,609) |
| 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) | 10.41 | (9.61) |

19 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)- 31.03.20 | 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 | 31,043 | | | - | - | 31,043 |
| Trade Payables | 352 | - | - | - | - | 352 |

| 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 |

20 Financial Instruments by Category:

(Amount in ₹ thousand)

| Particulars | 31-Mar-20 | | | 31-Mar-19 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortized cost | FVPL | FVOCI | Amortized cost |
| **Financial Assets** | | | | | | |
| Cash and Cash Equivalents | - | - | 654 | - | - | 568 |
| Other Receivables | | | 10181 | | | 10,108 |
| **Total Financial Assets** | - | - | 10,835 | - | - | 10,928 |
| | | | | | | |
| **Financial Liabilities** | | | | | | |
| Security deposits | - | - | 31,043 | - | - | 67,341 |
| Trade payables | - | - | 352 | - | - | 36 |
| **Total Financial Liabilities** | - | - | 31,395 | - | - | 67,377 |

21 Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables and security deposits. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes cash and cash equivalents and Other receivables.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All activities for risk management purposes are carried out by the teams that have the appropriate skills, experience and supervision.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings and short term deposits.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

B. Credit risk

Credit risk is the risk that 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 (primarily receivables) and from its financing activities, including deposits with banks and other financial instruments.

i) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to requisite approval. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in ₹ thousand)

| Contractual maturities of financial liabilities (Non Derivative)- 31.03.20 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Security Deposits | | 31,043 | | 31,043 |
| Trade Payables | | 352 | - | 352 |
| Total | - | 31,395 | - | 31,395 |

| Contractual maturities of financial liabilities (Non Derivative)- 31.03.2019 | On demand | Upto 1 year | Between 1 to 5 years | Total |
|---|---|---|---|---|
| Security Deposits | | 67,341 | - | 67,341 |
| Trade Payables | | 36 | - | 36 |
| Total | - | 67,377 | - | 67,377 |

22 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

a) Fair value of Financial Assets:

| Financial assets at amortised cost | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 | As At March 31, 2020 | As At March 31, 2019 |
| Cash and Cash Equivalents | 654 | 866 | - | - |
| Other Financial Assets | | | | |
| - Other Receivables | 10,181 | 10,106 | - | - |
| | 10,835 | 10,972 | - | - |

b) Fair Value of Financial Liabilities:

| Financial Liabilities at amortised cost | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 | As At March 31, 2020 | As At March 31, 2019 |
| Trade Payables | 352 | 36 | - | - |
| Other Financial Liabilities | | | | |
| - Security Deposit | 31,043 | 67,341 | - | - |
| | 31,395 | 67,377 | - | - |

Management has assessed that Fair value of other receivables, cash and cash equivalents, other financial assets, Security deposit from Holding Company and trade payables approximate their carrying amount, largely due to the short-term nature of these instruments.

23 Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

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The following table provides the fair value measurement hierarchy of the Company's assets and liabilities
a) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial instruments As At March 31, 2020:

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Financial Assets Measured At Amortised | | | | |
| Cash and Cash Equivalents | 654 | - | - | - |
| Other Financial Assets | | | | |
| - Other Receivables | 10,181 | - | - | - |
| | 10,835 | - | - | - |
| Financial Liabilities Measured at Amortised Cost | | | | |
| Trade Payables | 352 | - | - | - |
| Other Financial Liabilities | | | | |
| - Security Deposit | 31,043 | - | - | - |
| | 31,043 | - | - | - |

b) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial instruments As At March 31, 2019:

| | As At March 31, 2019 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Financial Assets Measured At Amortised | | | | |
| Cash and Cash Equivalents | 886 | - | - | - |
| Other Financial Assets | | | | |
| - Other Receivables | 10,100 | - | - | - |
| | 10,972 | - | - | - |
| Financial Liabilities Measured at Amortised | | | | |
| Trade Payables | 36 | - | - | - |
| Other Financial Liabilities | | | | |
| - Security Deposit | 67,341 | - | - | - |
| | 67,377 | - | - | - |

Management has assessed that Fair value of other receivables, cash and cash equivalents, other financial assets, Security deposit from Holding Company and trade payables approximate their carrying amount, largely due to the short-term nature of these instruments.

**24 Capital Management**

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Trade Payables (Refer Note No. 9 ) | 352 | 36 |
| Other financial liabilities-Security Deposit (Refer Note No. 10 ) | 31,043 | 67,341 |
| Other current liabilities (Refer Note No. 11 ) | 35 | 65 |
| Less: Cash and Cash Equivalents (Refer Note No. 3) | (654) | (886) |
| **Net Debt** | 30,776 | 66,596 |
| Equity share capital (Refer Note No. 7) | 10,000 | 10,000 |
| Other equity (Refer Note No. 8) | (10,229) | (26,643) |
| **Total Capital** | (229) | (16,643) |
| **Total Capital plus Net Debt** | 30,548 | 49,952 |
| **Gearing Ratio** | 1.01 | 1.33 |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

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In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

25 **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 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Security deposits repaid | 42,200 | 13,492 |
| Security deposits received | 5,800 | - |
| Self Assessment tax paid by DCM | 103 | - |
| Rental income | 150 | 75 |
| Advance received on account of rent | - | 75 |

C. Balance outstanding

(Amount in ₹ thousand)

| C. Amounts payable to DCM Shriram Limited | As at March 31,2020 | As at March 31,2019 |
|---|---|---|
| Security deposits payable | 31,043 | 67,341 |
| Advance rent received | - | 75 |
| Rent Receivable | (75) | - |
| | 30,968 | 67,416 |

26 **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:

(Amount in ₹ thousand)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Provision for impairment in value of assets held for sale included in 'Other Expenses' in the statement of Profit and Loss | - | (10,023) |
| Profit recognised in 'Exceptional items' in the statement of profit and loss on sale of assets held for sale | 16,641 | 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) |

* Last year, Barwala property was 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.

**In search of prospective buyer for Iasaigaon property Outstanding as on March 31, 2020 as asset classified as held for sale.

27 **Segment Information**

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the company as a single unit), the operations of the Company falls under investing and financialing activity, which is considered to be the only reportable segment.

2.During the year ended March 31, 2020 and March 31, 2019, the Company has revenue from operations only from its holding company.

28 In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

29 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.

30 **Subsequent Event**

The outbreak of COVID-19 in India does not have or likely to have a significant adverse impact on the Company as it is deriving its revenue from leasing of agriculture land. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due for payment.

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NEW DELHI
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31 Land at Bharatpur is compulsory acquired by Rajasthan Government, jaipur vide order 17/735 dated 15.12.2017 received in May 2018. As per order, compensation of ₹ 10,106 thousands is recoverable from the authorities. The Company has filed an appeal for the enhanced compensation on 18.06.2018 and the matter is still pending with the relevant authority.

32 The figures are rounded off to the nearest thousands.

33 Notes 1 to 32 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
Dated: 25/05/2020

B.R. GUPTA & CO.
CHARTERED ACCOUNTANTS
K-55, Connaught Circus, New Delhi-110001

## Independent Auditor's Report

To the Board of Directors of **Shriram Bioseed Venture Limited**

We have audited the accompanying standalone financial statements of **Shriram Bioseed Venture Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 standalone financial statements"). The financial statements have been prepared by management solely to enable the Company to prepare its consolidated financial statements as of March 31, 2020 and for the year then ended.

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

The Company's Board of Directors is responsible for the preparation of these Ind AS standalone financial statements solely to enable the Company to prepare its consolidated IND AS financial statements and 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 prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") 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.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the standalone financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone have been prepared, in all material respects, in conformity with the Indian Accounting Standards prescribed under section 133 of the Act ("Ind AS") and accounting principles generally accepted in India and are suitable for inclusion in the Consolidated Ind AS Financial Statements of the Company.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**Basis of Accounting and Restriction on Distribution and Use**

The standalone financial statements are prepared to assist the **Company** solely to enable in preparation of its consolidated financial statements as of March 31, 2020 and for the year then ended.

As a result, the financial statements may not be suitable for another purpose. Our report is intended solely to be used for the above stated purpose and should not be distributed to or used by parties other than the Company.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAM9451

Place of Signature: New Delhi
Date: 25/05/2020

## Shriram Bioseed Ventures Limited
### Balance Sheet as at March 31, 2020

(Amount in ` Thousand, except stated otherwise)

| Particulars | Notes | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|---|
| **I. Assets** | | | |
| Non-current assets | | | |
| (a) Investment Property | 2 | 172,225 | 172,225 |
| (b) Financial assets | | | |
| (i) Investments | 3 | 546,435 | 546,435 |
| (ii) Loans | 3.1 | 783,594 | 332,951 |
| (iii) Other financial Assets | 3.2 | 381,731 | - |
| (c) Other non-current assets | 4 | 915 | 915 |
| (d) Non-Current tax assets (net) | 5 | 174 | 473 |
| Total Non Current Assets | | 1,885,074 | 1,052,999 |
| Current assets | | | |
| Financial assets | | | |
| (i) Cash and cash equivalents | 6.1 | 17,889 | 4,227 |
| (ii) Loans | 6.2 | - | 383,776 |
| (iii) Others | 6.3 | - | 324,580 |
| **Total Current Assets** | | 17,889 | 712,583 |
| **Total Assets** | | 1,902,963 | 1,765,582 |
| **II. Equity and Liabilities** | | | |
| Equity | | | |
| (a) Equity Share capital | 7 | 40,500 | 40,500 |
| (b) Other Equity | 8 | 185,785 | 160,214 |
| **Total Equity** | | 226,285 | 200,714 |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 9 | 1,143,391 | 95,500 |
| (ii) Other financial liabilities | 10.3 | 499,432 | 3,817 |
| (b) Provisions | 11.1 | 2,913 | 832 |
| **Total Non- Current Liabilities** | | 1,645,736 | 100,149 |
| **Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 10.1 | - | 1,047,881 |
| (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 | 120 | 119 |
| (iii) Other Financial liabilities | 10.3 | 20,379 | 405,074 |
| (b) Other current liabilities | 11 | 10,443 | 9,989 |
| (c) Provisions | 11.1 | - | 1,656 |
| **Total Current Liabilities** | | 30,942 | 1,464,719 |
| **Total Equity and Liabilities** | | 1,902,963 | 1,765,582 |

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

(Ashwani Kumar Mishra)
*Partner*
Membership No. 078668

Place of signature: New Delhi
Date: 25/05/2020

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**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

## Shriram Bioseed Ventures Limited

### Statement of Profit & Loss for the year ended as on March 31, 2020

(Amount in ` Thousand, except stated otherwise)

| Particulars | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| I. Revenue from operations | 12 | 56,044 | 55,137 |
| II. Other income | 13 | 71,476 | 45,781 |
| III. Total Income (I+II) | | 127,520 | 100,918 |
| IV. Expenses | | | |
| (a) Finance costs | 14 | 100,866 | 96,431 |
| (b) Other expenses | 15 | 968 | 2,792 |
| Total Expenses (a+b) | | 101,834 | 99,223 |
| V. Profit/(Loss) before tax (III-IV) | | 25,686 | 1,695 |
| VI. Tax Expense | 16 | | |
| (a) Current tax | | 244 | 813 |
| (b) Tax adjustments related to earlier years | | 71 | - |
| **Total Tax Expenses** | | 315 | 813 |
| **VII. Profit/(Loss) for the year (V-VI)** | | 25,371 | 882 |
| **VIII. Other Comprehensive Income** | | - | - |
| (i) Items that will be reclassified to statement of profit and loss net of taxes | | - | - |
| (ii) Items that will not be reclassified to statement of profit and loss net of taxes | | - | - |
| **Other Comprehensive Income for the year, net of tax** | | - | - |
| **IX. Total Comprehensive Income for the year** | | 25,371 | 882 |
| **X. Earnings Per Share Basic/Diluted (Amount in `)** | 17 | | |
| 1) Basic (amount in `) | | 6.31 | 0.22 |
| 2) Diluted (amount in `) | | 6.31 | 0.22 |
| 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

Ashwani Kumar Mishra

**(Ashwani Kumar Mishra)**
*Partner*
Membership No. 078588

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Place of signature: New Delhi
Date: 25|05|2020

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

# Shriram Bioseed Ventures Limited
## Cash flow statement for the year ended March 31, 2020

(Amount in ` Thousand), except stated otherwise

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax | 35,886 | 1,695 |
| **Adjustments for :** | | |
| Unrealised foreign exchange (gain) | (47,594) | (87,171) |
| Interest expense | 100,666 | 95,431 |
| Interest income | (56,044) | (55,137) |
| Provision for standard assets | 385 | 2,528 |
| Operating profit before working capital changes | 33,299 | (41,654) |
| Adjustments for : | | |
| Increase/ (decrease) in Trade Payables | 1 | 118 |
| Increase/ (decrease) in other financial assets | (10,095) | (10,331) |
| Redemption of Investment | - | 29,250 |
| Increase/ (decrease) in other current liabilities | 474 | (124) |
| Loan taken/ (Repaid) ( net) | | 88,500 |
| Cash generated from operations | 13,679 | 65,759 |
| Income taxes paid(net of refunds) | (16) | (35) |
| **Net cash (used) in operating activities (A)** | 13,662 | 65,724 |
| **B. Cash flow from investing activities** | | |
| Purchase/(Sale) of Land | - | (64,325) |
| **Net cash (used) in investing activities (B)** | - | (64,325) |
| | | - |
| **C. Cash flow from financing activities** | - | - |
| **Net cash from financing activities ('C)** | - | - |
| **Net increase in cash and cash equivalents (A+B+C)** | 13,662 | 1,399 |
| **Cash and cash equivalents as at opening** | | |
| Cash and cheques in hand and balance with banks and others | 4,227 | 2,828 |
| **Cash and cash equivalents as at closing** | | |
| Cash and cheques in hand and balance with banks and others | 17,889 | 4,227 |
| **Components of Cash And Cash Equivalents** | | |
| With Banks- on current account | 446 | 474 |
| Liquid Investment in Mutual funds | 17,443 | 3,753 |
| **Total Cash And Cash Equivalents (Note No. 6.1)** | 17,889 | 4,227 |
| 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership No. 078888

Place of Signature : New Delhi
Date 25/05/2020

**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

## Shriram Bioseed Ventures Limited
### Statement Of Changes In Equity For The year Ended as on March 31, 2020

A. Equity share capital (Amount in ` Thousand, except stated otherwise)

| | |
|---|---|
| As at March 31, 2018 | 40,500 |
| Changes during the year | - |
| As at March 31, 2019 | 40,500 |
| Changes during the year | - |
| As at March 31, 2020 | 40,500 |

B. Other equity (Amount in ` Thousand, except stated otherwise)

| | Reserves and Surplus | | | Total |
|---|---|---|---|---|
| | Securities premium | Retained earnings | Other Reserves-Statutory Reserves* | |
| As at March 31, 2018 | 160,000 | (668) | - | 159,332 |
| Additions: | | | | |
| Profit/ (Loss) for the year | - | 882 | - | 882 |
| Transfer (from)/ to statutory reserve | | (178) | 178 | - |
| As at March 31, 2019 | 160,000 | 36 | 178 | 160,214 |
| Additions: | | | | |
| Profit/ (Loss) for the peiod | - | 25,571 | - | 25,571 |
| Transfer (from)/ to statutory reserve | - | (5,114) | 5,114 | - |
| As at March 31, 2020 | 160,000 | 20,493 | 5,292 | 185,785 |

*Created u/s 45 IC of the Reserve Bank of India Act, 1934 which requires 20% of profit to be transferred to special reserves before any dividend is declared.

Summary of Significant Accounting Policies 1

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

(Ashwani Kumar Mishra)
*Partner*
Membership No. 078888

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Place of Signature : New Delhi
Date: 25/05/2020

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

## Notes to Financial Statements for the year ended March 31, 2020

### 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 2nd Floor, (West Wing) Worldmark -1, Aerocity New Delhi - 110037.

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

### 1.2 Statement of Compliance

The Financial Statements are prepared on an accrual basis under historical cost Convention. 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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable. The accounting policies are applied consistently to all the periods presented in the financial statements.

i. **Basis of Preparation and presentation:** The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value 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.

ii. **Going Concern:** The board of directors have considered the financial position of the Company at March 31, 2020, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

### 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.

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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.

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.

Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

**d) Current & Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification:

(i) **Assets:** An asset is treated as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle.
b. Held primarily for the purpose of trading.
c. Expected to be realized within twelve months after the reporting period, or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a
e. liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(ii) **Liabilities**: A liability is current when:

a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting period.

All other liabilities are classified as non-current

**e) Cash & Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term

S.P. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

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:

i. Basic Earnings 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.

ii. For the purpose of calculating Diluted Earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings

g) **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.

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**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.

**Fair Value Policy:** 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

**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.

**h) 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.

**Income tax:** The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings

**i) 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.

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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.

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(Amount in ` Thousand, except stated otherwise)

### 3 Investment Property

| | Freehold Land |
|---|---|
| **Gross Carrying amount** | |
| **Balance as at April 1, 2018** | 107,899 |
| Additions | 64,326 |
| Disposal | - |
| **Balance as at March 31, 2019** | 172,225 |
| Additions | - |
| Disposal | - |
| **Balance as at March 31, 2020** | 172,225 |

**Amount recognized in Statement of Profit and Loss on account of investment property**

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Rental Income | 952 | 952 |
| Direct operating expenses from property that generated rental income | - | - |
| Income from investment properties before depreciation | 952 | 952 |
| Depreciation | - | - |
| Income from investment properties after depreciation | 952 | 952 |

**Fair value**

The fair value of the Company's investment properties as at March 31, 2020 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, except stated otherwise)

| Land | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Fair value | 374,076 | 292,976 |
| 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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(Amount in ` Thousand, except stated otherwise)

| Note 3: Non-Current Financial Assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Non current investments (Unquoted) | | |
| Investment in Shares at amortized cost | | |
| **Subsidiary** | | |
| 250 (March 31,2019: 250) Equity shares of Bioseed Research USA of USD 1 each, fully paid up | 1,291 | 1,291 |
| **Fellow Subsidiary** | | |
| Bioseed Limited | | |
| 1,128,490 (March 31, 2019 - 1,128,490) Equity shares of USD 1 each, fully paid up | 10,096 | 10,096 |
| 1,32,500 (March 31, 2019 - 132,500) Preference shares of USD 1 each, fully paid up | 535,048 | 535,048 |
| | **546,435** | 546,435 |
| Aggregate book value of unquoted shares | **546,435** | 546,435 |

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(Amount in ₹ Thousand, except stated otherwise)

**Note 3.1 Loans (at amortized cost)**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Loans to related party** | | |
| - Loans Receivables considered good - Unsecured | 783,594 | 332,951 |
| | 783,594 | 332,951 |

**Note 3.2: Other financial Assets**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Related parly | | |
| - Interest Accrued but not due | 381,731 | - |
| | 381,731 | - |

**Note 4: Other non-current assets**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Capital advances | 915 | 915 |
| | **915** | **915** |

**Note 5: Other non-current tax assets (net)**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Advance Tax [Net of Provisions of ₹ 1,160 thousand (March 31, 2019: ₹ 813 thousand] | 174 | 473 |
| | **174** | **473** |

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(Amount in ' Thousand, except stated otherwise)

| Financial assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Note 6.1 : Cash and cash equivalents** | | |
| - Balances with banks on | | |
| -current accounts | 446 | 474 |
| -Mutual Fund Investment (Fair value through Profit and Loss) 3596.080 (March 31, 2019: 821.511) units of Reliance Liquid Fund | 17,443 | 3,753 |
| | 17,889 | 4,227 |

| Note 6.2 : Loans | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Loans to related party | | |
| - Loans Receivables considered good - Unsecured; | - | 383,776 |
| | - | 383,776 |

| Note 6.3 : Others | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Current** | | |
| - Interest accrued but not due* | - | 294,487 |
| - Foreign exchange forward contracts | - | 30,093 |
| | - | 324,580 |

* Refer Note 1.2 (iii)

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(Amount in ` Thousand, except stated otherwise)

| Note 7: Equity Share capital | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Authorised | | |
| 45,00,000 (March 31, 2019 - 45,00,000) Equity shares of Rs. 10 each* | 45,000 | 45,000 |
| | 45,000 | 45,000 |
| Issued, subscribed and paid up share capital | | |
| 4,050,000 ( March 31, 2019 - 4,050,000) Equity shares of Rs. 10 each* fully paid up | 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 March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | 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, 2019 : 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 March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| 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

(Amount in ` Thousand, except stated otherwise)

| Equity shares of INR 10 each issued, subscribed and fully paid | No. of shares | INR value |
|---|---|---|
| Shares outstanding as at March 31, 2019 | 4,050,000 | 40,500 |
| Issued during the year | - | - |
| Bought back during the year | - | - |
| Shares outstanding as at March 31, 2020 | 4,050,000 | 40,500 |

v) Reconciliation of the shares outstanding at the beginning and at the end of the Previous Year

(Amount in ` Thousand, except stated otherwise)

| Equity shares of INR 10 each issued, subscribed and fully paid | 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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(Amount in ` Thousand, except stated otherwise)

| Note 8 : Other equity | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| (i) Retained Earnings | 20,495 | 38 |
| (ii) Securities Premium | 160,000 | 160,000 |
| (iii) Statutory Reserves | 5,290 | 176 |
| | 185,785 | 160,214 |

**(a) For movement during the year in Other Equity, refer 'Statement of changes in equity'**

**b) Nature and Purpose of Other Reserves**

**i) Retained Earnings**

Retained earnings are the profits that the Company has earned/bear till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**(ii) Securities Premium**

Securities Premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.

**(iii) Statutory Reserves**

Created u/s 45 IC of the Reserve Bank of India Act, 1934 which requires 20% of profit to be transferred to special reserves before any dividend is declared.

GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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(Amount in ` Thousand, except stated otherwise)

| Note 9 : Non-current Financial liabilities-Borrowings | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Unsecured - at amortized cost | | |
| *Loan from Holding Company | 1,143,361 | 95,500 |
| | 1,143,361 | 95,500 |

*Terms of Loan

March 31, 2020

| Category and Terms of repayment | Amount | Rate of interest |
|---|---|---|
| With interest (Repayable on or before March 2023) | 1,143,361 | 8-10.5% |

March 31, 2019

| Category and Terms of repayment | Amount | Rate of interest |
|---|---|---|
| With interest (Repayable on or before October 2021) | 95,500 | 9% |

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(Amount in ' Thousand, except stated otherwise)

**Note 10.1: Current finance liabilities-Borrowings**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| - *From Holding Company (Unsecured) | | 1,047,861 |
| - From Others | - | - |
| | - | 1,047,861 |

*Terms of loan

| Category and Terms of repayment | Amount | Rate of interest |
|---|---|---|
| With interest (Repayable on or before Oct-2021) | 1,047,861 | 9% to 9% |

**Note 10.2: Trade payables**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Non-current** | | |
| Total outstanding dues to micro and small enterprise | - | - |
| Total outstanding dues of creditors other than micro and small enterprise | - | - |
| **Current** | | |
| Total outstanding dues to micro and small enterprise | - | - |
| Total outstanding dues of creditors other than micro and small enterprise | 120 | 119 |
| | 120 | 119 |

**Notes:**

a) The above does not includes any amount due to be transferred to Investor Education & 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.

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| i) The Principal Amount & Interest due thereon remaining unpaid to any supplier as at end of the year | | |
| - Principal Amount due | - | - |
| - Interest accrued and due on above | - | - |
| ii) The amount of interest paid by the buyer in terms of Sec16 of MSME Development Act,2006, along with the amount of payment made to supplier beyond the appointed day during each accounting year. | - | - |
| iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| v) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under Sec 23 of MSME Development Act,2006. | - | - |
| c) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2020. | - | - |

**Note 10.3: Other financial liabilities**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Non-current** | | |
| Interest Accrued but not due | 499,462 | 3,817 |
| | 499,462 | 3,817 |
| **Current** | | |
| Interest Accrued but not due * | - | 405,074 |
| Foreign exchange forward contracts | 20,379 | - |
| | 20,379 | 405,074 |

* Refer Note 1.2 (iii)

**Note 11 : Other current liabilities**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Statutory liability | 10,087 | 9,612 |
| Rent Received in Advance | 356 | 357 |
| | 10,443 | 9,969 |

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## Shriram Bioseed Ventures Limited

### Notes forming part of the Standalone Financial Statements for the year ended 31st March, 20

**Note 11.1 : Provisions**

| | | |
|---|---|---|
| **Current** | | |
| Provision for standard asset | - | 1,696 |
| | - | 1,696 |
| **Non-current** | | |
| Provision for standard asset | 2,913 | 832 |
| | 2,913 | 832 |
| | 2,913 | 2,528 |

Movement of Provision is given hereunder:-

| | As At March 31, 2019 | |
|---|---|---|
| | Current | Non-Current |
| Opening Provision | - | - |
| Provision Created/Reclassified | 1,696 | 832 |
| Reversal/Reclassification of Provision | - | - |
| Closing Provision | 1,696 | 832 |

| | As At March 31, 2020 | |
|---|---|---|
| | Current | Non-Current |
| Opening Provision | 1,696 | 832 |
| Provision Created/Reclassified | - | 2,081 |
| Reversal/Reclassification of Provision | (1,696) | - |
| Closing Provision | - | 2,913 |

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## Shriram Bioseed Ventures Limited

**Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2020**

(Amount in ` Thousand, except stated otherwise)

| Note 12: Revenue from operations | For the year ended as on March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest on loan to related party | 56,044 | 55,137 |
| | 56,044 | 55,137 |

NEW DELHI
CHARTERED ACCOUNTANTS

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## Shriram Bioseed Ventures Limited



(Amount in ` Thousand, except stated otherwise)

| Note 13: Other income | For the year ended as on March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Foreign Exchange gain (Net) | 69,317 | 44,377 |
| Interest on Income Tax Refund | 17 | 186 |
| Profit on sale of non trade investment | 638 | 218 |
| Investments at fair value through P&L | 552 | 48 |
| Rent | 953 | 952 |
| | 71,476 | 45,781 |

The Company has given its land, lying under investment property, on operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.
Lease income of ` 953 thousand (March 31, 2019: ` 952 thousand) has been recognised and included under other income.

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(Amount in ` Thousand, except stated otherwise)

| Note 14: Finance costs | For the year ended as on March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest expense on financial liabilities measured at amortized cost | | |
| - Holding company | 100,634 | 96,005 |
| - others | 32 | 426 |
| | 100,666 | 96,431 |

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(Amount in ` Thousand, except stated otherwise)

**Note 15: Other expenses**

| | For the year ended as on March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Auditors' remuneration | | |
| - Audit fee | 94 | 94 |
| -Tax audit fee | 77 | - |
| -Certification charges | 68 | 71 |
| Bank charges | 12 | 12 |
| Legal and Professional fees | 323 | 80 |
| Provision for Standard Asset | 385 | 2,528 |
| Miscellaneous expenses | 9 | 7 |
| | 968 | 2,792 |

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Note 16: Income tax expense

(Amount in ` Thousand, except stated otherwise)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Income tax expense | | |
| Current tax | | |
| Current tax on profits for the year | 244 | 813 |
| Adjustments for current tax of prior year | 71 | - |
| Total current tax expense | 315 | 813 |

(b) Reconciliation of tax expense and the accounting profit

(Amount in ` Thousand, except stated otherwise)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Profit/(Loss) before tax | 25,886 | 1,695 |
| Income tax rate | 25% | 26% |
| Income tax expense | 6,516 | 441 |
| Effect of tax losses on which deffered tax is not recongnised | (6,133) | (441) |
| Income exempt from tax | | |
| Disallowance u/s 14 A | | |
| - Others (non business expenses) | | |
| Prior year items | 71 | |
| Ind AS Adjustment | | |
| Investments at fair value through P&L | (139) | |
| **Income tax expense** | 315 | - |
| 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, except stated otherwise)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Business Loss | 11,088 | 19,004 |
| Unrecognised Tax Effect | 2,791 | 4,941 |
| Unrecognised MAT credit entitlement | - | 813 |

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## 17. Earnings per Share

(Amount in ` Thousand, except stated otherwise)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Profit as per statement of profit and loss | 25,571 | 882 |
| Weighted average equity shares outstanding (nos.) of face value of ` 10 | 4,050,000 | 4,050,000 |
| Earnings per share basic/diluted (`) | 6.31 | 0.22 |

## 18. Related party disclosures under Ind AS 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 Inc.
**Fellow Subsidiary** Bioseed Limited

Transactions with related parties

| Type of transactions | Holding Company | | Fellow Subsidiary | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Loans Taken/(Repaid) | - | 95,500 | - | - |
| Interest expense-Holding Company | 100,634 | 96,065 | - | - |
| Rent Income | 955 | 862 | - | - |
| Interest income | - | - | 36,044 | 55,137 |
| **Balance outstanding as at year end** | | | | |
| Loan receivable/ (payable) | (1,143,361) | (1,143,361) | 783,594 | 716,727 |
| Interest Accured but not due Receivable/(Payable) | (459,462) | (408,891) | 381,731 | 294,487 |
| Rent Received in Advance | 356 | 357 | - | - |

## 19. Financial Instruments by Category

| Particulars | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized cost | FVTPL | FVOCI | Amortized cost |
| Financial Assets | | | | | | |
| Investments | - | - | 546,435 | - | - | 546,435 |
| Loans | - | - | 783,594 | - | - | 716,727 |
| Cash and Cash Equivalents | 17,443 | - | 446 | 3,753 | - | 474 |
| Others | - | - | 381,731 | - | - | 324,580 |
| Total Financial Assets | **17,443** | - | **1,712,206** | **3,753** | - | **1,588,217** |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 1,143,361 | - | - | 1,143,361 |
| Trade payables | - | - | 120 | - | - | 119 |
| Others | - | - | 519,841 | - | - | 408,891 |
| Total Financial Liabilities | - | - | **1,663,322** | - | - | **1,552,371** |

## 20. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables, interest payable and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes investments, loans, cash and cash equivalents, cash and cash equivalents and interest accrued but not due on loan.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All activities for risk management purposes are carried out by the teams that have the appropriate skills, experience and supervision.

### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings and short term deposits.

#### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

#### ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency)

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Foreign Currency exposures that are not hedged by Derivative Instrument or otherwise is as follow:

(figures in '000)

| Particulars | 2019-20 | | 2018-19 | |
|---|---|---|---|---|
| | Amount in USD | Amount in ₹ | Amount in USD | Amount in ₹ |
| Loan Receivable | 2,000 | 151,200 | 2,000 | 138,300 |
| Interest Accrued but not due | 5,049 | 381,731 | 4,259 | 294,487 |

### Credit risk

Credit risk is the risk that 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 (primarily loan given) and from its financing activities, including deposits with banks and other financial instruments.

#### i) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

(i) **Maturities of financials liabilities**: The tables below analyse 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 - 31.03.2020 | 0-1 years | Between 1 to 5 years | Total |
|---|---|---|---|
| Borrowings | - | 1,143,361 | 1,143,361 |
| Trade Payables | 120 | - | 120 |
| Others | 20,379 | 499,462 | 519,841 |
| **Total** | **20,499** | **1,642,823** | **1,663,322** |

| Contractual maturities of financial liabilities - 31.03.2019 | 0-1 years | Between 1 to 5 years | Total |
|---|---|---|---|
| Borrowings | 1,047,861 | 95,500 | 1,143,361 |
| Trade Payables | 119 | - | 119 |
| Others | 405,074 | 3,817 | 408,891 |
| **Total** | **1,453,054** | **99,317** | **1,552,371** |

### 21. Capital Management

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Borrowings (Refer Note No. 9 ) | 1,143,361 | 1,143,361 |
| Provisions (Refer Note No. 11.1 ) | 2,913 | 2,528 |
| Trade Payables (Refer Note No. 10.2 ) | 120 | 119 |
| Other financial liabilities (Refer Note No 10.3) | 519,841 | 408,891 |
| Other current liabilities (Refer Note No. 11 ) | 10,443 | 9,969 |
| Less: Cash and Cash Equivalents (Refer Note No. 4) | 17,889 | 4,227 |
| **Net debt** | **1,658,789** | **1,560,641** |
| Equity share capital (Refer Note No. 7) | 40,500 | 40,500 |
| Other equity (Refer Note No. 8) | 185,785 | 160,214 |
| **Total Capital** | **226,285** | **200,714** |
| **Total Capital plus Net Debts** | **1,885,074** | **1,761,355** |
| **Gearing Ratio** | **0.88** | **0.89** |

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No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

22. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

a) Fair value of Financial Assets:

| Financial assets | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Investments | 546,435 | 546,435 | - | - |
| Cash and Cash Equivalents | | | - | - |
| - Bank | 446 | 474 | - | - |
| - Mutual Fund Investment (Fair value through Profit and Loss) | 17,443 | 3,763 | 17,443 | 3,763 |
| Loans | 783,594 | 716,727 | - | - |
| Others | | | | |
| - Interest Accrued but not due | 381,731 | 294,487 | | |
| - Foreign exchange forward contracts | - | 30,093 | | |
| | 1,729,649 | 1,591,971 | 17,443 | 3,763 |

**b) Fair Value of Financial Liabilities:**

| | Amortised cost | | Fair Values | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **Financial Liabilities** | | | | |
| Trade payables | 120 | 119 | - | - |
| Borrowings | 1,143,361 | 1,143,361 | - | - |
| Others | 519,841 | 408,891 | | |
| | 1,663,322 | 1,552,371 | - | - |

1. Management has assessed that Fair value of trade receivables, cash and cash equivalents, cash and cash equivalents, Loans, Interest, Loan from Holding Company and trade payables approximate their carrying amount.

**23. Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**a) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets As At March 31, 2020:**

**(Amount in ` Thousand, except stated otherwise)**

| | As at March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Assets Measured At Amortised Cost** | | | | |
| Investments | 546,435 | - | - | - |
| Cash and Cash Equivalents | - | | | |
| - Bank | 446 | - | - | - |
| - Mutual Fund Investment (Fair value through Profit and Loss) | 17,443 | 17,443 | - | - |
| Loans | 783,594 | - | - | - |
| Others | - | - | | |
| - Interest Accrued but not due | 381,731 | | | |
| - Foreign exchange forward contracts | - | | | |
| Total A | 1,729,649 | 17,443 | - | - |

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b) Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities As At March 31, 2020:

| | As at March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Financial Liabilities Measured at Amortised Cost | | | | |
| Trade payables | 120 | - | - | - |
| Borrowings | 1,143,361 | - | - | - |
| Others | 519,841 | - | | |
| Total B | 1,663,322 | - | - | - |

c) Quantitative Disclosures Fair Value Measurement Hierarchy for Assets As At March 31, 2019:

| | As at March 31, 2019 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Assets Measured At Amortised Cost** | | | | |
| Investments | 546,435 | - | - | - |
| Cash and Cash Equivalents | - | | | |
| - Bank | 474 | - | - | - |
| - Mutual Fund Investment (Fair value through Profit and Loss) | 3,753 | 3,753 | - | - |
| Loans | 716,727 | - | - | - |
| Others | - | - | | |
| - Interest Accrued but not due | 294,487 | | | |
| - Foreign exchange forward contracts | 30,093 | | | |
| **Total C** | **1,591,971** | **3,753** | - | - |

**d) Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities As At March 31, 2019:**

| | As at March 31, 2019 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Financial Liabilities Measured at Amortised Cost** | | | | |
| Trade payables | 119 | - | - | - |
| Borrowings | 1,143,361 | - | - | - |
| Others | 408,891 | | | |
| **Total D** | **1,552,371** | - | - | - |

1. Management has assessed that Fair value of cash and cash equivalents, Loan from Holding Company and trade payables approximate their carrying amount.

**24. Additional information**

(Amount in ` Thousand, except stated otherwise)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| **Earnings in Foreign exchange** | | |
| Interest Income | 56,044 | 55,137 |

**25. In earlier year, the** Company had become a Non Banking Financial Institution within the purview of Section 45(IC) of Reserve Bank of India Act, 1934. Accordingly, the Company has initially applied online for the registration with Reserve Bank of India (RBI) under Section 45-IA of RBI Act 1934 vide company registration reference no. 4493 dated May 6, 2016 and a revised application on March 3, 2017. As on the reporting date neither the Company received Certificate of Registration (CoR) nor any communication for rejection of its application.

**26 Derivative Instruments**

Category wise quantitative data about Derivative Instruments

(Amount in ` Thousand, except stated otherwise)

| Nature of Contract | Number of Deals | | Purpose | Amount in USD) | | Amount in ` | |
|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Forward Contract | 15 | 12 | Hedging | 8,365 | 8,365 | 632,304 | 578,427 |

# Shriram Bioseed Ventures Limited

## Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2020

**27. Assets given on lease** (Amount in ` Thousand, except stated otherwise)

| Land Details | Gross Block as at | | Accumulated depreciation as at | | Depreciation | |
|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | FY 2019-20 | FY 2018-19 |
| Land (Tangaloor Village) | 94,335 | 94,335 | - | - | - | - |
| Total | 94,335 | 94,335 | - | - | - | - |

**28. Segment information**

i. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the company as a single unit), the operations of the Company falls under investing and financing activity, which is considered to be the only reportable segment.

ii.During the year ended March 31, 2020 and March 31, 2019, the Company's entire revenue from operations (interest income) has come from a fellow subsidiary company.

29. 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 probability of realization of future taxable profit will be available against which unused tax losses and unused tax credit can be utilised.

30. During the year, the Board of Directors has approved Scheme of Arrangement (The 'Scheme') for the merger of Bioseed Limited (Fellow Subsidiary) with the Company with proposed appointed date as August 23, 2019. The proposed scheme is subject to NCLT and other regulatory approvals.

31. In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

**32. Subsequent Events**

The outbreak of COVID-19 in India does not have or likely to have a significant adverse impact on the Company's operations. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due for payment.

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

34. Notes 1 to 33 form an integral part of the financial statements.

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NEW DELHI
CHARTERED ACCOUNTANTS

Place of Signature : New Delhi
Date: 25/05/2020

**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

## Independent Auditor's Report

**To The Members of Shri Ganpati Ferlizers 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, 2020, 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, 2020, 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 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 and Those Charged with Governance 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, the Board of Directors 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 Board of Directors 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, to the extent applicable.

B.R. ... & CO. CHARTERED ACCOUNTANTS

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 26 (ii) to the financial statements.
   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 Registration Number 001478N/N500005

Ashwani Kumar

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAF1674

Place of Signature: New Delhi
Date: 12/05/2020

"The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2020, we report that:"

i) In respect of fixed assets comprising Property, Plant and Equipment:

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. 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) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. No material discrepancies between physical inventory and book records were noticed on physical verification.

iii) According to the information and explanations given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (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 has not entered into any transaction covered under Sections 185 of the Act. However, the Company has complied with the provisions of Sections 186 of the Act in respect of guarantee given on behalf of Holding Company.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.

vi) On the basis of available information and explanations 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 provident fund, employees' state insurance, income-tax and Goods and Service Tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the extent applicable to it. Further, no undisputed statutory dues were outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable.

(b According to the information and explanations given to us, there are no dues in respect of income-tax, sales-tax, service tax, duty of customs, and duty of excise that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of value added tax that have not been deposited with the appropriate authorities on account of any dispute, are as follows:.

| Name of the Statute | Nature of the Dues | Amount(₹ '000) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| VAT, Rajasthan | Tax and Interest | 2,236 | 2016-17 | Appellate Authority, Commercial Taxes, | Nil |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

| Name of the Statute | Nature of the Dues | Amount(₹ '000) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| | | | | Chittorgarh | |
| VAT, Rajasthan | Tax and interest | 2,332 | 2017-18 | Appellate Authority, Commercial Taxes, Chittorgarh | Nil |

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 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) In our opinion and according to the information and explanations given to us, In our opinion and according to the information and explanations given to us, the Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

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. Accordingly, provisions of clause 3 (xvi) of the order are not applicable.

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

B. R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAF1674

Place of Signature: New Delhi
Date: 12/05/2020

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, 2020 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

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CHARTERED ACCOUNTANTS

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, 2020, 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

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number 078668
**UDIN:** 20078668AAAAAF1674

B. R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Place of Signature: New Delhi
Date: 12/05/2020

# Shri Ganpati Fertilizers Limited
## Balance Sheet as at March 31, 2020
(all amount in ₹ thousands, except stated otherwise)

| Particulars | Note No. | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|---|
| **Assets** | | | |
| I. **Non-current assets** | | | |
| (a) Property, plant and equipment | 2 | 27,688 | 30,893 |
| (b) Financial assets | | | |
| (i) Other Financial Assets | 3 | 1,498 | 968 |
| (c) Non -Current Tax Assets (Net) | 4 | - | 21 |
| **Total Non- Current Assets** | | 29,186 | 31,882 |
| **Current assets** | | | |
| (a) Inventories | 5 | 57,740 | 71,563 |
| (b) Financial assets | | | |
| (i) Trade receivables | 6 | - | - |
| (ii) Cash and cash equivalents | 8 | 117 | 1,070 |
| (iii) Others | 3 | 45,648 | 25,710 |
| (c) Others Current Assets | 7 | 19,294 | 25,846 |
| **Total current assets** | | 122,799 | 124,189 |
| **Total Assets** | | 151,985 | 156,071 |
| II. **Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity share capital | 9 | 21,500 | 21,500 |
| (b) Other equity | 10 | (56,156) | (351,434) |
| **Total equity** | | (34,656) | (329,934) |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Provisions | 11 | 1,193 | 802 |
| **Total Non-current liabilities** | | 1,193 | 802 |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Short Term 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 | | 11,232 | 25,479 |
| (iii) Other Financial Liabilities | 14 | 64 | 37 |
| (b) Other current liabilities | 15 | 104,026 | 389,584 |
| (c) Provisions | 11 | 30 | 7 |
| **Total - Current liabilities** | | 185,448 | 485,203 |
| **Total Equities and Liabilities** | | 151,985 | 156,071 |
| 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

Ashwani Kumar Mishra

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number: 078668

Place of Signature: New Delhi
Date: 12/05/2020

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**For and behalf of the Board of Directors of Shri Ganpati Fertilizers Limited**

Srivastava

**(Vivek Srivastava)**
*Director*
DIN – 2123322

**(Sanjay Chhabra)**
*Director*
DIN – 144564

# Shri Ganpati Fertilizers Limited

## Statement of profit and loss for the year ended March 31, 2020

(all amount in ₹ thousands, except stated otherwise)

(all amount in ₹ thousands, except stated otherwise)

| Particulars | Note No. | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|---|
| I. Revenue from operations | 16 | 285,837 | 242,361 |
| II. Other income | 17 | 10,941 | 353 |
| **III. Total Income (I+II)** | | **296,778** | **242,714** |
| **IV. Expenses** | | | |
| (a) Cost of materials consumed | 18 | 196,745 | 189,964 |
| (b) Change in inventory of finished goods, work in progress | 19 | 7,199 | (11,193) |
| (c) Employee benefits expenses | 20 | 4,436 | 4,461 |
| (d) Finance Costs | 21 | 29,610 | 33,553 |
| (e) Depreciation and amortisation expense | 2 | 3,163 | 3,300 |
| (f) Other expenses | 22 | 107,708 | 83,017 |
| **Total expenses** | | **348,861** | **303,102** |
| **V Profit/ (loss) before exceptional items and tax (III-IV)** | | **(52,083)** | **(60,388)** |
| **VI Exceptional Items** | 22 A | **347,500** | - |
| **VII Profit/ (loss) before tax (V-VI)** | | **295,417** | **(60,388)** |
| **VIII. Tax expense:** | 23 | | |
| (a) Current tax | | - | - |
| (b) Deferred tax | | - | - |
| (c) Tax adjustments for earlier years | | 1 | - |
| Total Tax Expense | | 1 | - |
| **IX Profit/(loss) for the year (VII-VIII)** | | **295,416** | **(60,388)** |
| **X Other comprehensive income** | | | |
| (A) (i) Items that will be reclassified to statement of profit and loss | | - | - |
| (ii) Income tax on items that will be reclassified to statement of profit and loss | | - | - |
| (B) (i) Items that will not be reclassified to statement of profit and loss | | - | - |
| (a) Re-measurement gains/ (losses) on defined benefit plans | | (138) | 27 |
| (ii) Income tax on items that will not be reclassified to statement of profit and loss | | - | - |
| **Other Comprehensive Income for the year, net of tax** | | **(138)** | **27** |
| **XI Total comprehensive income** | | **295,278** | **(60,361)** |
| **XII Earnings per share: (Face value ₹ 10 per share)** | 24 | | |
| Basic (amount in ₹) | | 137.40 | (28.09) |
| Diluted (amount in ₹) | | 137.40 | (28.09) |
| Summary of significant accounting policies | 1.3 | | |

**As per our report of even date attached**

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

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number: 078668

Place of Signature: New Delhi
Date: 12/05/2020

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**For and behalf of the Board of Directors of Shri Ganpati Fertilizers Limited**

Srivastava

**(Vivek Srivastava)**
*Director*
DIN – 2123322

**(Sanjay Chhabra)**
*Director*
DIN – 144564

# Shri Ganpati Fertilizers Limited
## Cash Flow Statement For The Year Ended Mar 31, 2020
(all amount in ₹ thousands, except stated otherwise)

| Particulars | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| A. Cash flow from operating activities : | | |
| Net (loss)/profit for the year before tax | 295,417 | (60,388) |
| **Adjustment for :** | | |
| Depreciation and amortisation | 3,163 | 3,300 |
| Exceptional Items | 347,500 | |
| (Profit) / Loss on sale of PPE | 65 | - |
| Interest paid | - | 33,553 |
| **Operating Profit / Loss) before working capital changes** | 646,145 | (23,535) |
| Adjustments for : | | |
| Decrease/ (increase) in inventories | 13,823 | (20,640) |
| Decrease/ (increase) in Loans and advances - Current | (19,938) | (8,624) |
| Decrease/ (increase) in Loans and advances - Non Current | - | (10) |
| Decrease/ (increase) in Other current assets | 6,552 | (12,504) |
| Increase/ (Decrease) in Trade payables | (361,747) | (94,382) |
| Increase/ (Decrease) in Other Financial liabilities | 27 | 380 |
| Increase/ (Decrease) in Other current liabilities | (285,558) | 193,085 |
| Increase/ (Decrease) in Provisions | 276 | (6) |
| Other Financial Asset - Security Deposit | (530) | 38 |
| **Cash generated (used in) Operating Activities (A)** | (950) | 33,802 |
| Income tax paid (net of refunds) | 20 | 42 |
| **Net Cash Flow from (used in) Operating Activities (A)** | **(930)** | **33,843** |
| **B. Cash Flow from Investing Activities :** | | |
| Purchase of property, plant & equipment | (23) | - |
| **Net Cash Flow from (used in) Investing Activities (B)** | **(23)** | - |
| **C. Cash Flow from Financing Activities :** | | |
| Interest paid | - | (33,553) |
| **Net Cash Flow from (used in) Financing Activities (C)** | - | **(33,553)** |
| Net (Decrease)/Increase in cash and cash equivalents (A)+(B)+(C) | (953) | 290 |
| Cash and cash equivalents - Opening | 1,070 | 780 |
| Cash and cash equivalents - Closing | **117** | **1,070** |
| **Cash and cash equivalents include** | | |
| Cash in Hand | 57 | 60 |
| Balance with Scheduled Bank | | |
| In Current Accounts | 60 | 1,010 |
| | **117** | **1,070** |

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

**For and behalf of the Board of Directors of Shri Ganpati Fertilizers Limited**

Ashwani Kumar Mishra   V Srivastava

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number: 078868

**(Vivek Srivastava)**
*Director*
DIN – 2123322

**(Sanjay Chhabra)**
*Director*
DIN – 144584

Place of Signature: New Delhi
Date: 12/05/2020

# Shri Ganpati Fertilizers Limited
## Statement Of Changes In Equity For The Year Ended March 31, 2020
(all amount in ₹ thousands, except stated otherwise)

A. Equity share capital

| | |
|---|---|
| As at March 31, 2018 | 21,500 |
| Changes during the year | - |
| As at March 31, 2019 | 21,500 |
| Changes during the year | - |
| As at March 31, 2020 | 21,500 |

B. Other Equity

| Particulars | Other Equity | | |
|---|---|---|---|
| | Reserve and Surplus | | Total Equity |
| | Capital Reserve | Retained earnings | |
| **As at March 31, 2018** | 51,075 | (342,148) | (291,073) |
| **Additions:** | | | |
| Profit/ (Loss) for the year | - | (60,388) | (60,388) |
| Re-measurement of defined benefit asset/ (liability) | - | 27 | 27 |
| **As at March 31, 2019** | 51,075 | (402,509) | (351,434) |
| **Additions:** | | | |
| Profit/ (Loss) for the year | - | 295,416 | 295,416 |
| Re-measurement of defined benefit asset/ (liability) | | (138.00) | (138) |
| **As at March 31, 2020** | 51,075 | (107,231) | (56,156) |

**Nature and purpose of other Reserves**

Retained Earnings are the profits that the Company earned till date less any transfer to general reserves, dividend and other distributions to the shareholders.All the profits made by the Company are transferred to the retained earning from the statement of Profit & Loss.

Summary of Significant Accounting Policies 1.3

The accompanying notes form an integral part of these financial statements

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(Ashwani Kumar Mishra)**
*Partner*
Membership Number: 078658

Place of Signature: New Delhi
Date: 12/05/2020

**For and behalf of the Board of Directors of Shri Ganpati Fertilizers Limited**

**(Vivek Srivastava)**
*Director*
DIN – 2123322

**(Sanjay Chhabra)**
*Director*
DIN – 144564

# 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 30th 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 Dundlodia 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.

The financial statements are approved by Board of Directors in their board meeting held on 12/05/2020.

## 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**

1) 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 as 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.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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 31st March, 2020.

c) **Going Concern Assumption**

During the year, the net worth of the Company has substantially improved, and the gap between current liability and current assets has favorably reduced. The future business prospects of the Company indicate further improvements in the cash flows in the succeeding years. The holding company has also committed its 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..

d) **Application of New Accounting Pronouncements**

The following Ind As pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year:

- Ind AS 116, Leases with effect from April 1, 2019
- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments with effect from April 1, 2019
- Amendment to Ind AS 12 – Income taxes with effect from April 1, 2019
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement with effect from April 1, 2019

None of the changes described above, or any of the other changes to the Ind AS, have a material impact on the net worth, financial position, financial performance or on the cash flow of the Company.

## 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

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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 | 3 – 30 |
| Office Equipment | 5 |
| Furniture & Fixtures | 10 |
| Vehicles | 8 |

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.

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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.

f) **Government Grants**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity. Government grants are recognized where there is reasonable assurance that the Group will comply with the conditions attached to it and that the grants will be received. Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expense. The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

g) **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.

h) **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

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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.

i) **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.

**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.

j) **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

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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.

**k) 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,

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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.

**k) Current & Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification:

(i) **Assets:** An asset is treated as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle.
b. Held primarily for the purpose of trading.
c. Expected to be realized within twelve months after the reporting period, or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a
e. liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(ii) **Liabilities**: A liability is current when:

a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting period.

All other liabilities are classified as non-current

l) **Cash & Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

m) **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:

i. Basic Earnings 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.
ii. For the purpose of calculating Diluted Earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings

n) **Borrowings Costs**

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

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# Shri Ganpati Fertilizers Limited
## Notes to Financial Statements as at March 31, 2020
(all amount in ₹ thousands, except stated otherwise)

| Note - 2 Property, plant and equipment | Land Freehold | Building | Plant & Machinery | Furniture & Fixtures | Office Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|
| Gross Carrying amount | | | | | | | |
| (At Deemed Cost) | | | | | | | |
| As at March 31, 2018 | 868 | 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 | 868 | 23,140 | 19,273 | 193 | 122 | 13 | 43,609 |
| Add: Additions made during the year | - | - | - | - | 23 | - | 23 |
| Less: Disposals/Adjustments during the year | - | - | 82 | - | - | - | 82 |
| As at March 31, 2020 | 868 | 23,140 | 19,192 | 193 | 145 | 13 | 43,551 |
| Accumulated Depreciation & Impairment | | | | | | | |
| 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 | 86 | 10 | 12,715 |
| Add: Depreciation charged for the year | - | 1,152 | 1,076 | 21 | 15 | - | 3,163 |
| Less: Disposals/Adjustments during the year | - | - | 16 | - | - | - | 16 |
| As at March 31, 2020 | - | 5,548 | 10,069 | 134 | 101 | 10 | 15,862 |
| Net carrying amount | | | | | | | |
| As at March 31, 2020 | 868 | 17,592 | 9,123 | 58 | 44 | 3 | 27,688 |
| As at March 31, 2019 | 868 | 18,744 | 11,164 | 80 | 35 | 3 | 30,893 |

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. 32 for information on property plant and equipment mortgaged as security.

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(all amount in ₹ thousands, except stated otherwise)

| Note - 3 Other Financial Assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Non-current | | |
| Loans and advances (at amortised cost) | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Security deposits* | 1,498 | 968 |
| | 1,498 | 968 |

*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.

| Current | | |
|---|---|---|
| Interest accrued on deposits | - | 51 |
| Claims and Other Receivables: | | |
| (a) Receivable considered good - Unsecured | 45,648 | 25,659 |
| (b) Receivable - credit impaired | - | 1,786 |
| Less: Loss Allowances | - | (1,786) |
| | 45,648 | 25,710 |

a) Refer note no. 32 for hypothecation of movable assets as security.

| Note - 4 Non Current Tax Assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Advance income tax (Net of Provision-₹Nil, March 31, 2019: ₹ Nil) | - | 21 |
| | - | 21 |

| Note - 5 Inventories | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **(As taken, valued and certified by the Management)** | | |
| -Raw materials | 1,277 | 8,895 |
| -Work in progress | 43,810 | 53,044 |
| -Finished goods | 4,520 | 2,485 |
| -Stores and spares | 8,133 | 7,139 |
| | 57,740 | 71,563 |

a) Refer note no. 32 for hypothication of movable assets as security.

| Note -6 Trade receivables | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Trade Receivable - credit impaired | - | 661 |
| Less: Loss Allowance | - | (661) |
| | - | - |

a) Refer note no. 32 for hypothication of movable assets as security.

| Note - 7 Other Current Assets | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Advances recoverable in cash or in kind or for value to be received | | |
| - Unsecured Considered good | 6,956 | 6,879 |
| - Credit impaired | - | 5,972 |
| Less: Loss Allowance | - | (5,972) |
| | 6,956 | 6,879 |
| Balance with government authorities* | 12,338 | 18,967 |
| | 19,294 | 25,846 |

* Includes ₹1,549 Thousand ( March 31, 2019: 1,653 Thousand) of VAT/Sales Tax Receivable for which the Company is following up with the Authorities for recovery of the same.

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# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2020

(all amount in ₹ thousands, except stated otherwise)

| Note - 8 Cash and cash equivalents | Current | |
|---|---|---|
| | As At March 31, 2020 | As At March 31, 2019 |
| **Balance with Scheduled Banks:** | | |
| - In Current account | 60 | 1,010 |
| Cash on hand | 57 | 60 |
| Total | 117 | 1,070 |

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# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2020

(all amount in ₹ thousands, except stated otherwise)

### Note - 9 Equity share capital

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 22,00,000 (March 31, 2019: 22,00,000) Equity shares of ₹ 10/- each* | 22,000 | 22,000 |
| | 22,000 | 22,000 |
| **Issued, Subscribed and Paid up** | | |
| 2,150,000 (March 31, 2019: 21,50,000) Equity shares of ₹ 10/- each* fully paid up | 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 | (Amount in ₹ '000) |
|---|---|---|
| As at 1.4.2018 | 2,150,000 | 21,500 |
| Add: Issued during the year | - | - |
| Less: Bought back during the year | - | - |
| As at 31.03.2019 | **2,150,000** | **21,500** |
| Add: Issued during the year | - | - |
| Less: Bought back during the year | - | - |
| **As at 31.03.2020** | **2,150,000** | **2,150,000** |

**b) Shareholders holding more than 5% equity shares are as under:**

| | As At March 31, 2020 | | As At March 31, 2019 | |
|---|---|---|---|---|
| | **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 At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| - DCM Shriram Limited., (The holding company) | 1,750,280 | 1,750,280 |

### Note - 10 Other equity

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| (i) Capital Reserve | 51,075 | 51,075 |
| (ii) Retained Earnings | (107,231) | (402,509) |
| **Total** | **(56,156)** | **(351,434)** |

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

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# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2020

(all amount in ₹ thousands, except stated otherwise)

| Note - 11 Provisions | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| **Non Current** | | |
| Provision for Gratuity | 578 | 382 |
| Provision for Leave Encashment | 538 | 335 |
| Provision for Medical Leave | 77 | 85 |
| Total (A) | 1,193 | 802 |
| **Current** | | |
| Provision for Gratuity | 9 | 7 |
| Provision for Leave Encashment | 11 | - |
| Provision for Medical Leave | 10 | - |
| Total (B) | 30 | 7 |
| Total (A+B) | 1,223 | 809 |

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(all amount in ₹ thousands, except stated otherwise)

## Note 12: Short Term Borrowings

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Loan from Holding Company* | 70,096 | 70,096 |
| | 70,096 | 70,096 |

* Interest free Loan & repayable on demand.

## Note 13: Trade payable

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Total outstanding dues of micro and small enterprise | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises. | 11,232 | 25,479 |
| | 11,232 | 25,479 |

Notes:
a) 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.

| **Details of dues to micro and small enterprises as defined under the MSMED Act, 2006** | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Particulars | | |
| i) The Principal Amount & Interest due thereon | | |
| - Principal Amount due | - | - |
| - Interest accrued and due on above | - | - |
| ii) The amount of interest paid by the buyer in terms of Sec16 of MSME Development Act,2006, along with the amount of payment made to supplier beyond the appointed day during each accounting year. | - | - |
| iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| v) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under Sec 23 of MSME Development Act,2006. | - | - |

b) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2020.

## Note 14: Other financial liabilities

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Employee dues payable | 64 | 37 |
| | 64 | 37 |

## Note - 15 Other current liabilities

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Advance from customers** | 103,710 | 387,950 |
| Statutory dues payable | 316 | 1,634 |
| Total | 104,026 | 389,584 |

** Due to Holding company

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# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2020

(all amount in ₹ thousands, except stated otherwise)

| Note - 16: Revenue From Operations | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Sales | 162,117 | 143,224 |
| Government subsidy | 123,720 | 98,920 |
| **Other Operating Revenue** | | |
| Scrap Sales | - | 217 |
| Total | 285,837 | 242,361 |

Sales includes ₹ 91,857 thousands (March 31, 2019: 54,523 thousands) against advance received from customers balance at the beginning of the period.
Government subsidy includes ₹ 1,761 thousand on account of differential subsidy claims notified for earlier periods by 'Fertiliser Industry Coordination Committee (FICC), Government of India, in pursuance of the Retention Price Scheme administered for fertilisers.

**Note 16.1 Reconciliation of Revenue from operations with Contract Price**

| | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Contract Price | 219,920 | 182,010 |
| Less: Rebate & Discount | (57,803) | (38,786) |
| **Total Revenue** | **162,117** | **143,224** |

| Note - 17: Other Income | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Sundry Balance Written back | 2,505 | 283 |
| Excess Provision Written back | 8,419 | - |
| Interest on Security Deposit | - | 51 |
| Miscelaneous Receipt | 17 | 19 |
| **Total** | **10,941** | **353** |

| Note - 18: Raw Materials Consumed | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Opening Stock | 8,895 | 2,955 |
| Add: Purchases | 189,128 | 195,904 |
| | 198,023 | 198,859 |
| Less: Closing stock | 1,277 | 8,895 |
| Raw material consumed | 196,745 | 189,964 |

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# Shri Ganpati Fertilizers Limited

## Notes To Financial Statements For The Year Ended March 31, 2020

(all amount in ₹ thousands, except stated otherwise)

| Note - 19: Change In Inventory Of Finished Goods, Work In Progress | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| **Work In Progress** | | |
| Opening Stock | 53,044 | 39,484 |
| Less: Closing Stock | 43,810 | 53,044 |
| | 9,234 | (13,560) |
| **Finished Goods** | | |
| Opening Stock | 2,485 | 4,852 |
| Less: Closing Stock | 4,520 | 2,485 |
| | (2,035) | 2,367 |
| Total | 7,199 | (11,193) |

| Note - 20: Employee Benefit Expenses | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Salary & Wages Expenses | 3,853 | 3,943 |
| Contribution to P.F. & Other funds | 298 | 307 |
| Staff Welfare Expenses | 174 | 91 |
| Gratuity | 111 | 120 |
| **Total** | **4,436** | **4,461** |

| Note - 21: Finance Cost | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Interest on | | |
| - Advance from Customers ( Holding Company) | 29,610 | 33,553 |
| **Total** | **29,610** | **33,553** |

| Note - 22: Other Expenses | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| **Packing Material and Stores & spares consumed:** | | |
| Opening stock | 7,139 | 3,632 |
| Add: Purchases | 15,067 | 15,820 |
| | 22,206 | 19,452 |
| Less: Closing stock | 8,133 | 7,139 |
| | 14,073 | 12,313 |
| Power & fuel | 12,086 | 11,786 |
| Manufacturing Expenses - Job Contract | 23,830 | 20,061 |
| Other Manufacturing Expenses | 72 | 97 |
| Rates & Taxes | 2 | - |
| Repair & Maintanence | | |
| - Buildings | 840 | - |
| - Plant and machinery | 1,549 | 852 |
| - Others | 307 | 248 |
| Freight outwards | 36,757 | 35,893 |
| Bank Charges | 9 | 7 |
| Insurance | 412 | 311 |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(all amount in ₹ thousands, except stated otherwise)

| | | |
|---|---|---|
| Communication expenses | 321 | 463 |
| Printing & Stationery | 71 | 49 |
| Legal and Professional charges | 293 | 104 |
| Input tax reversal | 7,644 | - |
| Auditors Remuneration | | |
| -Statutory Audit | 120 | 120 |
| -Tax Audit | - | 45 |
| -Other Services | 197 | 150 |
| -Out of pocket expenses | 9 | - |
| Travelling and conveyance | 212 | 201 |
| Balances Written off | 8,419 | - |
| Loss on Retirement of Fixed Assets | 65 | - |
| Miscellaneous expenses | 420 | 297 |
| **Total** | **107,708** | **83,017** |

| Note - 22 A : Exceptional Items | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Write Back of Advances & other liabilities * | 347,500 | - |
| | **347,500** | - |

* The Company has written back amounts due to its Holding Company.

## Note 23: Income Tax

The major components of income tax expense for the period ended March 31, 2020 and March 31, 2019 are:

### 23.1 Income tax recognised in profit or loss

| | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| *Tax Expense:* | | |
| a) Current tax | - | - |
| b) Adjustments in respect of current income tax of previous year | 1 | - |
| c) Deferred tax | - | - |
| **Income tax expense reported in the statement of profit or loss** | 1 | - |

### 23.2 Income tax recognised in other comprehensive income

| | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| **Deferred tax assets / (liabilities)** | | |
| **Arising on income and expenses recognised in other comprehensive income** | | |
| Remeasurement of defined benefit obligation (Items that will not be reclassified to profit or loss) | - | - |
| **Total tax recognised in other comprehensive income** | - | - |

**The income tax expense for the year can be reconciled to the accounting profit as follows:**

| | For the year ended March 31,2020 | For the year ended March 31,2019 |
|---|---|---|
| Accounting profit before tax from continuing operations | 295,416 | (60,388) |
| **Accounting profit before income tax** | 295,416 | (60,388) |
| Tax at the Indian Tax Rate of 25.17% (March 31, 2019: 26%) | 74,356 | (15,701) |
| Adjustments in respect of current income tax of previous years | 1 | - |
| Effect of tax losses on which deffered tax is not recongnised and others | (74,356) | 15,701 |
| Others | - | - |
| Tax expenses recognised in profit or loss | 1 | - |

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.17% (March 31, 2019: 26%) payable by corporate entities in India on taxable profits under the Indian tax law.

**The Following Deferred Tax Assets are not Recognised**

| | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Unabsorbed Depreciation | - | 16,419 |
| Unabsorbed Tax Losses | 2,182 | 75,178 |
| Provision - Gratuity | 308 | 101 |
| | 2,490 | 91,698 |

GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Note 24 : Earnings per share (EPS)

| | For the year ended March 31,2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit attributable to the equity holders (in ₹ thousands ) | 295,416 | (60,388) |
| 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)** | 137.40 | (28.09) |

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25. **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.

| Contractual maturities of financial liabilities (Non Derivative)- 31.03.2020 | 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 | - | 11,232 | - | - | - | 11,232 |
| Other Financial Liabilities | - | 64 | - | - | - | 64 |

| 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 | - | 37 | - | - | - | 37 |

**26. Financial Instruments by Category**

| Particulars | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortized cost | FVPL | FVOCI | Amortized cost |
| **Financial Assets** | | | | | | |
| Other Financial Assets – Non Current | - | - | 1,498 | - | - | 968 |
| Cash & Bank Balances | - | - | 117 | - | - | 1,070 |
| Others | - | - | 45,648 | - | - | 25,710 |
| **Total Financial Assets** | - | - | **47,263** | - | - | **27,748** |
| **Financial Liabilities** | | | | | | |
| Borrowings | - | - | 70,096 | - | - | 70,096 |
| Trade payables | - | - | 11,232 | - | - | 25,479 |
| Other Financial Liabilities | - | - | 64 | - | - | 37 |
| **Total Financial Liabilities** | - | - | **81,392** | - | - | **95,612** |

27. **Provisions, Contingent Liabilities and Contingent Assets:**

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

| Particulars | 2019-20 | | 2018-19 | |
|---|---|---|---|---|
| | INR | USD | INR | USD |
| Amount Guaranteed * | 30,24,000 | 40,000 | 1,382,964 | 20,000 |
| Amount Outstanding * | 27,57,208 | 36,471 | 1,301,647 | 18,824 |

Restated at 1USD = INR (FY 2019-20 1 USD = INR 75.60 & FY 2018-19 1 USD = INR 69.15

* 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:-

| Disclosure in respect of contingent Liabilities | Period to which amount relates | Forum where the dispute is pending | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|---|
| a) Interest on delayed payment of VAT | 2000-01 | Anti evasion Commercial taxes, Bhilwara | - | 574 |
| b) Interest on delayed payment of CST | 2001-02 | Anti evasion Commercial taxes, Bhilwara | - | 865 |
| c) Demand in assessment under VAT /CST for FY 2016-17 | 2016-17 | Commercial Taxes Officer, Chittorgarh | 2,236 | - |
| d) Demand in assessment under VAT / CST for FY 2017-18 | 2017-18 | Commercial Taxes Officer, Chittorgarh | 2,332 | - |

**28. Employee Benefits**

The Company has classified the various benefits provided to employees as under:-

i) **Assets and Liabilities relating to employee benefits:** 'The Company has a post-employment defined benefit gratuity plan (unfunded) in India, governed by the Payment of Gratuity Act, 1972. This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

| Particulars | As At March 31, 2020 | As At March 31, 2019 |
|---|---|---|
| Net Defined Benefit Asset-Gratuity Plan | 587 | 389 |
| **Total** | **587** | **389** |
| Non-Current | 9 | 7 |
| Current | 578 | 382 |

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ii) **Reconciliation of net benefit (Assets)liability:**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components:

| Particulars | Gratuity (Un funded) | |
|---|---|---|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| **II. Net asset/(liability) recognised in the balance sheet** | | |
| Present value of Defined benefit obligation | 587 | 389 |
| Net liability | 587 | 389 |
| Non-current liability | 578 | 382 |
| Current liability | 9 | 7 |
| **III. Change in the present value of obligation during the year** | | |
| Present value of obligation as at the beginning of the year | 389 | 422 |
| Interest cost | 29 | 28 |
| Current service cost | 81 | 92 |
| Benefits paid | (51) | (126) |
| Actuarial (gains) / losses on Financial | 34 | 6 |
| Actuarial (gains) / losses on Experience | 104 | (32) |
| Past service cost | - | - |
| Present value of obligation as at the end of the year | 587 | 389 |

iii) **Expense Recognized in Statement of profit and loss:**

| **Particulars** | **As At March 31, 2020** | **As At March 31, 2019** |
|---|---|---|
| Current Service Cost | 81 | 92 |
| **Finance Cost** | | |
| Interest Cost | 29 | 28 |
| **Total** | **110** | **120** |

iv) **Defined contribution plans :** The Company has recognized the following amounts in the statement of profit and loss:

| **Particulars** | **As At March 31, 2020** | **As At March 31, 2019** |
|---|---|---|
| Employers' contribution to provident fund | 293 | 276 |
| Employers' contribution to ESIC | 5 | 31 |
| **Total** | **298** | **307** |

v) **Re-measurements recognized in other comprehensive income**

| **Particulars** | **As At March 31, 2020** | **As At March 31, 2019** |
|---|---|---|
| Actuarial gain / (loss) on defined benefit obligation | (138) | 26 |
| Total | **(138)** | **26** |

vi) **Sensitivity analysis for significant assumptions**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Defined Benefit Obligation | 01-04-2019 to 31-03-2020 | 01-04-2018 to 31-03-2019 |
|---|---|---|
| Discount Rate - | | |
| a) Discount Rate – 100 basis points | 643 | 435 |
| a) Discount Rate – 100 basis points impacts (%) | 9.56% | 11.55% |
| b) Discount Rate + 100 basis points | 540 | 353 |
| b) Discount Rate + 100 basis points impacts (%) | -8.02% | -9.52% |
| Salary Increase Rate - | | |
| b) Discount Rate – 100 basis points | 540 | 352 |
| c) Discount Rate – 100 basis points impacts (%) | -8.05% | -9.61% |
| d) Discount Rate + 100 basis points | 642 | 434 |
| c) Discount Rate + 100 basis points impacts (%) | 9.40% | 11.44% |

'* Sensitivities due to mortality & withdrawals are not material. Hence impact of change has not been calculated.

**A note on sensitivity analysis –**

Sensitivity analysis for each significant assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.

The mortality and attrition does not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis.

The assumption used in preparing the sensitivity analysis is Discount rate at +1% and -1% Salary assumption at +1% and -1%.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year.

vii) **Principal actuarial assumptions used in determining gratuity obligation**

| Particulars | Gratuity (Unfunded) | |
|---|---|---|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Discount rate (per annum) | 6.90% | 7.60% |
| Future salary increase | 7.50% | 7.50% |
| Expected rate of return on plan assets | - | - |
| In service mortality | - | |

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| Particulars | Gratuity (Unfunded) | |
|---|---|---|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Retirement age<br>- Officer<br>- Non Officer | <br>58 years<br>60 years | <br>58 years<br>60 years |
| Withdrawal rates: | | |
| - upto 30 years | 3% | 3% |
| - 31-44 years | 2% | 2% |
| - above 44 years | 1% | 1% |
| **I. Expense recognized in statement of profit and loss** | | |
| On Current service cost | 92 | 92 |

* **100% of IALM 2006-08 Ultimate**

viii) **Expected contribution for the next annual reporting period**

| **Particulars** | **As At March 31, 2020** | **As At March 31, 2019** |
|---|---|---|
| Service Cost | 136 | 81 |
| Interest Cost | 40 | 29 |
| **Total** | **176** | **110** |

ix) **The defined benefit obligation shall mature after year end 31st March, 2020 as follows :-**

| **Gratuity** | **As At March 31, 2020** | **As At March 31, 2019** |
|---|---|---|
| **Years** | | |
| 0 to 1 Year | 9 | 145 |
| 1 to 2 Year | 10 | 8 |
| 2 to 3 Year | 320 | 8 |
| 3 to 4 Year | 6 | 171 |
| 4 to 5 Year | 6 | 6 |
| 5Year Onwards | 227 | 96 |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

29. **Capital Management**

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

| | **As at March 31, 2020** | **As at March 31, 2019** |
|---|---|---|
| Borrowings | 70,096 | 70,096 |
| Trade Payables | 11,232 | 25,479 |
| Other Financial Liabilities | 64 | 37 |
| Other Current Liabilities | 104,026 | 389,584 |
| Provisions | 1,223 | 809 |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Less: Cash & Cash Equivalents | (117) | (1070) |
| **Net Debts** | 186,524 | 484,935 |
| Equity share capital | 21,500 | 21,500 |
| Other equity | (56,156) | (351,434) |
| Total Capital | (34,656) | (329,934) |
| **Total Capital plus Net Debts** | 151,868 | 155,001 |
| **Gearing Ratio** | 1.22 | 3.13 |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

## 30. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instrumer

**a) Fair value of Financial Assets:**

| | Amortized Cost | | Fair Value | |
|---|---|---|---|---|
| **Financial Assets** | **As At March 31, 2020** | **As At March 31, 2019** | **As At March 31, 2020** | **As At March 31, 2019** |
| Other Financial Assets – Non Current | 1,498 | 968 | - | - |
| Cash & Bank Balances | 117 | 1,070 | - | - |
| Others | 45,648 | 25,710 | - | - |
| **Total Financial Assets** | **47,263** | **27,748** | - | - |

**b) Fair Value of Financial Liabilities:**

**(Amount in ₹ thousand)**

| | Amortized Cost | | Fair Value | |
|---|---|---|---|---|
| **Financial Liabilities** | **As At March 31, 2020** | **As At March 31, 2019** | **As At March 31, 2020** | **As At March 31, 2019** |
| Borrowings | 70,096 | 70,096 | - | - |
| Trade payables | 11,232 | 25,479 | - | - |
| Other Financial Liabilities | 64 | 37 | - | - |
| **Total Financial Liabilities** | **81,392** | **95,612** | - | - |

Management has assessed that Fair value of cash and cash equivalents, other financial assets, Security Deposits, borrowings and trade payables approximate their carrying amount, largely due to the short-term nature of these instruments.

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31. **Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

a) **Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial Assets As At March 31, 2020:**

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| **Financial Assets Measured At Amortised Cost** | | | | | |
| Other Financial Assets – Non Current | 1,498 | - | - | - | |
| Cash & Bank Balances | 117 | - | - | - | |
| Others | 45,648 | - | - | - | |
| **Total Financial Assets** | **47,263** | - | - | - | |

b) **Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial liabilities As At March 31, 2020:**

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| **Financial Liabilities Measured At Amortised Cost** | | | | | |
| Borrowings | 70,096 | - | - | - | |
| Trade payables | 11,232 | - | - | - | |
| Other Financial Liabilities | 64 | - | - | - | |
| **Total Financial Liabilities** | **81,392** | - | - | - | |

GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

c) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial assets As At March 31, 2019:

| | As At March 31, 2020 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| Financial Assets Measured At Amortised Cost | | | | | |
| Other Financial Assets – Non Current | 968 | - | - | - | |
| Cash & Bank Balances | 1,070 | - | - | - | |
| Others | 25,710 | - | - | - | |
| **Total Financial Assets** | **27,748** | - | - | - | |

**d) Quantitative Disclosures Fair Value Measurement Hierarchy of Company's financial liabilities As At March 31, 2019:**

| | **As At March 31, 2020** | **Quoted prices in active markets (Level 1)** | **Significant observable inputs (Level 2)** | **Significant unobservable inputs (Level 3)** | **Total** |
|---|---|---|---|---|---|
| **Financial Liabilities Measured At Amortised Cost** | | | | | |
| Borrowings | 70,096 | - | - | - | |
| Trade payables | 25,479 | - | - | - | |
| Other Financial Liabilities | 37 | - | - | - | |
| **Total Financial Liabilities** | **95,612** | - | - | - | |

32. Financial assistance by way of loan and working capital advances from M/s DCM Shriram Limited is secured by way of first ranking equitable mortgage on all immovable assets and first ranking hypothecation/charge created on all movable assets of the Company.

33. **Related party disclosures under Ind AS 24 "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

**Key Managerial personnel:** Mr. Shreekanth Chundi
Mr. Vivek Srivastava

GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Transactions with related parties for the Year Ended March 31, 2020

| Type of transactions with Holding company (DCM Shriram Limited) | | |
|---|---|---|
| | 2019-20 | 2018-19 |
| Advances Received (Net) | (63,260) | (91,857) |
| Sales ( Net of discount and interest) | 162,117 | 143,224 |
| Finance Cost | 29,610 | 33,553 |
| Liability Written back | 347,500 | - |
| Bank Guarantee issued | 1,641,036 | - |
| **Balance outstanding as at year end** | | - |
| Loan Payable | 70,096 | 70,096 |
| Advance Received | 103,710 | 264,583 |
| Bills Payable | 0 | 103,367 |
| Outstanding balance of Bank Guarantee | 2,757,208 | 1,382,964 |

34. **Segment Reporting**

**A. Operating segment:**

Based on the guiding principles given in Ind AS – 108 'Operating segments', the company operates under one segment i.e. manufacturing of fertilizers.

**B. Geographical Information:**

i. Revenue from external customers: The Company's revenue from external customers excluding subsidy by location of operation are as under:

| Particulars | For year ended March 31, 2020 | For year ended March 31, 2019 |
|---|---|---|
| Within India | 162,117 | 143,224 |
| Outside India | - | - |
| Total | 162,117 | 143,224 |

ii. Non-current assets: There are no non-current assets which are located outside India.

**C. Information about major customer**

There is only one customer who contributed 100% of the company's revenue during the year ended March 31, 2020 and March 31, 2019.

35. Deferred tax has not been recognized in the books of account in respect of deductible temporary differences, 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 deductible temporary differences unused tax losses and unused tax credit can be utilized.

36. **Subsequent Event**

The outbreak of COVID-19 in India does not have or likely to have a significant adverse impact on the Company as it is producing Single Super Phosphate (SSP) product which is covered under Essential Commodities. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due for payment.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

37. The figures are rounded off to the nearest rupees thousands.

38. Notes 1 to 38 form an integral part of the financial statements.

For and on behalf of Board of Directors
of Shri Ganpati Fertilizers Limited

| | |
|---|---|
| (Vivek Srivastava) | (Sanjay Chhabra) |
| *Director* | *Director* |
| DIN – 2123322 | DIN – 144564 |

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

**PT SHRIRAM GENETICS**
**FINANCIAL STATEMENTS**
**As of February 27, 2020 and March 31, 2019**
**and for The Eleven-Month Period Ended February 27, 2020**
**and for The Year Ended March 31, 2019**
**Translation Into United Stated Dollar Currency**

**and Independent Auditor's Report**

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**REGARDING**
**THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**
**AS OF AND FOR THE ELEVEN-MONTH PERIOD ENDED FEBRUARY 27, 2020**
**PT SHRIRAM GENETICS**

I, the undersigned :

| | | |
|---|---|---|
| 1. Name | : | J. Abraham Anand |
| Office Address | : | Mayapada Tower I, 7th floor Suites 06 F/E, Kelurahan Karet, Kecamatan Setiabudi |
| | : | Jl. Jend Sudirman Kav. 28 Jakarta Selatan 12920 |
| Domicile | : | Jakarta Selatan |
| Phone Number | : | 021-57940231 / 021-57940232 |
| Position | : | President Director |

State that:

1. I am responsible for the preparation and presentation of the financial statements of PT Shriram Genetics;
2. The financial statements of PT Shriram Genetics have been prepared and presented in accordance with Indonesia Financial Accounting Standards;
3. a. All information in the financial statements of PT Shriram Genetics are complete and correct;
   b. The financial statements of PT Shriram Genetics do not contain misleading material information or facts, and do not omit material information or facts.
4. I am responsible for PT Shriram Genetics's internal control system.

This statement letter is made truthfully.

Jakarta, April 6, 2020

METERAI TEMPEL
B4827AHF326815865
6000

**J. Abraham Anand**
President Director

Nexia KPS

**KANAKA PURADIREDJA, SUHARTONO**
**Branch Jakarta Selatan**
Branch licence No. 1165/KM.1/2017
18 Office Park Tower A, 20th floor
Jl. TB. Simatupang No. 18. Pasar Minggu
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E. office18@kanaka.co.id
www.kanaka.co.id

# INDEPENDENT AUDITORS' REPORT

Report No.00203/3.0357/AU.1/01/0749-6/1/IV/2020

The Shareholders, Board of Commissioners and Directors
**PT SHRIRAM GENETICS**

We have audited the translation to presentation currency of the accompanying interim financial statements ("translated interim financial statements") of PT Shriram Genetics, which comprise the interim statement of financial position as of February 27, 2020, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such translated financial statements in accordance with PSAK No. 10 (Revised 2010) - The Effect of Changes in Foreign Exchange Rates, and for such internal control as management determines is necessary to enable the preparation of interim translated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the interim financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the interim financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of interim the financial statements.

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

## Opinion

In our opinion, the accompanying translated interim financial statements present fairly, in all material respects, the financial position of PT Shriram Genetics as of February 27, 2020, and its financial performance and cash flows for the year then ended, in accordance with PSAK No. 10 (Revised 2010): The Effect of Changes in Foreign Exchange Rates.

**Emphasis of matter**

Without qualifying our opinion, based on PSAK No. 3 "the Interim Financial Statement" for presentation of the Company's interim financial statements which comprise the interim statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year ended March 31, 2019 not accordance with those PSAK.

Without qualifying our opinion, we draw attention to Note 28 to the financial statements, which indicates that the Company incurred recurring losses for which resulted to capital deficiency amounting to US$ 57,942 as of February 27, 2020. These conditions, along with other matters as set forth in Note 28, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**Restriction on use and distribution**

Without qualifying our opinion, the accompanying translated interim financial statements of PT Shriram Genetics was prepared for internal management reporting of Bioseeds Holdings Pte. Ltd. Thus, the translated interim financial statement of PT Shriram Genetics is not intended to be and should not be used for any other purposes. This report is intended solely for the information and use by the Management.

**Other matter**

The financial statements of PT Shriram Genetics for the year ended March 31, 2019 were audited by other independent public accountants who expressed an unmodified opinion on those financial statements on April 9, 2019.

**KANAKA PURADIREDJA, SUHARTONO**

**Patricia CPA**
Public Accountant Registration No. AP. 0749

April 6, 2020

**PT SHRIRAM GENETICS**
**STATEMENT OF FINANCIAL POSITION**
**As of February 27, 2020 and March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | Notes | February 27, 2020 | March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash in bank | 3,5,25,26 | 22,919 | 105,160 |
| Other receivables | 3,6,24,25,26 | 65,947 | 65,947 |
| Inventories | 3,7 | 2,539,270 | 1,092,597 |
| Advances and prepaid expenses | 3,8 | 38,538 | 115,061 |
| **Total Current Assets** | | **2,666,674** | **1,378,765** |
| **NON-CURRENT ASSETS** | | | |
| Fixed assets – net | 3,9 | 27,072 | 22,334 |
| Deferred tax assets | 3,10c | 22,542 | 29,280 |
| Other assets | 3,25,26 | 2,456 | 2,469 |
| **Total Non-current Assets** | | 52,070 | 54,083 |
| **TOTAL ASSETS** | | **2,718,744** | **1,432,848** |

*See accompanying Notes to the Financial Statements which are an integral part of the financial statements.*

**PT SHRIRAM GENETICS**
**STATEMENT OF FINANCIAL POSITION (continued)**
**As of February 27, 2020 and March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | Notes | February 27, 2020 | March 31, 2019 |
|---|---|---|---|
| **LIABILITIES AND CAPITAL DEFICIENCIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade payables | 3,11,25,26 | | |
| Related party | 24 | | 1,160,154 |
| Third parties | | 919,641 | 44,793 |
| Other payables | 3,12,24,25,26 | | 256,101 |
| Advance payment | 3,13 | 1,626,125 | 1,029,618 |
| Accrued expenses | 3,14,25,26 | 89,778 | 49,578 |
| Taxes payable | 3,10a | 46,105 | 5,173 |
| Consumer financing payables short-term portion | 3,15,25,26 | 2,192 | 4,408 |
| Lease liability | 3,16,25,26 | 2,676 | - |
| **Total Current Liabilities** | | **2,686,516** | **2,549,825** |
| **NON-CURRENT LIABILITIES** | | | |
| Consumer financing payables long-term portion | 3,15,25,26 | - | 1,835 |
| Employee Benefit Liability | 3,17 | 90,170 | 117,120 |
| **Total Non-current Liabilities** | | **90,170** | **118,955** |
| **TOTAL LIABILITIES** | | **2,776,686** | **2,668,780** |
| **CAPITAL DEFICIENCIES** | | | |
| Share capital, US$ 1 par value per share | | | |
| Authorized and issued capital - 300,000 shares | 18 | 300,000 | 300,000 |
| Effect of changes in foreign exchange difference | 3 | 8,751 | 22,122 |
| Deficits | | (366,693) | (1,558,054) |
| **CAPITAL DEFICIENCIES** | | **(57,942)** | **(1,235,932)** |
| **TOTAL LIABILITIES AND CAPITAL DEFICIENCIES** | | **2,718,744** | **1,432,848** |

*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 Eleven-Month Period Ended February 27, 2020**
**And for the Year Ended March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | Notes | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **SALES** | 3,19,24 | 1,319,838 | 959,339 |
| **COST OF GOODS SOLD** | 3,20 | (1,055,595) | (633,154) |
| **GROSS PROFIT** | | **264,243** | **326,185** |
| Research expenses | 3,21 | (18,311) | (56,789) |
| General and administrative expenses | 3,22 | (386,760) | (617,559) |
| Other income (expenses) - net | 3,23 | 1,389,180 | (116,951) |
| **OPERATING INCOME (LOSS)** | | **1,248,352** | **(465,114)** |
| Finance costs | 3,24 | (6,806) | (58,817) |
| **INCOME (LOSS) BEFORE INCOME TAX** | | **1,241,546** | **(523,931)** |
| **INCOME TAX BENEFIT (EXPENSE)** | | | |
| Current tax | 3,10b | (44,857) | - |
| Deferred tax | 3,10c | (6,351) | 13,856 |
| **INCOME TAX BENEFIT (EXPENSE) – NET** | | **(51,208)** | **13,856** |
| **NET INCOME (LOSS) FOR THE YEAR** | | **1,190,338** | **(510,075)** |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | |
| **Item that will be reclassified to profit or loss** | | | |
| Effect of changes in foreign exchange difference | 3 | (13,371) | 20,966 |
| **Item that will not be reclassified to profit or loss** | | | |
| Remeasurements of post-employment benefits | 3,17 | 1,364 | 19,123 |
| Related income tax | 3,10c | (341) | (4,781) |
| **OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR** | | **(12,348)** | **35,308** |
| **TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR** | | **1,177,990** | **(474,767)** |

*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 Eleven-Month Period Ended February 27, 2020**
**And for the Year Ended March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | Share Capital | Effect of changes in foreign exchange difference | Deficits | Total Capital Deficiencies |
|---|---|---|---|---|
| **Balance as of April 1, 2018** | **300,000** | **1,156** | **(1,062,321 )** | **(761,165)** |
| Net loss for the year | - | - | (510,075 ) | (510,075 ) |
| Other comprehensive income for the year | - | 20,966 | 14,342 | 35,308 |
| **Balance as of March 31, 2019** | **300,000** | **22,122** | **(1,558,054 )** | **(1,235,932 )** |
| Net income for the year | - | | 1,190,338 | 1,190,338 |
| Other comprehensive income (loss) for the year | - | (13,371 ) | 1,023 | (12,348 ) |
| **Balance as of February 27, 2020** | **300,000** | **8,751** | **(366,693 )** | **(57,942 )** |

*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 Eleven-Month Period Ended February 27, 2020**
**And for the Year Ended March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Income (loss) before income tax | 1,241,546 | (523,931) |
| Adjustments for: | | |
| Employee benefits expenses (Note 17) | (25,406) | 55,422 |
| Finance costs | 6,806 | - |
| Effect of changes in foreign exchange difference | 2,236 | 20,080 |
| Depreciation of fixed assets (Note 9) | 18,483 | 4,163 |
| Current income tax | (44,856) | - |
| Write-off of shareholder loan (Note 23) | (1,144,141) | - |
| Write-off interest of shareholder loan (Note 23) | (259,077) | - |
| Operating loss before changes in working capital | (204,409) | (444,266) |
| Changes in working capital: | | |
| Trade receivables - related party | - | 381,462 |
| Inventories | (1,446,673) | (818,259) |
| Advances and prepaid expenses | 76,523 | (57,057) |
| Other assets | 11 | 70 |
| Trade payables | (285,306) | (93,222) |
| Other payable | - | (10,000) |
| Advance payment | 596,507 | 1,029,618 |
| Accrued expenses | 40,200 | 28,605 |
| Taxes payable | 40,932 | 2,926 |
| Cash generated from (used in) operation | (1,182,215) | 19,877 |
| Finance costs paid | (6,806) | - |
| **Net Cash Provided by (Used in) Operating Activities** | **(1,189,021)** | **19,877** |
| **CASH FLOWS FOR INVESTING ACTIVITY** | | |
| Acquisition of fixed assets | **(22,844)** | **-** |
| **CASH FLOWS FOR FINANCING ACTIVITIES** | | |
| Proceeds from shareholders loan | 1,131,000 | - |
| Payment of consumer financing payable | (1,376) | (4,777) |
| **Net Cash Provided by (Used in) Financing Activities** | **1,129,624** | **(4,777)** |
| **NET INCREASE (DECREASE) IN CASH IN BANK** | **(82,241)** | **15,100** |
| **CASH IN BANK AT THE BEGINNING OF YEAR** | **105,160** | **90,060** |
| **CASH IN BANK AT THE END OF YEAR** | **22,919** | **105,160** |

*See accompanying Notes to the Financial Statements which are an integral part of the financial statements taken as a whole.*

## 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. 16 of Yulita Harastiati, S.H., dated May 14, 2019 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-0025929.AH.01.02 Year 2019 dated May 15, 2019.

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, 7th 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 February 27, 2020 and March 31, 2019 are as follows:

<u>**Board of Commissioners**</u>

| | |
|---|---|
| President Commissioner | : Jitender Kumar Jain |
| Commissioner | : Parveen Kumar Aggarwal |
| Commissioner | : Paresh Kumar Verma |
| President Director | : Joseph Abraham Anand |

As of February 27, 2020 and March 31, 2019, the Company had a total of 3 and 7 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 6, 2020.

## 2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION TO FINANCIAL ACCOUNTING STANDARDS ("ISAK")

**Standards (SAKs) and Interpretation to Financial Accounting Standards (ISAKs) Issued and Effective in the Current Year (on or after January 1, 2019)**

In the current year, the Company has adopted all of the new and revised financial accounting standards ("SAK") and interpretation to financial accounting standards ("ISAK") including amendments and annual improvements issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants that are relevant to its operations and affected to the financial statements effective for accounting period beginning on or after January 1, 2019.

New and revised SAKs and ISAKs including amendments and annual improvements effective in the current year are as follows:

## 2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION TO FINANCIAL ACCOUNTING STANDARDS ("SAK") (continued)

**Standards (SAKs) and Interpretation to Financial Accounting Standards (ISAKs) Issued and Effective in the Current Year (on or after January 1, 2019) (continued)**

- ISAK No. 33 "Transactions of Foreign Exchange and Advances in Advance", ISAK No. 33 clarifies the use of transaction dates to determine the exchange rates used in the initial recognition of assets, expenses or related income when the entity has received or paid benefits in advance in foreign currency.

- ISAK No. 34 "Uncertainty in Income Tax Treatment", ISAK No. 34 clarifies and provides guidance in reflecting the uncertainty of income tax treatment in financial statements.

**Standards (SAKs) and Interpretation to Financial Accounting Standards (ISAKs) Issued but not Effective in the Current Year (on or after January 1, 2020)**

- PSAK No. 71 "Financial Instruments", PSAK No. 71 provides for changes in terms of financial instruments such as classification and measurement, impairment, and hedge accounting. This PSAK will replace PSAK No. 55 "Financial Instruments: Recognition and Measurement ".

- Amendment to PSAK No. 71 "Financial Instruments concerning Features of Accelerating Repayment with Negative Compensation". Amendment to PSAK No.71 amend paragraphs PP4.1.11 (b) and PP4.1.12 (b), and add paragraphs PP4.1.12A to regulate that financial assets with accelerated repayment features that can result in negative compensation meeting qualifications as contractual cash flows originating solely from payment of principal and interest from the principal amount owed.

- PSAK No. 72 "Revenue from Contract with Customers", PSAK No. 72 sets the revenue recognition model of the contract with the customer, so the entity is expected to conduct an analysis before acknowledging the revenue. This PSAK No. 72 will replace PSAK No. 23 "Revenue", PSAK No. 34 "Construction Contracts", PSAK No. 44 "Accounting for Real Estate Development Activities", ISAK No. 10 "Customer Loyalty Program", ISAK No. 21 "Real Estate Construction Agreements" and ISAK No. 27: Transfer of Assets From Customers ".

- PSAK No. 73 "Leases", PSAK No. 73 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. This PSAK No. 73 will replace PSAK No. 30 "Lease".

Several SAKs and ISAKs including amendments and annual improvements that became effective in the current year and are relevant to the Company's operation have been adopted as disclosed in the "Summary of Significant Accounting Polices".

Other SAKs and ISAKs that are not relevant to the Company's operation or might affect the accounting policies in the future are being evaluated by the management the potential impact that might arise from the adoption of these standards to the financial statements.

## 3. 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").

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

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, 2019 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.

### Early Adoption of PSAK No. 73 "Leases"

The Company has early adoption PSAK No. 73 effectively for the financial year beginning April 1, 2019, but has not restated comparatives for the previous reporting period as permitted under the specific transition provision in the standard.

### Impact on financial statements

On the adoption of PSAK No. 73, the Company recognized right-of-use assets and lease liabilities in relation to leases which were previously classified as 'operating lease' under the principles of PSAK No. 30, "Leases". These lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate applied was 6%. Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in financial position as of March 31, 2019.

### Adoption of Amendments to PSAK

The Company has adopted several amendments to PSAK that are mandatory for application effective April 1, 2019. 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 No. 2: Statement of Cash Flows, on Disclosure Initiative
- Amendments to PSAK No. 46: Income Taxes, on Recognition of Deferred Tax Assets for Unrealized Losses

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

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 February 27, 2020 and March 31, 2019, the exchange rate used based on rate by management was Rp 14,318 and Rp 14,241, 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 24 to the financial statements.

### Financial Instruments

<u>Financial Assets</u>

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 February 27, 2020 and March 31, 2019, 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, other receivables related party and other assets in the statement of financial position.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial Instruments (continued)

Financial Assets (continued)

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 at February 27, 2020 and March 31, 2019, the Company only had financial liabilities measured at amortized cost that comprised of trade payables, other payable - related party, accrued expenses, consumer financing payable and lease liability. 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 objectives 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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Cash in Bank

Cash in bank represent cash in bank 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 purchases 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:

| | Years |
|---|---|
| Vehicles | 8 |
| Machinery | 8 |
| Office equipment | 4 - 8 |
| Furniture and fixtures | 4 |

| | Months |
|---|---|
| Right-of-use assets | |
| Office building | 14-16 |
| Farm | 29 |

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 it is derecognized.

### Impairment of Non-financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortization 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 amortization 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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Lease

The accounting policy are applied on and after the initial application date of IAS 16, April 1, 2019.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right use the underlying leased assets.

Right-of-use assets (ROA)

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROA are measured at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities. The cost of ROA includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROA are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets.

If ownership of the leased asset transfer to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful lives of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercise by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

### Employee Benefit Liability

The Company provides defined employee benefit liability to their employees in accordance with Indonesian Labor Law No. 13/2003.

The Company's net obligation in respect of the defined benefit plan is calculated as the present value of the employee benefit liability at the end of the reporting period. The employee benefit liability 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.

Re-measurements of employee benefit liability, 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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income Tax (continued)

ii. Deferred Tax (continued)

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.

## 4. 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 3 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.

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.

## 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

**Key Sources of Estimation Uncertainty (continued)**

Impairment of 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 other receivable is disclosed in Note 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.

Employee Benefit Liability

The determination of the Company's employee benefit liability 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.

## 5. CASH IN BANK

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Standard Chartered Bank | | |
| Rupiah | 22,701 | 52,852 |
| United States Dollar | 218 | 52,308 |
| **Total** | **22,919** | **105,160** |

## 6. OTHER RECEIVABLES

As of February 27, 2020 and March 31, 2019, 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 the management believes that other receivables are fully collectible.

## 7. INVENTORIES

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Raw materials | | |
| Cobs and parent seeds | 120,456 | 83,690 |
| Material goods | 117,329 | 85,396 |
| Work in process (clean seeds) | | |
| B 54 | 829,905 | 52,832 |
| B 89 | 670,088 | 42,990 |
| B 59Tx | 3,290 | - |
| B 70 | 3,151 | 1,650 |
| B 99 | 1,443 | 1,451 |
| Finish goods (packed seeds) | | |
| B 54 | 547,647 | 609,173 |
| B 89 | 223,395 | 199,280 |
| B 70 | 22,566 | 16,135 |
| **Total** | **2,539,270** | **1,092,597** |

The management has written off inventories amounting to US$ 11,117 and US$ 50,634 for the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019 which have been charged to other expenses - net (Note 23), respectively.

The 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

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Advances | 25,700 | 84,538 |
| Prepaid expenses | | |
| Professional fee | 5,763 | 4,852 |

(Expressed in United States Dollar, unless otherwise stated)

## 8. ADVANCES AND PREPAID EXPENSES (continued)

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Prepaid expenses | | |
| Insurance | 4,068 | 2,353 |
| Rental of building | 3,007 | 6,191 |
| School fee | - | 11,282 |
| Rental of land | - | 5,845 |
| **Total** | **38,538** | **115,061** |

## 9. FIXED ASSETS

| | February 27, 2020 | | | | |
|---|---|---|---|---|---|
| | Beginning balance | Additions | Deductions | Effect of changes in foreign exchange difference | Ending balance |
| **Acquisition cost** | | | | | |
| Direct ownership | | | | | |
| Vehicles | 26,770 | - | - | (144 ) | 26,626 |
| Machinery | 3,792 | - | - | (21 ) | 3,771 |
| Office equipment | 3,845 | - | - | (21 ) | 3,824 |
| Furniture and fixtures | 270 | - | - | (1 ) | 269 |
| Right-of-use assets | - | 23,031 | - | - | 23,031 |
| **Total acquisition cost** | **34,677** | 23,031 | | (187 ) | **57,521** |
| **Accumulated depreciation** | | | | | |
| Direct ownership | | | | | |
| Vehicles | 8,923 | 3,103 | - | (100) | 11,926 |
| Machinery | 599 | 440 | - | (11) | 1,028 |
| Office equipment | 2,551 | 333 | - | (19) | 2,865 |
| Furniture and fixtures | 270 | - | - | (1) | 269 |
| Right-of-use assets | - | 14,607 | - | (246) | 14,361 |
| **Total accumulated depreciation** | **12,343** | 18,483 | - | (377) | **30,449** |
| **Net book value** | **22,334** | | | | **27,072** |

| | March 31, 2019 | | | | |
|---|---|---|---|---|---|
| | Beginning balance | Additions | Deductions | Effect of changes in foreign exchange difference | Ending balance |
| **Acquisition cost** | | | | | |
| Vehicles | 27,698 | - | - | (928 ) | 26,770 |
| Machinery | 3,923 | - | - | (131 ) | 3,792 |
| Furniture and fixtures | 3,978 | - | - | (133 ) | 3,845 |
| Office equipment | 280 | - | - | (10 ) | 270 |
| **Total acquisition cost** | **35,879** | - | - | (1,202 ) | **34,677** |

## 9. FIXED ASSETS (continued)

| | March 31, 2019 (continued) | | | | |
|---|---|---|---|---|---|
| | Beginning balance | Additions | Deductions | Effect of changes in foreign exchange difference | Ending balance |
| **Accumulated depreciation** | | | | | |
| Vehicles | 5,770 | 3,316 | - | (163 ) | 8,923 |
| Machinery | 131 | 470 | - | (2 ) | 599 |
| Furniture and fixtures | 2,257 | 366 | - | (72 ) | 2,551 |
| Office equipment | 268 | 11 | - | (9 ) | 270 |
| **Total accumulated depreciation** | **8,426** | 4,163 | - | (246) | **12,343** |
| **Net book value** | **27,453** | | | | **22,334** |

In 2019, right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16. The depreciation of beginning balance of right-use-assets charged into profit or loss.

For the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019, depreciation expenses of US$ 18,483 and US$ 4,163, respectively, have been charged to general and administrative expenses (Note 22).

Based on management's review, there are no events or changes in circumstances which may indicate impairment of fixed assets as of February 27, 2020 and March 31, 2019.

## 10. TAXATION

### a. Taxes Payable

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Income taxes: | | |
| Article 21 | 43 | 1,460 |
| Article 23 | 749 | 3,713 |
| Article 26 | 1,211 | - |
| Article 29 | 44,102 | - |
| **Total** | **46,105** | **5,173** |

### b. Corporate Income Tax

A reconciliation between profit (loss) before income tax, as shown in the statement of profit or loss and other comprehensive income and estimated taxable for the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019 is as follows:

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit (loss) before income tax | 1,241,546 | (523,931) |
| Permanent differences: | | |
| Non-deductible expenses | 30,809 | 105,933 |
| Temporary differences | | |
| Employee benefit | (25,406) | 55,422 |

(Expressed in United States Dollar, unless otherwise stated)

## 10. TAXATION (continued)

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Estimated taxable income (loss) for the year** | **1,246,949** | **(362,576** |
| **Accumulated fiscal loss at the beginning of the year** | **(1,274,888)** | **(971,126)** |
| Adjustment | 233,982 | 58,814 |
| **Accumulated fiscal loss at the end of the year** | **206,043** | **(1,274,888 )** |
| **Facilities** | | |
| **12,5%** | **6,654** | **-** |
| **25%** | **38,203** | **-** |
| **Current income tax** | **44,857** | **-** |
| Effect of changes in foreign exchange difference | (755 ) | - |
| **Tax payable (Article 29)** | **44,102** | |

The computation of current income tax expense for the eleven-month period ended February 27, 2020 using income tax article 31E paragraph (1).

For the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019, 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:

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit (loss) before income tax | 1,241,547 | (523,931 ) |
| Tax calculated at applicable tax rate | (310,387 ) | 130,983 |
| Tax effects on permanent differences | (7,702 ) | (26,483 ) |
| Unrecognized deferred tax assets | 324,440 | (90,644 ) |
| **Deferred income tax benefit** | **6,351** | **(13,856 )** |

### c. Deferred Tax Assets

The details of deferred tax assets with applicable tax rate at 25% is as follows:

| | February 27, 2020 | | | | |
|---|---|---|---|---|---|
| | Balances as of April 1, 2019 | Deferred income tax benefit | Charged to other comprehensive income tax benefit | Effect of changes in foreign exchange difference | Balance as of February 27, 2020 |
| Employee benefit | 29,280 | (6,351) | (341) | (46) | 22,542 |

## 10. TAXATION (continued)

### c. Deferred Tax Assets (continued)

| | March 31, 2019 | | | | |
|---|---|---|---|---|---|
| | Balances as of April 1, 2018 | Deferred income tax benefit | Charged to other comprehensive income tax benefit | Effect of changes in foreign exchange difference | Balance as of March 31, 2019 |
| Employee benefit | 20,820 | 13,856 | (4,781) | (615 ) | 29,280 |

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

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Related party (Note 24) | | |
| Shriram Bioseed Genetics | - | 1,160,154 |
| Third parties | | |
| PT Prasad Seeds Indonesia | 501,532 | - |
| Growers | 320,525 | 19,250 |
| UD Pro Green | 30,684 | - |
| Freight Inwards Companies | 27,283 | - |
| PT Prismas Jamintara | 9,346 | - |
| PT Surya Plastindo | 4,066 | 4,088 |
| Persekutuan Johannes Juara & Rekan | 3,380 | 1,699 |
| PT Forum Agro Sukses Timur | 2,448 | 2,461 |
| Employees | 1,906 | - |
| PT Asian Hybrid Seed Technologies | 1,658 | 15,626 |
| Others (each below US$ 1,053) | 16,813 | 1,669 |
| **Total** | **919,641** | **1,204,947** |

## 12. OTHER PAYABLES

As of February 27, 2020 and March 31, 2019, this account represents interest payable to Bioseed Holdings Pte, Ltd., a related party, amounting to US$ nill and US$ 256,101, respectively.

## 13. ADVANCE PAYMENT

As of February 27, 2020 and March 31, 2019, this account represents advance payment from PT Shriram Seed Indonesia, a related party, amounting to US$ 1,626,125 and US$ 1,029,618, respectively.

## 14. ACCRUED EXPENSES

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Rental | 33,935 | - |
| Freight | 32,405 | 6,994 |
| Outsourcing | 13,502 | 22,309 |
| Salary | 3,007 | 4,051 |
| Fumigation cost | 1,253 | - |
| Professional fees | 557 | 3,780 |
| Treating cost | - | 843 |
| Others (each below US$ 600) | 5,119 | 11,601 |
| **Total** | **89,778** | **49,578** |

(Expressed in United States Dollar, unless otherwise stated)

## 15. CONSUMER FINANCING PAYABLES

As of February 27, 2020 and March 31, 2019, 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 of 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:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Minimum lease payment | | |
| Not later than 1 year | 2,192 | 4,408 |
| Later than 1 year and no later than 5 years | - | 1,835 |
| **Total** | **2,192** | **6,243** |
| Less current portion | - | 4,408 |
| **Long-term portion** | **-** | **1,835** |

## 16. LEASE LIABILITY

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Minimum lease payment | | |
| Not later than 1 year | 2,676 | - |
| Later than 1 year and no later than 5 years | - | - |
| **Total** | **2,676** | **-** |
| Less current portion | - | - |
| **Long-term portion** | **-** | **-** |

<u>Lease liabilities</u>

In April 2019, the Company has lease agreement contract for building dated April 1, 2019 with the term 16 (sixteen) and 14 (fourteen) months for office building and 29 (twenty nine) months for farm . The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

(a) Carrying amounts of right-of-use assets classified within fixed assets.

| | Acquistion Cost April 1, 2019 | Accumulated Depreciation | Effect of exchanges in foreign exchange difference | Net Book Value February 27, 2020 |
|---|---|---|---|---|
| Office building | 17,217 | (12,364) | 208 | 5,061 |
| Farm | 5,814 | (2,243) | 38 | 3,609 |
| **Total** | **23,031** | **(14,607)** | **246** | **8,670** |

## 16. LEASE LIABILITY (continued)

(b) Amounts recognized in profit or loss

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Depreciation of right-of-use assets | 14,607 | - |
| Interest expense on lease liabilities | 429 | - |
| **Total amount recognised in profit or loss** | **15,036** | **-** |

## 17. EMPLOYMENT BENEFIT LIABILITY

As of February 27, 2020 and March 31, 2019, the Company's accrued employment benefit liability based on the actuarial calculation prepared by PT Dayamandiri Dharmakonsilindo, an independent actuary as stated in its report dated April 1, 2020 and February 27, 2019, respectively, with the following main assumption:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Normal retirement age | 55 years | 55 years |
| Salary increase rate | 8% per year | 8% per year |
| Discount rate | 7.10% per year | 8.15% 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:

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Expense recognized in profit or loss: | | |
| Current service cost | 11,898 | 21,203 |
| Interest cost | 3,346 | 5,684 |
| Liability due to recognize of past service | - | 28,535 |
| Past service cost due to curtailment | (40,650) | - |
| **Defined benefit costs recognized in profit or loss** | **(25,406)** | **55,422** |
| Re-measurements recognized in other comprehensive income: | | |
| Actuarial gains arising from experience adjustments | (1,666) | (11,793) |
| Actuarial losses (gains) arising from changes in financial assumption | 302 | (7,330) |
| **Defined benefit costs recognized in other comprehensive income** | **(1,364)** | **(19,123)** |
| **Total** | **(26,770)** | **36,299** |

The movements of the estimated for employment benefits liability are as follows:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Beginning balance | 117,120 | 83,278 |
| Effect of changes in foreign exchange difference | (179) | (2,457 ) |

(Expressed in United States Dollar, unless otherwise stated)

## 17. EMPLOYMENT BENEFIT LIABILITY (continued)

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Current service cost | 11,898 | 21,203 |
| Interest cost | 3,346 | 5,684 |
| Liability due to recognize past service | - | 28,535 |
| Past service cost due to curtailment | (40,650) | - |
| Remeasurements recognized in other comprehensive income: | | |
| Actuarial gains arising from experience adjustments | (1,666) | (11,793 ) |
| Actuarial losses (gains) arising from changes in financial assumption | 302 | (7,330 ) |
| **Ending balance of defined benefit obligation** | **90,170** | **117,120** |

## 18. SHARE CAPITAL

The composition of shareholders as of February 27, 2020 and March 31, 2019 are as follows:

| | February 27, 2020 Number of issued and fully paid shares | Percentage of ownership | Total |
|---|---|---|---|
| Brigitta Hadianto Imam Rahayoe | 153,000 | 51% | 153,000 |
| Bioseeds Holdings Pte. Ltd | 147,000 | 49% | 147,000 |
| **Total** | **300,000** | **100%** | **300,000** |

| | March 31, 2019 Number of issued and fully paid shares | Percentage of ownership | Total |
|---|---|---|---|
| Brigitta Hadianto Imam Rahayoe | 152,500 | 51% | 152,500 |
| Bioseeds Holdings Pte. Ltd | 147,500 | 49% | 147,500 |
| **Total** | **300,000** | **100%** | **300,000** |

**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.

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Trade payables | 919,641 | 1,204,947 |

## 18. SHARE CAPITAL (continued)

**Capital Management (continued)**

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Other payables | - | 256,101 |
| Accrued expenses | 89,778 | 49,578 |
| Total | 1,009,419 | 1,510,626 |
| Less cash in bank | 22,919 | 105,160 |
| Net debt | **986,500** | **1,405,466** |
| Capital deficiency | **(57,942)** | **(1,235,932)** |
| **Gearing ratio** | **(17.03)** | **(1.14)** |

## 19. SALES

For the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019, this account represents sales of seeds to PT Shriram Seed Indonesia, a related party (Note 24) amounting to US$ 1,319,838 and US$ 959,339, respectively.

## 20. COST OF GOODS SOLD

For the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019, this account represents production and processing expenses amounting to US$ 1,055,595 and US$ 633,154, respectively.

## 21. RESEARCH EXPENSES

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Travelling | 9,714 | 24,515 |
| Relocation | 5,081 | - |
| Product registration | 2,522 | 14,459 |
| Trial and demo | 746 | 6,552 |
| Outsourcing employees | 248 | 7,460 |
| Farm rent | - | 3,416 |
| Others (each below US$ 248) | - | 387 |
| **Total** | **18,311** | **56,789** |

## 22. GENERAL AND ADMINISTRATIVE EXPENSES

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Outsourcing employees | 138,121 | 212,030 |
| Salaries and allowances | 121,405 | 212,112 |
| Rental | 45,863 | 27,289 |
| Professional fee | 34,005 | 39,573 |
| Depreciation of fixed assets (Note 9) | 18,483 | 4,163 |
| Travelling | 15,886 | 19,395 |
| Entertainment | 3,970 | 5,702 |

(Expressed in United States Dollar, unless otherwise stated)

## 22. GENERAL AND ADMINISTRATIVE EXPENSES (continued)

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Supplies | 3,887 | 6,320 |
| Insurance | 2,845 | 4,194 |
| Repair and maintenance | 2,581 | 4,766 |
| Telephone, internet and fax | 2,219 | 3,469 |
| Utilities | 2,142 | 2,743 |
| Employee benefit (Note 17) | (25,406) | 55,422 |
| Others (each below US$ 2,142) | 20,759 | 20,381 |
| **Total** | **386,760** | **617,559** |

## 23. OTHER EXPENSES (INCOME)

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Write-off inventories (Note 7) | 11,117 | 50,634 |
| Loss on foreign exchange | (312) | 49,886 |
| Write-off interest of shareholder loan | (259,077) | - |
| Write-off of shareholder loan | (1,144,141) | - |
| Others (each below US$ 3,479) | 3,233 | 16,431 |
| **Total** | **(1,389,180)** | **116,951** |

## 24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions and balances with related parties are as follows:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| **Interest receivable** | | |
| PT Shriram Seed Indonesia (Note 6) | **65,947** | **65,947** |
| **Percentage to total assets** | **2.4%** | **4.6%** |
| **Trade payable** | | |
| Shriram Bioseed Genetics (Note 11) | **-** | **1,160,154** |
| **Percentage to total liabilities** | **-** | **43.5%** |
| **Interest payable** | | |
| Bioseed Holdings Pte. Ltd. (Note 12) | **-** | **256,101** |
| **Percentage to total liabilities** | **-** | **9.6%** |
| **Advance payment** | | |
| PT Shriram Seed Indonesia (Note 13) | **1,626,125** | **1,029,618** |
| **Percentage to total liabilities** | **58.6%** | **38.6%** |

## 24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Finance cost** | | |
| Shriram Bioseed Genetics | **(6,376)** | **(58,817)** |
| **Sales** | | |
| PT Shriram Seed Indonesia (Note 19) | **1,319,838** | **959,339** |
| **Percentage to total sales** | **100%** | **100%** |
| **Professional fee** | | |
| Brigitta Hadianto Imam Rahayoe | **12,172** | **12,158** |
| **Percentage to total general And administrative expenses** | **3.15%** | **1.97%** |

In conducting its business, the Company entered into business and financial transactions with its related parties as follows :

| Related parties | Nature of Relationships | Nature of Transactions |
|---|---|---|
| PT Shriram Seed Indonesia | Affiliate | Interest receivables, advance payment and sales |
| Bioseed Holdings Pte, Ltd. | Shareholder | Interest payable |
| Shriram Bioseed Genetics | Affiliate | Trade payables and finance cost |
| Brigitta Hadianto Imam Rahayoe | Shareholder | Professional fee expense |

## 25. FINANCIAL INSTRUMENTS

Except for 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 Company has no financial assets and financial liabilities which are measured at fair value as at February 27, 2020 and March 31, 2019.

## 26. 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.

(Expressed in United States Dollar, unless otherwise stated)

## 26. FINANCIAL RISK MANAGEMENT (continued)

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 February 27, 2020 and March 31, 2019:

**February 27, 2020**

| | | Past Due But Not Impaired | | | |
|---|---|---|---|---|---|
| | **Neither past due Nor impaired** | **< 3 Months** | **> 3 months And 1 year** | **> 1 year** | **Total** |
| Cash in Bank | 22,919 | - | - | - | 22,919 |
| Other receivables | - | - | 65,947 | - | 65,947 |
| Other assets | 2,456 | - | - | - | 2,456 |
| **Total** | **25,375** | **-** | **65,947** | **-** | **91,322** |

**March 31, 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 | - | - | 65,947 | - | 65,947 |
| Other assets | 2,469 | - | - | - | 2,469 |
| **Total** | **107,629** | **-** | **65,947** | **-** | **173,576** |

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.

## 26. FINANCIAL RISK MANAGEMENT (continued)

c. Liquidity Risk (continued)

| | February 27, 2020 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | More than 2 years | Total |
| Trade payables | 919,641 | - | - | 919,641 |
| Accrued expenses | 89,778 | - | - | 89,778 |
| Consumer financing payable | 2,192 | - | - | 2,192 |
| Lease liability | 2,676 | - | - | 2,676 |
| **Total** | **1,014,286** | **-** | **-** | **1,014,286** |

| | March 31, 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 |
| **Total** | **1,515,034** | **1,835** | **-** | **1,516,869** |

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.

## 27. SIGNIFICANT AGREEMENTS

PT Prasad Seeds Indonesia (PSI)

- The Company entered into seed processing agreement on June 1, 2019 with PSI, third party. Based on the agreement, PSI undertakes seed tooling processing for the Company subject to terms and conditions set forth in agreement as follows:
  1. PSI shall provide the Services or the Dying Services or Treating and Packing Service as per the delivery and processing schedule agreed by the Parties. The estimates agreed packing volumes are agreed in schedule 1.
  2. PSI shall issue an invoice for the applicable fee. The Company shall make payment of all legitimate invoice within 30 days from its receipt of the invoice.
  3. PSI warrants that the Services will be performed in a good, workmanlike manner, in conformity with the highest professional and ethical standard.
  4. The Company shall make its books and accounting records relating to its provision of services available for auditing from time to time at PSI's request.

**27. SIGNIFICANT AGREEMENTS (continued)**

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, germanition 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 February 29, 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.

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, germanition 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 February 29, 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 February 29, 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 February 29, 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 April1, 2017 - February 29, 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.

## 27. SIGNIFICANT AGREEMENTS (continued)

PT Shriram Seed Indonesia (continued)

- 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 February 29, 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 - February 29, 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.
- Based on Sale and Purchase of Hybrid Corn Seed Supply Agreement dated April 1, 2019. The Company shall produce and sell 850 metric tons of Hybrid Corn B89 to PT Shriram Seed Indonesia (the buyer, a related party) for the period of April 1, 2019 to February 27, 2020, 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 handling charges in Final Packing. As per initial estimates of Buyer, the Seller also test produce and Import Hybrid Corn B70, Hybrid Corn B54 and Hybrid Corn B59 for the Buyer for the period April 1, 2018 - February 27, 2019. Up to the reporting date, the agreement is on renewal process where the purchase price of the Hybrid Corn B70 / B54 / B59 is Rp 30,000 per kilogram inclusive of the Value Added Taxes (VAT), expenses, warehousing and handling charges in Final Packing.

## 28. GOING CONCERN

The Company incurred capital deficiency amounting to US$ 57,942 as of February 27, 2020. 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.

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

The Company’s operation may adversely impacted by the outbreak of Covid-19 virus which started in China and subsequently spread to other countries including Indonesia. The adverse effects of Covid-19 to the global and Indonesian economy include negative effect to economic growth, decline in capital markets, increase in credit risk, depreciation of foreign currency exchange rates and disruption of business operation. The future effects of the outbreak of Covid-19 to Indonesia and the Company are unclear at this time. A significant rise in the number of Covid-19 infections or prolongation of the outbreak could have severe affect to Indonesia and the Company. However, future effects will also depend on the effectiveness of policy responses issued by the Government of the Republic of Indonesia.

As of the date of this financial statement, there has been a weakening of the Rupiah exchange rate against foreign currencies contributed by the impact of Covid-19. The Company's business activities, revenues, asset values and liabilities are still under control, while mitigating the financial risks and operational risks of the Company related to limited activities through directives to maintain social distance and the weakening of the exchange rate, so that the significance of this impact cannot be identified at this stage.

## 29. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in liabilities arising from financing activity were as follows:

| | February 27, 2020 | | |
|---|---|---|---|
| | **Beginning Balance** | **Cash flows-net** | **Ending Balance** |
| Lease liability | - | 2,676 | 2,676 |
| Consumer financing payable | 6,243 | (4,051) | 2,192 |

(Expressed in United States Dollar, unless otherwise stated)

## 30. EVENTS AFTER REPORTING PERIOD

1. Based on Notarial Deed of Sugih Haryati, S.H., M.Kn No. 101 dated February 25, 2020, the shareholders agreed to:
   - Approved the company's acquisition.
   - Approved the sale of all shares owned by Bioseed Holdings Pte. Ltd., to Global Seed Prasaad, Pte. Ltd., as many as 147,000 shares of type A with a total face value of Rp 1,409,436,000 or equal to US$ 147,000 so that the composition of the shareholders is as follows:

| | **Number of issued and fully paid shares** | **Percentage of ownership** | **Total** |
|---|---|---|---|
| Brigitta Hadianto Imam Rahayoe | 153,000 | 51% | 153,000 |
| Global Seed Prasaad, Pte. Ltd. | 147,000 | 49% | 147,000 |
| **Total** | **300,000** | **100%** | **300,000** |

   - Approved the respectful dismissal of the Company's Independent Directors and Independent Commissioners so that the new composition of Directors and Board of Commissioners is as follows:

| | | |
|---|---|---|
| President Commissioner | : | Hemanth Kumar Karumanchi |
| President Director | : | Ashok Kumar Jha |

2. Based on Notarial Deed of Sugih Haryati, S.H., M.Kn No. 107 dated February 27, 2020, the shareholders agreed to share purchase agreement of PT Shriram Genetics between Bioseed Holdings Pte. Ltd., and Prasaad Seed Global Pte. Ltd.

**PT SHRIRAM SEED INDONESIA**
**FINANCIAL STATEMENTS**
**As of February 27, 2020 and March 31, 2019**
**and for The Eleven-Month Period Ended February 27, 2020**
**and for The Year Ended March 31, 2019**
**Translation Into United Stated Dollar Currency**

**and Independent Auditor's Report**

**PT SHRIRAM SEED INDONESIA**
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**BIOSEED**

**DIRECTORS' STATEMENT LETTER**
**REGARDING**
**THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**
**AS OF AND FOR THE ELEVEN-MONTH PERIOD ENDED FEBRUARY 27, 2020**
**PT SHRIRAM SEED INDONESIA**

I, the undersigned :

| | | |
|---|---|---|
| 1. Name | : | J. Abraham Anand |
| Office Address | : | Mayapada Tower I, 7th floor Suites 06 F/E, Kelurahan Karet, Kecamatan Setiabudi |
| | : | Jl. Jend Sudirman Kav. 28 Jakarta Selatan 12920 |
| Domicile | : | Jakarta Selatan |
| Phone Number | : | 021-57940231 / 021-57940232 |
| Position | : | President Director |

State that:

1. I am responsible for the preparation and presentation of the financial statements of PT Shriram Seed Indonesia;
2. The financial statements of PT Shriram Seed Indonesia have been prepared and presented in accordance with Indonesia Financial Accounting Standards;
3. a. All information in the financial statements of PT Shriram Seed Indonesia are complete and correct;
   b. The financial statements of PT Shriram Seed Indonesia do not contain misleading material information or facts, and do not omit material information or facts.
4. I am responsible for PT Shriram Seed Indonesia's internal control system.

This statement letter is made truthfully.

Jakarta, April 6, 2020

METERAI TEMPEL
6000

**J. Abraham Anand**
President Director

**PT SHRIRAM SEED INDONESIA**
Mayapada Tower, Lantai 07, Suites 06 F/E, Jl. Jenderal Sudirman Kav. 28, Jakarta 12920, Indonesia. Tel: +62 21 5794 0231, Fax: +62 21 5794 0232

Nexia KPS

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# INDEPENDENT AUDITORS' REPORT

Report No.00202/3.0357/AU.1/01/0749-6/1/IV/2020

The Shareholders, Board of Commissioners and Directors
**PT SHRIRAM SEED INDONESIA**

We have audited the translation to presentation currency of the accompanying interim financial statements ("translated interim financial statements") of PT Shriram Seed Indonesia, which comprise the interim statement of financial position as of February 27, 2020, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such translated financial statements in accordance with PSAK No. 10 (Revised 2010) - The Effect of Changes in Foreign Exchange Rates, and for such internal control as management determines is necessary to enable the preparation of interim translated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the interim financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the interim financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of interim the financial statements.

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

## Opinion

In our opinion, the accompanying translated interim financial statements present fairly, in all material respects, the financial position of PT Shriram Seed Indonesia as of February 27, 2020, and its financial performance and cash flows for the year then ended, in accordance with PSAK No. 10 (Revised 2010): The Effect of Changes in Foreign Exchange Rates.

## Emphasis of matter

Without qualifying our opinion, based on PSAK No. 3 "the Interim Financial Statement" for presentation of the Company's interim financial statements which comprise the interim statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year ended March 31, 2019 not accordance with those PSAK.

**Restriction on use and distribution**

Without qualifying our opinion, the accompanying translated interim financial statements of PT Shriram Seed Indonesia was prepared for internal management reporting of Bioseeds Holdings Pte. Ltd. Thus, the translated interim financial statement of PT Shriram Seed Indonesia is not intended to be and should not be used for any other purposes. This report is intended solely for the information and use by the Management.

**Other matter**

The financial statements of PT Shriram Seed Indonesia for the year ended March 31, 2019 were audited by other independent public accountants who expressed an unmodified opinion on those financial statements on April 9, 2019.

**KANAKA PURADIREDJA, SUHARTONO**

KANTOR AKUNTAN PUBLIK KANAKA PURADIREDJA, SUHARTONO

**Patricia, CPA**
Public Accountant Registration No. AP. 0749

April 6, 2020

**PT SHRIRAM SEED INDONESIA**
**STATEMENT OF FINANCIAL POSITION**
**As of February 27, 2020 and March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | Notes | February 27, 2020 | March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash on hand and in bank | 3,5,25,26 | 48,447 | 284,329 |
| Trade receivables | 3,6,25,26 | 357,832 | 628,326 |
| Inventories | 3,7 | 192,642 | 49,398 |
| Advances and prepaid expenses | 3,8,24 | 1,688,857 | 1,098,095 |
| **Total Current Assets** | | **2,287,778** | **2,060,148** |
| **NON-CURRENT ASSETS** | | | |
| Fixed assets | 3,9 | 25,356 | 26,817 |
| Deferred tax assets | 3,11c | 118,276 | 111,228 |
| Other assets | 3,10,25,26 | 7,483 | 7,525 |
| **Total Non-current Assets** | | **151,115** | **145,570** |
| **TOTAL ASSETS** | | **2,438,893** | **2,205,718** |

*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 February 27, 2020 and March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | Notes | February 27, 2020 | March 31, 2019 |
|---|---|---|---|
| **LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)** | | | |
| **CURRENT LIABILITIES** | | | |
| Other payables | 3,12,25,26 | | |
| Related parties | 24 | 65,947 | 504,661 |
| Third parties | | 18,020 | 5,556 |
| Shareholder’s loans | 3,13,24,25,26 | 105,160 | 2,200,000 |
| Accrued expenses | 3,14,25,26 | 50,289 | 55,348 |
| Taxes payable | 3,11a | 5,732 | 5,676 |
| Current portion of: | | | |
| Consumer financing payables | 3,15,24,25 | - | 4,300 |
| Lease liability | 3,16,24,25 | 2,694 | - |
| **Total Current Liabilities** | | **247,842** | **2,775,541** |
| **NON-CURRENT LIABILITIES** | | | |
| Employee benefit liability | 3,17 | 295,247 | 266,092 |
| **TOTAL LIABILITIES** | | **543,089** | **3,041,633** |
| **EQUITY (CAPITAL DEFICIENCY)** | | | |
| Share capital, US$ 1 par value per share | | | |
| Authorized, issued and | | | |
| fully paid - 5,350,000 shares | 18 | 5,350,000 | 5,350,000 |
| Effect of changes in foreign | | | |
| exchange difference | 3 | 401,587 | 443,697 |
| Deficits | | (3,855,783) | (6,629,612) |
| **TOTAL EQUITY (CAPITAL DEFICIENCY)** | | **1,895,804** | **(835,915)** |
| **TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)** | | **2,438,893** | **2,205,718** |

*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 Eleven-Month Period Ended February 27, 2020**
**And for the Year Ended March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | Notes | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **SALES** | 3,19 | 1,134,704 | 1,133,874 |
| **COST OF SALES** | 3,20,24 | (1,179,902) | (906,858) |
| **GROSS PROFIT (LOSS)** | | **(45,198)** | **227,016** |
| Selling expenses | 3,21 | (92,002) | (102,585) |
| General and administrative expenses | 3,22,24 | (692,711) | (942,513) |
| Other income (expenses) - net | 3,23 | 3,566,630 | (43,856) |
| **OPERATING INCOME (LOSS)** | | **2,736,719** | **(861,938)** |
| Finance cost | 3,24 | (433) | (110,321) |
| **INCOME (LOSS) BEFORE INCOME TAX** | | **2,736,286** | **(972,259)** |
| **DEFERRED INCOME TAX BENEFIT (EXPENSE)** | 3,11b | **15,219** | **44,018** |
| **NET INCOME (LOSS) FOR THE YEAR** | | **2,751,505** | **(928,241)** |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | |
| **Item that will be reclassified to profit or loss** | | | |
| Effect of changes in foreign exchange difference | 3 | (42,110) | (11,208) |
| **Item that will not be reclassified to profit or loss** | | | |
| Remeasurements of employee benefit liability | 3,17 | 29,766 | 23,176 |
| Related income tax | 3,11c | (7,442) | (5,794) |
| **OTHER COMPREHENSIVE INCOME INCOME (LOSS) FOR THE YEAR** | | **(19,786)** | **6,174** |
| **TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR** | | **2,731,719** | **(922,067)** |

*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 Eleven-Month Period Ended February 27, 2020**
**And for the Year Ended March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | Share Capital | Effect of Changes in Foreign Exchange Difference | Deficits | Total Equity (Capital Deficiency) |
|---|---|---|---|---|
| **Balance as of April 1, 2018** | **5,350,000** | **454,905** | **(5,718,753)** | **86,152** |
| Net loss for the year | - | - | (928,241) | (928,241) |
| Other comprehensive income | - | (11,208) | 17,382 | 6,174 |
| **Balance as of March 31, 2019** | **5,350,000** | **443,697** | **(6,629,612)** | **(835,915)** |
| Net income for the year | - | - | 2,751,505 | 2,751,505 |
| Other comprehensive loss | - | (42,110) | 22,324 | (19,786) |
| **Balance as of Februari 27, 2020** | **5,350,000** | **401,587** | **(3,855,783)** | **1,895,804** |

*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 Eleven-Month Period Ended February 27, 2020**
**And for the Year Ended March 31, 2019**
**(Expressed in United States Dollar, unless otherwise stated)**

| | **For the eleven-month period ended February 27, 2020** | **For the year ended March 31, 2019** |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Income (loss) before income tax | 2,736,286 | (972,259) |
| Adjustments for: | | |
| Effect of changes in foreign exchange difference | (3,196) | (10,439) |
| Finance costs | 433 | 110,321 |
| Employee benefits expenses (Note 17) | 60,874 | 205,275 |
| Adjustment of employee benefit (Note 17) | - | (28,674) |
| Depreciation of fixed assets (Note 22) | 15,633 | 7,616 |
| Write-off of shareholder loan | (3,149,445) | - |
| Write-off of interest of shareholder loan (Note 23) | (431,672) | - |
| Operating loss before changes in working capital | (771,087) | (688,160) |
| Changes in working capital: | | |
| Trade receivables | 270,494 | (43,640) |
| Inventories | (143,244) | (49,398) |
| Advances and prepaid expenses | (590,762) | (1,035,414) |
| Other assets | 42 | 7,642 |
| Trade payables | - | (385,357) |
| Other payables | 464 | 72,093 |
| Accrued expenses | (5,059) | 47,185 |
| Taxes payable | 56 | (7,210) |
| **Cash used in Operation** | **(1,239,096)** | **(2,082,259)** |
| Finance costs paid | (433) | (110,321) |
| **Net Cash Used in Operating Activities** | **(1,239,529)** | **(2,192,580)** |
| **CASH FLOWS FOR INVESTING ACTIVITY** | | |
| Acquisition of fixed assets (Note 9) | **(13,747)** | **(6,174)** |
| **CASH FLOWS FOR FINANCING ACTIVITIES** | | |
| Proceeds of shareholder's loans | 1,019,000 | 1,300,000 |
| Payment of consumer financing payable | (1,606) | (3,226) |
| **Net Cash Provided by Financing Activities** | **1,017,394** | **1,296,774** |
| **NET DECREASE IN CASH IN BANK** | **(235,882)** | **(901,980)** |
| **CASH ON HAND AND IN BANK AT THE BEGINNING OF YEAR** | **284,329** | **1,186,309** |
| **CASH ON HAND AND IN BANK AT THE END OF YEAR** | **48,447** | **284,329** |

*See accompanying Notes to the Financial Statements which are an integral part of the financial statements taken as a whole.*

(Expressed in United States Dollar, unless otherwise stated)

## 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. 6 of Yulita Harastiati, S.H., dated May 8, 2019 concerning the amandement 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-0024612.AH.01.02.Year 2019 dated May 9, 2019.

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, 7th 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 February 27, 2020 and March 31, 2019 are as follows:

**<u>Board of Commissioners:</u>**

| | |
|---|---|
| President Commissioner | : Jitender Kumar Jain |
| Commissioner | : Paresh Kumar Verma |
| Commissioner | : Parveen Kumar Aggarwal |
| | |
| President Director | : Joseph Abraham Anand |

As of February 27, 2020 and March 31, 2019, the Company had a total of 8 and 9 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 6, 2020.

## 2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION TO FINANCIAL ACCOUNTING STANDARDS ("ISAK")

### Standards (SAKs) and Interpretation to Financial Accounting Standards (ISAKs) Issued and Effective in the Current Year (on or after January 1, 2019)

In the current year, the Company has adopted all of the new and revised financial accounting standards (SAK) and interpretation to financial accounting standards (ISAK) including amendments and annual improvements issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants that are relevant to its operations and affected to the financial statements effective for accounting period beginning on or after January 1, 2019.

New and revised SAKs and ISAKs including amendments and annual improvements effective in the current year are as follows:

- ISAK No. 33 "Transactions of Foreign Exchange and Advances in Advance", ISAK No. 33 clarifies the use of transaction dates to determine the exchange rates used in the initial recognition of assets, expenses or related income when the entity has received or paid benefits in advance in foreign currency.

- ISAK No. 34 "Uncertainty in Income Tax Treatment", ISAK No. 34 clarifies and provides guidance in reflecting the uncertainty of income tax treatment in financial statements.

**2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION TO FINANCIAL ACCOUNTING STANDARDS ("ISAK") (Continued)**

**Standards (SAKs) and Interpretation to Financial Accounting Standards (ISAKs) Issued but not Effective in the Current Year (on or after January 1, 2020)**

Following are the new and revised SAKs and ISAKs including amendments and annual improvements applicable on or after January 1, 2020:

- Amendment to PSAK No. 15 "Investment in Associates and Joint Ventures concerning Long-Term Interests in Associates and Joint Ventures". Amendments to PSAK No. 15 add paragraph 14A so that it is stipulated that the entity also applies PSAK No. 71 to financial instruments in associates or joint ventures where the equity method is not applied. This includes long-term interests which form a substantial part of the entity's net investment in associates or joint ventures as referred to in PSAK No. 15 paragraph 38.

- Amendment to PSAK No. 62 "Insurance Contract - Implementing PSAK No. 71: Financial Instruments with PSAK No. 62: Insurance Contract". This Amendment provides 2 (two) approaches that are optional for the insurer, namely:

  a. Deferral approach: temporary exemption from the application of PSAK No. 71 to an entity whose principal activity is to issue an insurance contract as within the scope of PSAK No. 62 (which applies at the level of the reporting entity); and
  b. Overlay approach: allows an entity to reclassify multiple income or expenses arising from a defined financial asset from profit or loss to another comprehensive income.

- PSAK No. 71 "Financial Instruments", PSAK No. 71 provides for changes in terms of financial instruments such as classification and measurement, impairment, and hedge accounting. This PSAK will replace PSAK No. 55 "Financial Instruments: Recognition and Measurement ".

- Amendment to PSAK No. 71 "Financial Instruments concerning Features of Accelerating Repayment with Negative Compensation". Amendment to PSAK No. 71 amend paragraphs PP4.1.11 (b) and PP4.1.12 (b), and add paragraphs PP4.1.12A to regulate that financial assets with accelerated repayment features that can result in negative compensation meeting qualifications as contractual cash flows originating solely from payment of principal and interest from the principal amount owed.

- PSAK No. 72 "Revenue from Contract with Customers", PSAK No. 72 sets the revenue recognition model of the contract with the customer, so the entity is expected to conduct an analysis before acknowledging the revenue. This PSAK No. 72 will replace PSAK No. 23 "Revenue", PSAK No. 34 "Construction Contracts", PSAK No. 44 "Accounting for Real Estate Development Activities", ISAK No. 10 "Customer Loyalty Program", ISAK No. 21 "Real Estate Construction Agreements" and ISAK No. 27: Transfer of Assets From Customers ".

- PSAK No. 73 "Leases", PSAK No. 73 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. This PSAK No. 73 will replace PSAK No. 30 "Lease".

Several SAKs and ISAKs including amendments and annual improvements that became effective in the current year and are relevant to the Company's operation have been adopted as disclosed in the "Summary of Significant Accounting Polices".

Other SAKs and ISAKs that are not relevant to the Company's operation or might affect the accounting policies in the future are being evaluated by the management the potential impact that might arise from the adoption of these standards to the financial statements.

## 3. 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.

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, 2019 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.

### Early Adoption of PSAK No. 73 "Leases"

The Company has early adoption PSAK No. 73 effectively for the financial year beginning April 1, 2019, but has not restated comparatives for the previous reporting period as permitted under the specific transition provision in the standard.

### Impact on financial statements

On the adoption of PSAK No. 73, the Company recognized right-of-use assets and lease liabilities in relation to leases which were previously classified as 'operating lease' under the principles of PSAK No. 30, "Leases". These lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate applied was 9.15%. Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in financial position as of March 31, 2019.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**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 February 27, 2020 and March 31, 2019, the exchange rate used based on rate by management was Rp 14,318 and Rp 14,241, 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 24 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 February 27, 2020 and March 31, 2019, 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 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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Financial Instruments (continued)**

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 February 27, 2020 and March 31, 2019, the Company only had financial liabilities measured at amortized cost that comprised of other payables, shareholder's loans, accrued expenses, consumer financing payables and lease liability. 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 objectives 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 Bank**

Cash on hand and in bank represent cash on hand and cash in bank 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.

## 3. 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 purchases 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:

| | Years |
|---|---|
| Vehicles | 8 |
| Furniture and fixtures | 4 |
| Telephone installation | 4 |
| Office equipment | 4 |
| | **Months** |
| Right-of-use assets | 16 |

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 de-recognition 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 amortization 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 amortization 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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Leases (continued)**

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.

The accounting policy are applied on and after the initial application date of IAS 16, April 1, 2019.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right use the underlying leased assets.

Right-of-use assets (ROA)

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROA are measured at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities. The cost of ROA includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROA are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets.

If ownership of the leased asset transfer to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful lives of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercise by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

**Employee Benefit Liability**

The Company provides defined employee benefit liability to their employees in accordance with Indonesian Labor Law No. 13/2003.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee Benefit Liability (continued)

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 employee benefit liability 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.

Re-measurements of employee benefit liability, 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. Re-measurements 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.

## 3. 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.

## 4. 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.

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.

(Expressed in United States Dollar, unless otherwise stated)

## 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

**Key Sources of Estimation Uncertainty (continued)**

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 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 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 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 9 to the financial statements.

Employee Benefit Liability

The determination of the Company's employee benefit liability 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 17 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 11 to the financial statements.

## 5. CASH ON HAND AND IN BANK

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Cash on hand | 188 | 23 |
| Cash in bank | | |
| Standard Chartered Bank | | |
| Rupiah | 35,673 | 88,677 |
| United States Dollar | 12,586 | 195,629 |
| Sub-total | 48,259 | 284,306 |
| **Total** | **48,447** | **284,329** |

(Expressed in United States Dollar, unless otherwise stated)

## 6. TRADE RECEIVABLES

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Third parties | 535,692 | 807,148 |
| Less: provision for impairment | (177,860) | (178,822) |
| **Total** | **357,832** | **628,326** |

The movements of provision for impairment are as follows:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 178,822 | 189,493 |
| Provision during the year | - | - |
| Effect of changes in foreign exchange difference | (962) | (10,671) |
| **Balance at end of year** | **177,860** | **178,822** |

Management believes that the above provision for impairment is adequate to cover any possible losses that may arise from non-collection of accounts.

## 7. INVENTORIES

As of February 27, 2020 and March 31, 2019, this account represents inventory of returned corn from customers, amounting to US$ 192,642 and US$ 49,398, respectively

The management has written off inventories amounting to US$ 43 and US$ 12,525 for the eleven-month period ended February 27, 2020 and for the year ended March 31.

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

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| **Prepaid Expenses** | | |
| Rental | 35,135 | 30,864 |
| School fees | 22,380 | 15,276 |
| Insurance | 3,781 | 8,010 |
| Profesional fees | 497 | 12,463 |
| Others | 760 | 37 |
| Sub-total | 62,553 | 66,650 |
| **Advances** | | |
| Advance to PT Shriram Genetics (Note 24) | 1,626,125 | 1,029,618 |
| Advance to employees | 179 | 1,827 |
| Sub-total | 1,626,304 | 1,031,445 |
| **Total** | **1,688,857** | **1,098,095** |

(Expressed in United States Dollar, unless otherwise stated)

## 9. FIXED ASSETS

| | February 27, 2020 | | | |
|---|---|---|---|---|
| | Beginning Balance | Additions | Effect of changes in foreign exchange difference | Ending Balance |
| **Acquisition Cost** | | | | |
| Direct ownership | | | | |
| Vehicles | 42,431 | - | (229) | 42,202 |
| Furniture and fixtures | 4,338 | - | (23) | 4,315 |
| Telephone installation | 624 | - | (2) | 622 |
| Office equipment | 9,694 | - | (52) | 9,642 |
| Right-of-use assets | - | 14,053 | - | 14,053 |
| **Total Acquisition Cost** | **57,087** | **14,053** | **(306)** | **70,834** |
| **Accumulated Depreciation** | | | | |
| Direct ownership | | | | |
| Vehicles | 18,121 | 4,918 | (180) | 22,859 |
| Furniture and fixtures | 4,338 | - | (23) | 4,315 |
| Telephone installation | 624 | - | (3) | 621 |
| Office equipment | 7,187 | 888 | (54) | 8,021 |
| Right-of-use assets | - | 9,827 | (165) | 9,662 |
| **Total Accumulated Depreciation** | **30,270** | **15,633** | **(425)** | **45,478** |
| **Net Book Value** | **26,817** | | | **25,356** |

| | March 31, 2019 | | | |
|---|---|---|---|---|
| | Beginning Balance | Additions | Effect of changes in foreign exchange difference | Ending Balance |
| **Acquisition Cost** | | | | |
| 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 |
| **Total Acquisition Cost** | **52,679** | **6,174** | **(1,766)** | **57,087** |
| **Accumulated Depreciation** | | | | |
| 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 |
| **Total Accumulated Depreciation** | **23,368** | **7,616** | **(714)** | **30,270** |
| **Net Book Value** | **29,311** | | | **26,817** |

(Expressed in United States Dollar, unless otherwise stated)

## 9. FIXED ASSETS (continued)

For the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019, depreciation expenses of US$ 15,633 and US$ 7,616, respectively, have been charged to general and administrative expenses (Note 22).

Based on management's review, there are no events or changes in circumstances which may indicate impairment of fixed assets as of February 27, 2020 and March 31, 2019.

## 10. OTHER ASSETS

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| **Security Deposits** | | |
| PT Precise Pacific Realty | 3,066 | 3,083 |
| PT Bina Mega | 4,417 | 4,442 |
| **Total** | **7,483** | **7,525** |

## 11. TAXATION

### a. Taxes payable

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Income tax: | | |
| Article 4 (2) | 22 | 18 |
| Article 21 | 5,707 | 5,284 |
| Article 23 | 3 | 374 |
| **Total** | **5,732** | **5,676** |

### b. Corporate income tax

A reconciliation between income (loss) before income tax, as shown in profit or loss and estimated taxable loss for the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019 are as follows:

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Income (loss) before income tax | 2,736,286 | (972,259) |
| Permanent differences: | | |
| Non-deductible expenses | 114,205 | 236,100 |
| Temporary differences: | | |
| Employee benefits | 60,874 | 176,601 |
| Estimated tax Income (loss) for the year | 2,911,365 | (559,558) |
| Accumulated fiscal loss at beginning of the year | (4,629,056) | (4,314,245) |
| Adjustment | 1,381,662 | 244,747 |
| Accumulated tax loss at the ending of the year | **(336,029)** | **(4,629,056)** |

For the eleven-month period period ended February 27, 2020 and for the year ended March 31, 2019, the Company was in fiscal loss position, hence no provision for current income tax was recognized.

(Expressed in United States Dollar, unless otherwise stated)

## 11. TAXATION (continued)

Income tax is reconciled between loss before income tax multiplied by the applicable tax rate, as follows:

### b. Corporate income tax (continued)

| | For the eleven-month Period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Income (loss) before income tax | 2,736,286 | (972,259) |
| Tax calculate at applicable tax rate | (684,072) | 243,065 |
| Tax effect on permanent differences | (28,551) | (59,025) |
| Unrecognized deferred tax asset | 727,842 | (140,022) |
| **Deferred income tax benefit** | **15,219** | **44,018** |

### c. Deferred tax assets

The calculation of deferred assets with applicable tax rate at 25% is as follows:

| | February 27, 2020 | | | | |
|---|---|---|---|---|---|
| | Balances as of April 1, 2019 | Deferred income tax benefit | Other comprehensive income | Effect of changes in foreign exchange difference | Balance as of February 27, 2020 |
| Provision for impairment | 44,705 | - | - | (241) | 44,464 |
| Employee benefit | 66,523 | 15,219 | (7,442) | (488) | 73,812 |
| **Deferred tax assets** | **111,228** | **15,219** | **(7,442)** | **(729)** | **118,276** |

| | March 31, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Balances as of April 1, 2018 | Deferred income tax benefit | Other comprehensive income | Effect of changes in foreign exchange difference | Adjustment due to reversal | Balance as of March 31, 2019 |
| Provision for impairment | 46,251 | - | - | (1,546) | - | 44,705 |
| Employee benefit | 28,780 | 44,150 | (5,794) | (613) | - | 66,523 |
| Depreciation of fixed assets | 142 | - | - | (10) | (132) | - |
| **Deferred tax assets** | **75,173** | **44,150** | **(5,794)** | **(2,169)** | **(132)** | **111,228** |

As of February 27, 2020 and March 31, 2019, the Company has accumulated fiscal losses carry forward amounting to US$ 336,029 and US$ 4,629,056, respectively. No deferred tax asset on unused fiscal losses has been recognized as of February 27, 2020 and March 31, 2019. The management believes that it is not probable that future taxable income will be available against which these unused fiscal losses can be utilized.

(Expressed in United States Dollar, unless otherwise stated)

## 12. OTHER PAYABLES

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Related party (Note 24) | | |
| Bioseed Holdings Pte. Ltd | - | 438,714 |
| PT Shriram Genetics | 65,947 | 65,947 |
| Third parties | | |
| Employee | 8,069 | 1,459 |
| PT Prismas Jamintara | 3,776 | - |
| Persekutuan Johannes Juara & Rekan | 3,380 | 1,699 |
| Others | 2,795 | 2,398 |
| **Total** | **83,967** | **510,217** |

## 13. SHAREHOLDER'S LOANS

The Company entered into loan agreement with Bioseeds Holdings Pte. Ltd., a majority shareholder, dated May 26, 2016 stated that the loan amounting to US$ 900,000 with interest rate at 10% per year. 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, 2019.

On November 16, 2018, The Company entered another loan agreement with Bioseeds Holdings Pte. Ltd., stated that the loan amounting to US$ 1,300,000 with interest rate at 3.71% per year. 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.

On February 27, 2020, The Company entered another loan agreement with Bioseeds Holdings Pte. Ltd., stated that the loan amounting to US$ 105,160 with interest rate at 4.89% per year. 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 February 27, 2020 and March 31, 2019, the loans amounted to US$ 105,160 and US$ 2,200,000, respectively.

## 14. ACCRUED EXPENSES

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Handling fee | 11,802 | - |
| Freight | 11,398 | 22,529 |
| Professional fees | 10,426 | 9,785 |
| Salary | 8,268 | 7,246 |
| Outsourcing | 5,038 | 6,526 |
| Marketing | 2,507 | 7,383 |
| Others | 850 | 1,879 |
| **Total** | **50,289** | **55,348** |

(Expressed in United States Dollar, unless otherwise stated)

## 15. CONSUMER FINANCING PAYABLES

As of February 27, 2020 and March 31, 2019, 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:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Minimum lease payment | | |
| Not later than 1 year | - | 4,300 |
| Later than 1 year and no later than 5 years | - | - |
| **Total** | **-** | **4,300** |
| Less current portion | - | 4,300 |
| **Long-term portion** | **-** | **-** |

## 16. LEASE LIABILITY

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Minimum lease payment | | |
| Not later than 1 year | 2,694 | - |
| Later than 1 year and no later than 5 years | - | - |
| **Total** | **2,694** | **-** |
| Less current portion | 2,694 | - |
| **Long-term portion** | **-** | **-** |

Lease liabilities

In April 2019, the Company has lease agreement contract for office building dated April 1, 2019 with the term 16 (sixteen) months. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

(a) Carrying amounts of right-of-use assets classified within fixed assets.

| | Acquistion Cost April 1, 2019 | Accumulated Depreciation | Effect of exchanges in foreign exchange difference | Net Book Value February 27, 2020 |
|---|---|---|---|---|
| Office building | **14,053** | **(9,827)** | **165** | **4,391** |

(Expressed in United States Dollar, unless otherwise stated)

## 16. LEASE LIABILITY (continued)

(b) Amounts recognized in profit or loss

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Depreciation of right-of-use assets | 9,827 | - |
| Interest expense on lease liabilities | 433 | - |
| **Total amount recognized in profit or loss** | **10,260** | **-** |

## 17. EMPLOYEE BENEFIT LIABILITY

As of February 27, 2020 and March 31, 2019, the Company's accrued employee benefit liability based on the actuarial calculation prepared by PT Dayamandiri Dharmakonsilindo, an independent actuary as stated in its report dated April 1, 2020 and February 29, 2019 with the following main assumption:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Normal retirement age | 55 years | 55 years |
| Salary increase rate | 8.0% per year | 8.0% per year |
| Discount rate | 7.60% per year | 8.05% 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:

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Expense recognized in profit or loss: | | |
| Current service cost | 41,514 | 51,632 |
| Interest cost | 19,360 | 5,594 |
| Past service cost due to curtailment | - | (27,153) |
| Liability due to recognition of past services | - | 146,528 |
| **Sub total** | **60,874** | **176,601** |
| Remeasurements recognized in other comprehensive income: | | |
| Actuarial losses arising from changes in financial assumption | (29,766) | (23,176) |
| **Sub total** | **(29,766)** | **(23,176)** |
| **Total** | **31,108** | **153,425** |

The movements of the estimated for employee benefit liability is as follows:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Beginning balance | 266,092 | 115,120 |
| Effect of changes in foreign exchange difference | (1,953) | (2,453 ) |
| Current service cost | 41,514 | 51,632 |
| Interest cost | 19,361 | 5,594 |
| Provision for excess benefit payment by the company | - | 28,674 |
| Past service cost due to curtailment | - | (27,153 ) |

(Expressed in United States Dollar, unless otherwise stated)

## 17. EMPLOYEE BENEFIT LIABILITY (continued)

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Liability due to recognition of past services | - | 146,528 |
| Remeasurements recognized in other comprehensive income: | | |
| Actuarial gains arising from experience adjustments | (37,973) | (241 ) |
| Actuarial gains arising from changes in financial assumption | 8,206 | (22,935 ) |
| Excess benefits payment by the company | - | (28,674 ) |
| **Ending balance of defined benefit obligation** | **295,247** | **266,092** |

## 18. SHARE CAPITAL

The composition of shareholders as of February 27, 2020 and March 31, 2019 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 |
| **Total** | **5,350,000** | **100%** | **5,350,000** |

### 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:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| Shareholder's loan | 105,160 | 2,200,000 |
| Accrued expenses | 50,289 | 55,348 |
| Other payables | 83,967 | 510,217 |
| Consumer financing payables | - | 4,300 |
| Lease liability | 2,694 | - |
| **Total** | **242,110** | **2,769,865** |
| Less cash on hand and in bank | 48,447 | 284,329 |
| Net debt | 193,663 | 2,485,536 |
| Total equity | 1,895,804 | (835,915) |
| **Gearing ratio** | **0.10** | **(2.97)** |

(Expressed in United States Dollar, unless otherwise stated)

## 19. SALES

For the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019, this account represents sales of seeds amounted to US$ 1,134,704 and US$ 1,133,874 respectively.

## 20. COST OF SALES

For the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019, this account represents cost of sales amounted to US$ 1,179,902 and US$ 906,858, respectively.

## 21. SELLING EXPENSES

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Freight costs | 48,294 | 49,655 |
| Travelling | 19,430 | 31,084 |
| Marketing | 17,866 | 19,996 |
| Sample | 6,412 | 1,850 |
| **Total** | **92,002** | **102,585** |

## 22. GENERAL AND ADMINISTRATIVE EXPENSES

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Salaries and allowances | 463,480 | 551,029 |
| Employee benefit (Note 17) | 60,874 | 176,601 |
| Professional fee | 56,710 | 58,206 |
| Outsourcing | 46,265 | 61,169 |
| Travelling | 25,083 | 23,952 |
| Depreciation of fixed assets (Note 8) | 15,633 | 7,616 |
| Telephone, internet and fax | 6,023 | 8,476 |
| Rental | 3,416 | 14,448 |
| Utilities | 2,228 | 2,280 |
| Entertainment | 1,426 | 2,660 |
| Insurance | 1,133 | 14,645 |
| Tax | 84 | 6,759 |
| Others (each below US$ 2,000) | 10,356 | 14,672 |
| **Total** | **692,711** | **942,513** |

## 23. OTHER INCOME (EXPENSES)

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Loss on foreign exchange | 14,864 | 31,514 |
| Write-off inventories (Note 7) | 43 | 12,525 |
| Write-off of shareholder loan | (3,150,021) | - |
| Write-off of interest of shareholder loan | (431,672) | - |
| Others | 156 | (183) |
| **Net** | **(3,566,630)** | **43,856** |

(Expressed in United States Dollar, unless otherwise stated)

## 24. RELATED PARTIES INFORMATION

Balances and transactions with related parties are as follows:

| | February 27, 2020 | March 31, 2019 |
|---|---|---|
| **Advance purchase (Note 8)** | | |
| PT Shriram Genetics | **1,626,125** | **1,029,618** |
| **Percentage to total assets** | **66.70%** | **46.68%** |
| **Other payables (Note 12)** | | |
| Bioseed Holdings Pte. Ltd. | - | 438,714 |
| PT Shriram Genetics | 65,947 | 65,947 |
| **Total** | **65,947** | **504,661** |
| **Percentage to total liabilities** | **12.14%** | **16.59%** |
| **Shareholder's loans (Note 13)** | | |
| Bioseed Holdings Pte. Ltd. | **105,160** | **2,200,000** |
| **Percentage to total liabilities** | **19.36%** | **72.33%** |

| | For the eleven-month period ended February 27, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Purchases** | | |
| PT Shriram Genetics | **1,319,838** | **959,339** |
| **Salary, allowance and bonus** | | |
| Key Management | **286,456** | **309,284** |
| **Percentage to total general and administrative expenses** | **42.22%** | **32.81%** |
| **Professional fee** | | |
| Brigitta Hadianto Imam Rahayoe | **15,616** | **11,964** |
| **Percentage to total general and administrative expenses** | **2.25%** | **1.27%** |
| **Finance costs** | | |
| Bioseed Holdings Pte. Ltd. | **-** | **110,321** |

(Expressed in United States Dollar, unless otherwise stated)

## 24. 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 |
|---|---|---|
| Bioseeds Holdings Pte. Ltd. | Shareholder | Shareholder's loans, other payable, and finance cost. |
| PT Shriram Genetics | Affiliate | Advance purchase, other payables and purchases. |
| Brigitta Hadianto Imam Rahayoe | Shareholder | Professional fee expense. |

Salaries and other compensation benefits paid to the Company's key management personnels amounted to US$ 286,456 and US$ 309,284 for the eleven-month period ended February 27, 2020 and for the year ended March 31, 2019, respectively.

## 25. FINANCIAL INSTRUMENTS

Except for 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 Company has no financial assets and financial liabilities which are measured at fair value as at February 27, 2020 and March 31, 2019.

## 26. 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 February 27, 2020 and March 31, 2019:

| | February 27, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | | Past Due But Not Impaired | | | | |
| | Neither Past Due Nor Impaired | < 3 Months | > 3 months and < 1 year | > 1 year | Allowance | Total |
| Cash on hand and in bank | 48,447 | - | - | - | - | 48,447 |
| Trade receivables | 307,118 | 754 | 5,055 | 223,727 | (178,822) | 357,832 |
| Other assets | 7,483 | - | - | - | - | 7,483 |
| **Total** | **363,048** | **754** | **5,055** | **223,727** | **(178,822)** | **413,762** |

(Expressed in United States Dollar, unless otherwise stated)

## 26. FINANCIAL RISK MANAGEMENT (continued)

a. Credit Risk (continued)

| | March 31, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | | Past Due But Not Impaired | | | | |
| | Neither Past Due Nor Impaired | < 3 Months | > 3 months and < 1 year | > 1 year | Allowance | Total |
| Cash on hand and in bank | 284,329 | - | - | - | - | 284,329 |
| Trade receivables | 449,912 | 66,274 | 30,000 | 260,962 | (178,822) | 628,326 |
| Other assets | 7,525 | - | - | - | - | 7,525 |
| **Total** | **741,766** | **66,274** | **30,000** | **260,962** | **(178,822)** | **920,180** |

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 February 27, 2020 and March 31, 2019:

| | February 27, 2020 | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1 - 2 years** | **More than 2 years** | **Total** |
| Other payables | 83,967 | - | - | 83,967 |
| Accrued expenses | 50,289 | - | - | 50,289 |
| Shareholder's loans | 105,160 | - | - | 105,160 |
| Lease liability | 2,694 | - | - | 2,694 |
| **Total** | **242,110** | - | - | **242,110** |

| | March 31, 2019 | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1 - 2 years** | **More than 2 years** | **Total** |
| Other payables | 510,217 | - | - | 510,217 |
| Accrued expenses | 55,348 | - | - | 55,348 |
| Shareholder's loans | 2,200,000 | - | - | 2,200,000 |
| Consumer financing payables | 4,300 | - | - | 4,300 |
| **Total** | **2,769,865** | - | - | **2,769,865** |

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.

(Expressed in United States Dollar, unless otherwise stated)

## 26. FINANCIAL RISK MANAGEMENT (continued)

d. Foreign Exchange Risk (continued)

Management manages its foreign currency exchange risk through maintaining adequate cash in foreign currency to meet obligations denominated in foreign currencies when due.

## 27. 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.

## 28. SUPPLEMENTARY CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities were as follows:

| | February 27, 2020 | | | |
|---|---|---|---|---|
| | **Beginning Balance** | **Cash flows-net** | **Write off of shareholder's loans** | **Ending Balance** |
| Shareholder's loans | 2,200,000 | 1,019,000 | (3,113,840) | 105,160 |
| Lease liability | 4,300 | (1,606) | - | 2,694 |

(Expressed in United States Dollar, unless otherwise stated)

## 28. SUPPLEMENTARY CASH FLOWS INFORMATION (continued)

| | March 31, 2019 | | |
|---|---|---|---|
| | **Beginning Balance** | **Cash flows-net** | **Ending Balance** |
| Shareholder's loans | 900,000 | 1,300,000 | 2,200,000 |
| Consumer financing payables | 7,526 | (3,226) | 4,300 |

## 29. EVENTS AFTER REPORTING PERIOD

1. Based on Notarial Deed of Sugih Haryati, S.H., M.Kn No. 100 dated February 25, 2020, the shareholders agreed to:
   - Approved the company's acquisition.
   - Approved the sale of all shares owned by Bioseed Holdings Pte. Ltd., to Global Seed Prasaad, Pte. Ltd., as many as 1,999,000 shares of type A with a total face value of Rp 18,120,935,000 or equal to US$ 1,999,000 and as 3,083,500 shares of type B with total face value of Rp Rp 27,951,927,500 or equal to US$ 3,083,500 so that the composition of the shareholders is as follows:

| | Number of issued and fully paid shares | Percentage of ownership | Total |
|---|---|---|---|
| Global Seed Prasaad, Pte. Ltd. | 5,082,500 | 95% | 5,082,500 |
| Brigitta Hadianto Imam Rahayoe | 267,500 | 5% | 267,500 |
| **Total** | **5,350,000** | **100%** | **5,350,000** |

   - Approved the respectful dismissal of the Company's Independent Directors and Independent Commissioners so that the new composition of Directors and Board of Commissioners is as follows:

| | | |
|---|---|---|
| President Commissioner | : | Hemanth Kumar Karumanchi |
| President Director | : | Ashok Kumar Jha |

2. Based on Notarial Deed of Sugih Haryati, S.H., M.Kn No. 106 dated February 27, 2020, the shareholders agreed to share purchase agreement of PT Shriram Seed Indonesia between Bioseed Holdings Pte. Ltd., and Prasaad Seed Global Pte. Ltd.

3. The Company's operation may adversely impacted by the outbreak of Covid-19 virus which started in China and subsequently spread to other countries including Indonesia. The adverse effects of Covid-19 to the global and Indonesian economy include negative effect to economic growth, decline in capital markets, increase in credit risk, depreciation of foreign currency exchange rates and disruption of business operation. The future effects of the outbreak of Covid-19 to Indonesia and the Company are unclear at this time. A significant rise in the number of Covid-19 infections or prolongation of the outbreak could have severe affect to Indonesia and the Company. However, future effects will also depend on the effectiveness of policy responses issued by the Government of the Republic of Indonesia.

   As of the date of this financial statement, there has been a weakening of the Rupiah exchange rate against foreign currencies contributed by the impact of Covid-19. The Company's business activities, revenues, asset values and liabilities are still under control, while mitigating the financial risks and operational risks of the Company related to limited activities through directives to maintain social distance and the weakening of the exchange rate, so that the significance of this impact cannot be identified at this stage.

**SHRIRAM BIOSEED (THAILAND) LTD.**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT MARCH 31, 2020**

| **ASSETS** | Notes | 2020 Baht | 2019 Baht |
|---|---|---|---|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3.2 and 5 | 190,796.25 | 220,822.82 |
| Trade and other receivables | 3.3 and 6 | - | 3,469,661.68 |
| TOTAL CURRENT ASSETS | | 190,796.25 | 3,690,484.50 |
| NON - CURRENT ASSETS | | | |
| Equipment – net | 3.6 and 8 | - | 77,646.07 |
| Deposits | | 9,000.00 | 9,000.00 |
| TOTAL NON - CURRENT ASSETS | | 9,000.00 | 86,646.07 |
| **TOTAL ASSETS** | | **199,796.25** | **3,777,130.57** |

The notes to financial statements form 5 to 10 an integral part of these financial statements

This statement of financial as at March 31, 2020 has been approved by the Shareholders' 1/2020 meeting on

Director ______________________ (Mr.Paresh Kumar Verma)

Director ______________________ (Mr.Jitender Kumar Jain)

SHRIRAM BIOSEED (THAILAND) LTD.

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2020

| LIABILITIES AND SHAREHOLDERS' EQUITY | Notes | 2020 Baht | 2019 Baht |
|---|---|---|---|
| CURRENT LIABILITIES | | | |
| Trade and other payables | 3.5 and 9 | 97,790.93 | 511,941.73 |
| TOTAL CURRENT LIABILITIES | | 97,790.93 | 511,941.73 |
| **TOTAL LIABILITIES** | | **97,790.93** | **511,941.73** |
| SHAREHOLDERS' EQUITY | | | |
| SHARE CAPITAL | | | |
| Authorized share capital | | | |
| 1,490,000 Ordinary Shares,Par value Bht.100 | | 149,000,000.00 | 149,000,000.00 |
| Paid-up share capital | | | |
| 1,490,000 Ordinary Shares,Par value Bht.100 | | 149,000,000.00 | 149,000,000.00 |
| RETAINED EARNINGS (DEFICIT) | | (148,897,994.68) | (145,734,811.16) |
| **TOTAL SHAREHOLDERS' EQUITY** | | **102,005.32** | **3,265,188.84** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **199,796.25** | **3,777,130.57** |

The notes to financial statements form 5 to 10 an integral part of these financial statements

Director ______________________ (Mr.Paresh Kumar Verma)

Director ______________________ (Mr.Jitender Kumar Jain)

SHRIRAM BIOSEED (THAILAND) LTD.

STATEMENTS OF INCOME

FOR THE YEAR ENDED MARCH 31, 2020

| | Notes | 2020 Baht | 2019 Baht |
|---|---|---|---|
| **REVENUES** | | | |
| Other Income | | 865,605.20 | 6,030,086.16 |
| **TOTAL REVENUES** | | **865,605.20** | **6,030,086.16** |
| **EXPENSES** | | | |
| Administrative expenses | | 4,028,788.72 | 5,583,169.81 |
| **TOTAL EXPENSES** | | **4,028,788.72** | **5,583,169.81** |
| PROFIT (LOSS) BEFORE FINANCE COST AND INCOME TAX EXPENSE | | (3,163,183.52) | 446,916.35 |
| Finance costs | | - | - |
| PROFIT (LOSS) BEFORE INCOME TAX EXPENSE | | (3,163,183.52) | 446,916.35 |
| Income tax expenses | 3.9 | - | - |
| **NET PROFIT (LOSS)** | | **(3,163,183.52)** | **446,916.35** |

The notes to financial statements form 5 to 10 an integral part of these financial statements

Director ______________________ (Mr.Paresh Kumar Verma)

Director ______________________ (Mr.Jitender Kumar Jain)

SHRIRAM BIOSEED (THAILAND) LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

| | | Baht | | |
|---|---|---|---|---|
| | Notes | Paid - up share capital | Retained earnings (deficit) | Total Shareholders' equity |
| Brought forward April 1, 2018 | | 149,000,000.00 | (146,181,727.51) | 2,818,272.49 |
| Net Profit (Loss) | | - | 446,916.35 | 446,916.35 |
| Carried forward March 31, 2019 | | 149,000,000.00 | (145,734,811.16) | 3,265,188.84 |
| | | | | |
| Brought forward April 1, 2019 | | 149,000,000.00 | (145,734,811.16) | 3,265,188.84 |
| Net Profit (Loss) | | - | (3,163,183.52) | (3,163,183.52) |
| Carried forward March 31, 2020 | | 149,000,000.00 | (148,897,994.68) | 102,005.32 |

The notes to financial statements form 5 to 10 an integral part of these financial statements

Director ______________________ (Mr.Paresh Kumar Verma)

Director ______________________ (Mr.Jitender Kumar Jain)

SHRIRAM BIOSEED (THAILAND) LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

## 1. GENERAL INFORMATION

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

The address of its registered office is as follow :

48/145 Moo 12 T. Thamkasem A. Praphuttabath Saraburi 18120

## 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with financial reporting standard applicable to non-publicly accountable entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 REVENUES AND EXPENSES RECOGNITION

The company recognizes revenues and expenses as an accrual basis

### 3.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Director ______________________ (Mr.Paresh Kumar Verma)

Director ______________________ (Mr.Jitender Kumar Jain)

3.3 TRADE RECEIVABLE

Trade receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

3.4 FOREIGN CURRENCIES

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

3.5 TRANSACTION WITH RELATED COMPANIES

The company has the transactions with related companies. Those companies have been related as shareholders and/or directors. This financial statement has been included the transactions of which has been complied with their agreements.

3.6 EQUIPTMENT AND DEPRECIATION

Equipment is stated at cost less accumulated depreciation and allowance for diminution in value (if any). Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

| | | |
|---|---|---|
| Building - Improvement | 10, 20 | years |
| Office equipment | 5 | years |
| Computer | 3 | years |
| Furniture and Fixture | 5 | years |

Depreciation is included in determining income.

Director ____________________ (Mr.Paresh Kumar Verma)

Director ____________________ (Mr.Jitender Kumar Jain)

3.7 EMPLOYEE BENEFITS

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses on an accrual basis.

The Company's liabilities under employee benefits obligation is determined in accordance with the basis and conditions stipulated in the regulations of the Comapany and labour law, together with the management assumptions.

3.8 PROVISIONS

Provisions are recognised when the Company has 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 a reliable estimate can be made of the amount of the obligation.

3.9 INCOME TAX EXPENSES

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

## 4. USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

Director ____________________ (Mr.Paresh Kumar Verma)

Director ____________________ (Mr.Jitender Kumar Jain)

SHRIRAM BIOSEED (THAILAND) LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

## 5. CASH AND CASH EQUIVALENTS

| | 2020 | 2019 |
|---|---|---|
| | Baht | Baht |
| Cash | 30,884.00 | 32,383.80 |
| Cash at banks current account | 159,912.25 | 188,439.02 |
| Total cash and cash equivalents | 190,796.25 | 220,822.82 |

## 6. TRADE AND OTHER RECEIVABLES

| | 2020 | 2019 |
|---|---|---|
| | Baht | Baht |
| Trade receivable : | | |
| Trade receivable - related companies (Notes 7.1) | - | 3,234,741.68 |
| Other parties | - | 11,694,453.00 |
| Less Allowance for doubtful accounts | - | (11,694,453.00) |
| Total trade receivables - net | - | 3,234,741.68 |
| Other receivable: | | |
| Prepaid expenses | - | 229,920.00 |
| Other receivables | - | 5,000.00 |
| Total other receivables | - | 234,920.00 |
| Total trade and other receivables | - | 3,469,661.68 |

Director ______________________ (Mr.Paresh Kumar Verma)

Director ______________________ (Mr.Jitender Kumar Jain)

SHRIRAM BIOSEED (THAILAND) LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

## 7. TRANSACTION WITH RELATED COMPANIES

Significant transactions for the year ended March 31 with related parties were as follows:

| 7.1 Trade receivable - related companies | 2020 | 2019 |
|---|---|---|
| | Baht | Baht |
| BIOSEED RESEARCH PHILIPPINES | - | 70,251.68 |
| BIOSEEDS HOLDINGS PTE | - | 3,164,490.00 |
| Total trade receivable - related companies | - | 3,234,741.68 |

## 8. EQUIPMENT - NET

| | Baht | | | |
|---|---|---|---|---|
| | B/F | Additions | Deletions | C/F |
| ORIGINAL COST : | | | | |
| Building - Improvement | 2,621,707.20 | - | 2,621,707.20 | - |
| Office equipment | 291,127.93 | - | 291,127.93 | - |
| Computer | 85,025.33 | - | 85,025.33 | - |
| Furniture and fixture | 25,700.00 | - | 25,700.00 | - |
| Total original cost | 3,023,560.46 | - | 3,023,560.46 | - |
| ACCUMLATED DEPRECIATION : | | | | |
| Building - Improvement | 2,556,833.82 | 64,860.38 | 2,621,694.20 | - |
| Office equipment | 279,101.61 | 6,419.00 | 285,520.61 | - |
| Computer | 84,282.96 | 736.37 | 85,019.33 | - |
| Furniture and fixture | 25,696.00 | - | 25,696.00 | - |
| Total accumulated depreciation | 2,945,914.39 | 72,015.75 | 3,017,930.14 | - |
| Total equipment - net | 77,646.07 | | | - |

| | 2020 | 2019 |
|---|---|---|
| | Baht | Baht |
| DEPRECIATION | 72,015.75 | 208,108.68 |

Director ______________________ (Mr.Paresh Kumar Verma)

Director ______________________ (Mr.Jitender Kumar Jain)

## 9. OTHER PAYABLES

| | 2020 | 2019 |
|---|---|---|
| | Baht | Baht |
| Account payable - Revenue Department | 96,590.93 | 228,717.32 |
| Accrued expenses | 1,200.00 | 283,224.41 |
| Total other payables | 97,790.93 | 511,941.73 |

## 10. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements for the year ended March 31, 2020 have been approved by the authorized directors of the company.

Director ______________________ (Mr.Paresh Kumar Verma)

Director ______________________ (Mr.Jitender Kumar Jain)

**BIOSEEDS LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

*BIOSEEDS LIMITED*

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*BIOSEEDS LIMITED*

**MANAGEMENT AND ADMINISTRATION**

| | | Date appointed | Date resigned |
|---|---|---|---|
| **DIRECTORS:** | Manogaran Thamothiram | 23 November 2007 | 24 April 2019 |
| | Poovazhagan Soobramanien | 31 January 2017 | - |
| | Peck Ling Wong | 24 April 2019 | - |
| | Wai Bun Wong | 24 April 2019 | - |

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

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

**AUDITORS:**
Morison (Mauritius)
Chartered Certified Accountants
5th Floor, City Centre Bldg
No 31, Cnr La Corderie & Leoville L'Homme Streets
Port Louis
REPUBLIC OF MAURITIUS

**BANKER:**
Standard Chartered Bank (Mauritius) Limited
19 Bank Street
6th Floor, Standard Chartered Tower
Cyber City, Ebene 72201
REPUBLIC OF MAURITIUS

**Independent Auditors' Report of Bioseeds Limited to Price Waterhouse Chartered Accountants LLP, auditors of DCM SHRIRAM LIMITED**

**Report on the Consolidated Fit for Consolidation (FFC) Accounts as of 31 March 2020**

We have audited the accompanying financial information comprising of the consolidated statement of financial position of Bioseeds Limited (the "Company") and its subsidiaries as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income) of the Company for the period then ended and other reconciliation and information (all collectively referred to as the Consolidated Fit for Consolidation (FFC) Accounts). The Consolidated FFC Accounts shows a net loss of USD 4,761,432, total assets of USD 21,013,937 and total equity of USD 3,256,182. The Consolidated FFC Accounts was sent to you, signed, for identification purposes only.

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

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

**Auditor's Responsibility**

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

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

**Independent Auditors' Report of Bioseeds Limited to Price Waterhouse Chartered Accountants LLP, auditors of DCM SHRIRAM LIMITED**

**Independence Confirmation**

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

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

**Opinion**

In our opinion, the Consolidated FFC Accounts have been prepared, in all material respects, in conformity with accounting principles of DCM SHRIRAM LIMITED and are suitable for inclusion in the Consolidated Financial Statements of DCM SHRIRAM LIMITED.

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

**Report on Other Legal and Regulatory Requirements**

We report that:

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

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

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

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

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

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

**Independent Auditors' Report of Bioseeds Limited to Price Waterhouse Chartered Accountants LLP, auditors of DCM SHRIRAM LIMITED**

**Limitation on Use**

This report is intended solely for the use of Price Waterhouse Chartered Accountants LLP in connection with the audit of the Consolidated Ind AS Financial Statements of DCM Shriram Limited and should not be used for any other purpose.

Morison (Mauritius)

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

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

22 MAY 2020

**Date**

**Port Louis**
**REPUBLIC OF MAURITIUS**

BIOSEEDS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION MARCH 31, 2020



| | Notes | As at March 31, 2020 USD | As at March 31, 2019 USD |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, Plant and Equipment | 3 | 1,666,974 | 1,133,742 |
| Capital work -in- progress | | - | - |
| Goodwill | 3 | 9,842,084 | 9,842,084 |
| Other intangible assets | 3 | 48,189 | 77,236 |
| Loans | 3.1 | 77,700 | 498,200 |
| Other financial assets | 3.2 | 36,841 | 64,715 |
| Deferred tax assets (net) | 4 | 497,549 | 197,652 |
| Other non-current assets | 5 | - | - |
| **Total Non-current assets** | | 12,169,537 | 11,813,629 |
| **Current Assets** | | | |
| Inventories | 6 | 3,756,229 | 4,309,094 |
| Financial Assets | 7 | | |
| Trade receivables | 7.1 | 1,542,106 | 3,528,965 |
| Cash and cash equivalents | 7.2 | 2,129,189 | 2,410,552 |
| Loans | 7.3 | 25,046 | 53,677 |
| Others | 7.4 | 105,644 | 3,198 |
| Current tax assets (net) | 8 | - | - |
| Other current assets | 9 | 1,286,186 | 887,544 |
| | | 8,844,400 | 10,993,030 |
| **TOTAL ASSETS** | | 21,013,937 | 22,806,659 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share capital | | 2,435,541 | 2,435,541 |
| (b) Other Equity | 10 | (5,691,723) | (671,317) |
| Total Equity | | (3,256,182) | 1,764,224 |
| **Non-current liabilities** | 11 | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 11.1 | 10,626,390 | 4,841,938 |
| (b) Provisions | 11.2 | 177,214 | 473,246 |
| **Total Non-current liabilities** | | 10,803,604 | 5,315,184 |
| **Current liabilities** | 12 | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 12.1 | 2,955,321 | 6,260,739 |
| (ii) Trade payables | 12.2 | 3,108,651 | 4,605,590 |
| (iii) Other Financial liabilities | 12.3 | 5,252,597 | 4,303,080 |
| (b) Current tax liabilities (net) | 13 | 19,250 | 21,877 |
| (c) Provisions | | - | - |
| (d) Other current liabilities | 14 | 2,130,696 | 535,965 |
| **Total Current liabilities** | | 13,466,515 | 15,727,251 |
| **TOTAL EQUITY AND LIABILITIES** | | 21,013,937 | 22,806,659 |

The accompanying notes form an integral part of the consolidated financial statements

Per our attached
For Morison (Mauritius)
Chartered Certified Accountants

Doomanee R Beeharry (FCCA)

22 MAY 2020

Poovazhagan Sodbramanian
Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020**

| | Notes | Year ended March 31, 2020 USD | Year ended March 31, 2019 USD |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 15 | 12,385,894 | 11,732,533 |
| Other Income | 16 | 111,630 | 187,447 |
| **Total Income** | | 12,497,524 | 11,919,980 |
| **Expenses** | | | |
| Cost of materials consumed | | 1,998,485 | 3,287,577 |
| Purchases of stock-in-trade | | 7,427 | 17,864 |
| Change in inventories of finished goods, stock-in-trade and work-in-progress | 17 | (1,047,344) | (1,720,631) |
| FCTR moved to PL | | (64,820) | - |
| Employee benefits expense | 18 | 4,999,435 | 4,798,186 |
| Finance costs | 19 | 1,092,960 | 895,343 |
| Depreciation and amortisation expense | 20 | 915,850 | 268,842 |
| Other expenses | 21 | 7,274,359 | 5,842,684 |
| **Total Expenses** | | 15,176,352 | 13,389,865 |
| **Profit/ (loss) before exceptional item and tax** | | (2,678,828) | (1,469,885) |
| **Exceptional item:** | | | |
| Loss/ provision for loss on sale of foreign subsidiaries | | (2,082,604) | - |
| **Loss before tax** | | (4,761,432) | (1,469,885) |
| Tax expense | | | |
| - Current tax | 22 | 112,136 | 593,952 |
| - Deferred tax | | (399,695) | (57,873) |
| Total tax expense | | (287,559) | 536,079 |
| **Loss after tax** | | (4,473,873) | (2,005,964) |
| - Share of Profit of Joint Venture | | - | - |
| - Non controlling interest | | - | - |
| **Net loss for the year** | | (4,473,873) | (2,005,964) |
| **Other Comprehensive Income** | | | |
| (i) Items that will not be re-classified to profit and loss: | | | |
| - Remeasurement of defined benefit plan | | 9,590 | 42,299 |
| Income tax related items that will not be re-classified to profit and loss | | (7,783) | (10,575) |
| (ii) Items that may be re-classified to profit and loss | | | |
| - Exchange differences in translating the financial statements of foreign operations | | (132,839) | 477,863 |
| **Total other comprehensive (loss)/ income** | | (131,032) | 509,587 |
| **Total Comprehensive loss** | | (4,604,905) | (1,496,377) |

The accompanying notes form an integral part of the consolidated financial statements

Per our attached
For Morison (Mauritius)
Chartered Certified Accountants

Pudmanee R Beeharry (FCCA)

22 MAY 2020

Poovazhagan Soobramanien
Director

***BIOSEEDS LIMITED***



**CONSOLIDATED STATEMENT OF CASHFLOW MARCH 31, 2020**

| | | YEAR ENDED MARCH 31, 2020 | YEAR ENDED MARCH 31, 2019 |
|---|---|---|---|
| | | USD | USD |
| A. | **Cash flow from operating activities** | | |
| | Net profit before tax but after extraordinary items | | |
| | Net profit/(Loss) for the year before tax | (4,761,432) | (1,469,885) |
| | *Adjustments for :* | | |
| | Depreciation | 515,850 | 268,842 |
| | Unrealised exchange differences | - | 53588 |
| | Provision for Doubtful Debts | 62,776 | 18,264 |
| | Exchange differences on conversion | - | 189,584 |
| | Finance cost | 1,092,960 | 895,343 |
| | Remeasurement of defined benefit plan | (9,590) | (42,299) |
| | Provision for exceptional item | 2,082,604 | - |
| | Income tax related Items | 7,783 | 10,575 |
| | Less: interest income | (21,625) | (7,894) |
| | ***Operating profit before working capital changes*** | **(1,030,674)** | **(83,882)** |
| | *Adjustments for :* | | |
| | Increase/ (decrease) in trade payables | (419,204) | (900,956) |
| | Increase/ (decrease) in Long term provisions | 89,486 | 365,821 |
| | Increase/ (decrease) in other current liabilities | (436,036) | 464,324 |
| | Decrease/ (increase) in inventories | (2,179,066) | (1,824,881) |
| | Decrease/ (increase) in trade receivables | 1,629,026 | 177,240 |
| | Decrease/ (increase) in long term loans and advances | - | - |
| | Decrease in Other current assets | (311,712) | (125,001) |
| | Decrease/ (increase) in long term Other financial assets | (84,511) | (38,855) |
| | Decrease/ (increase) in short term loans and advances | 26,120 | 14,730 |
| | Decrease/ (increase) in other non current assets | - | - |
| | ***Cash generated from operations*** | **(2,716,571)** | **(1,951,460)** |
| | Income taxes (paid) | (155,784) | (581,963) |
| | **Net cash used in operating activities** | **(2,872,355)** | **(2,533,423)** |
| B. | **Cash flow from investing activities** | | |
| | Purchase of fixed assets | (188,589) | (545,188) |
| | Loan repayment received against brigitta loan | 50,000 | - |
| | Proceeds from sale of fixed assets | 520,000 | 19,785 |
| | **Net cash flow from/ (used in) investing activities** | **381,411** | **(525,403)** |
| C. | **Cash flow from financing activities** | | |
| | Loan from related companies | 1,815,260 | 500,000 |
| | Loan from Other than related companies | 394,321 | (77,700) |
| | Increase/(Decrease) Minority interest | - | 2,630,000 |
| | Interest paid | - | - |
| | **Net cash flow from financing activities** | **2,209,581** | **3,052,300** |
| | **Net increase/(decrease) in cash and cash equivalents** | **(281,363)** | **(6,526)** |
| | Cash and cash equivalents as at opening | | |
| | Cash on hand and balances with banks | 2,410,552 | 2,417,078 |
| | Cash and cash equivalents as at closing | | |
| | Cash on hand and balances with banks | **2,129,189** | **2,410,552** |

***BIOSEEDS LIMITED***

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2020**

1. **COMPANY AND SUBSIDIARIES PROFILES**

BIOSEEDS LIMITED, (the "Company"), is a private company, limited by shares and was incorporated in the Republic of Mauritius on 30th June 1998 under the Companies Act 1984 (repealed and replaced by Companies Act 2001). Bioseeds Limited held a Category 1 Global Business Licence up to 22 August 2019 and was approved for conversion to an Authorised Company which is also regulated by the Mauritius Financial Services Commission.

The principal activity of the Company is to invest in companies engaged in the bioseeds business which include research, manufacture and sale of bioseeds. Its registered office is at Suite 2004, level 2, Alexander House, 35 Cybercity, Ebene, Republic of Mauritius.

The Company owns the following subsidiary undertakings, directly or indirectly, namely:
- Bioseeds Holdings Pte. Limited
- Bioseed Vietnam Limited (100% share capital hold by Bioseed Holdings Pte Limited)
- Bioseed Research Philippines, Inc. (100% share capital hold by Bioseed Holdings Pte Limited)
- Shriram Bioseed (Thailand) Limited (100% share capital hold by Bioseed Holdings Pte Limited)

The profiles of these subsidiaries are as follows;

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

Bioseed Vietnam Limited (BVL)) was established in the Socialist Republic of Vietnam on 27 July 1992 as a joint venture for a period of 20 years pursuant to Investment Licence No. 392/GP issued by the Ministry of Planning and Investment. BVL subsequently received approval from the People's Committee of Hanoi City to change its legal capital status from a joint venture to a 100% foreign invested company. The principal activity of BVL is to produce and trade in hybrid corn seeds. On December 20, 2007, BVL signed a merger contract with Bioseed Research Vietnam (BRV), whose principal activities are to carry out research and development activities in the use of Parent seeds to grow high yield hybrid maize (HYHM) and to supply field-tested parent seeds for the production of HYHM for commercial purposes, under which all assets and liabilities of BRV are taken over by the BVL at their carrying values. The merger has been approved by the Hanoi People Committee in the Investment Licence No. 011043000302 dated March 20, 2008. The effective date of the merger as approved by the Board of Management is March 20, 2008, following which the BVL was re-registered and re-named as Bioseed Vietnam Limited (BVL).

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

Shriram Bioseed (Thailand) Limited (SBTL) was incorporated as limited company under the Thai Civil and Commercial Code on June16, 2006. SBTL's major operation is the distributor seeds, accessories for agriculture, import and export.

*BIOSEEDS LIMITED*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2020**

2. **ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these consolidated financial statements, which have been applied consistently, are set out below.

(a) **Statement of compliance**

The preparation of consolidated financial statements in conformity with Indian Accounting Standards requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(b) **Basis of preparation**

The consolidated 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.

(c) **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and that of its subsidiaries as at 31 December 2019. Subsidiary undertakings are those companies in which the Group, directly or indirectly, has power to exercise control over financial and operational policies and to obtain benefits from their activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date on which effective control is transferred to the Group up to the date of their disposal, which is the date on which the parent ceases to have control. All significant intra-group transactions, balances, income and expenses are eliminated on consolidation.

The Group does not have any minority interests as all subsidiaries are wholly owned by the parent company.

Unrealised losses/profits on stocks transferred among the Group companies and if still held at reporting date is eliminated upon consolidation.

(d) **Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

2. **ACCOUNTING POLICIES (Cont'd)**

(e) **Business combinations**

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement year adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income *Taxes* and IAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement year is the year from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

(f) **Foreign currencies**

The financial statements are presented in United States Dollar ('USD'). The Company holds a Category 1 Global Business License under the Financial Services Act 2007, which requires that the Company's business or other activity is carried on in a currency other than the Mauritian Rupee. The Directors have adopted United States Dollar as the functional and presentation currency based on the international nature of the shareholders.

2. **ACCOUNTING POLICIES (Cont'd)**

(f) **Foreign currencies (Cont'd)**

*Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in USD which is the Company's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(g) **Investment in subsidiary**

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Acquisition-related costs are expensed as incurred. When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss.

(h) **Property, plant and equipment**

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

| | Useful life |
|---|---|
| Buildings (Roads; Other than roads) | 3-10 years; 30-60 years |
| Leasehold improvements | 5-10 years |
| Furniture, fixtures & fittings and office equipment | 8-10 year |
| Plant and machinery (power related; non power related) | 25-40 years; 3-40 years |
| Motor vehicles | 8-10 years |

| | Residual value |
|---|---|
| Certain electrical equipment | 10% |
| Other assets | 0-5% |

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

2. **ACCOUNTING POLICIES (Cont'd)**

(i) **Goodwill**

Goodwill reflects the future economic benefits arising from assets that are not capable of being identified individually or recognised separately.

It is initially measured at cost, being the excess of the cost of the acquisition over the acquirers' interest in the fair value of the identifiable assets and liabilities acquired as at the date of the acquisition as an asset.

Subsequent to initial recognition goodwill is carried at cost less any accumulated impairment losses.

(j) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on first in first out basis and weighted average basis method where applicable. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads and those overheads that have been incurred in bringing the inventories to their present location and condition. Parent seeds pending transfer to standing crops (used in field tests) or supplying to a related party for commercial purposes are valued at cost except that obsolete parent seed inventories are valued at the lower of cost and net realisable value. Parent seeds that have been transferred to standing crops are valued at cost.

The basis for determining cost (which also includes taxes and duties wherever applicable) for different categories of inventory are as under:

Stores & spares, raw materials and stock-in-trade - Weighted average rate.
Work-in-Progress and finished goods - Direct cost plus appropriate share of overheads after giving credit for other income and excluding certain expenses like ex-gratia and gratuity etc.
By-products are valued at estimated net realisable value.

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

(k) **Impairment**

**Financial assets**

The Company recognises loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

2. **ACCOUNTING POLICIES (Cont'd)**

(k) **Impairment (Cont'd)**

**Non-financial assets:**

**Tangible and intangible assets**

Property, plant and equipment and intangible assets 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 recognised 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.

(l) **Cash and cash equivalents**

Cash comprises cash at bank. Cash equivalents are short-term, highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(m) **Turnover**

Turnover represent the invoiced value of goods and services supplied by the Group and are recognised upon delivery of products, customer acceptance and when title has been passed, if any, or performance of services, net of value added tax, discounts allowances and returns, excluding inter Group transactions. Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

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

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

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

*BIOSEEDS LIMITED*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2020**

2. **ACCOUNTING POLICIES (Cont'd)**

(n) **Expense recognition**

Expenditure is recognised as they are incurred and recorded in the financial statements on an accrual basis, to accurately reflect the period to which they relate. Administration expenses for the Group have been reclassified during the year and are now shown under cost of sales.

(o) **Dividends**

Dividends are recorded in the Group and the Company's financial statements in the period in which they are approved by the Company's directors.

(p) **Research and development expenses**

Research and development expenses are recognised as expenses in the period in which they are incurred and comprise of:

- The cost of completed field trials including the cost of the standing crop and related research expenditures; and

The cost of field-tested parent seeds supplied to related party for the commercial purpose of HYHM.

(q) **Leased assets**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit or loss.

(r) **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.

2. **ACCOUNTING POLICIES (Cont'd)**

(r) **Financial instruments (Cont'd)**

**Subsequent measurement**:

**Non-derivative financial instruments**

**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 assets carried at fair value through other comprehensive income (FVTOCI)**
The Company has made an irrevocable election for its investments which are classified as equity instruments (Other than Investment in Subsidiaries and Joint Venture) to present the subsequent changes in fair value in other comprehensive income.

**Investment in subsidiaries and Joint Venture**
Investment in equity instruments of subsidiaries and joint venture is carried at cost less impairment, if any, in the separate financial statements.

**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.

**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 reporting date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derivative financial instruments**
The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company also holds swaps to mitigate interest rate risks. The counterparty for these contracts is generally a bank.

**Cash flow hedge**
The effective portion of changes in the fair value of the hedging instruments is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the statement of profit or loss when the related hedge items affect profit or loss except in respect of inventories and property, plant and equipment where such changes are adjusted to their cost.

Any ineffective portion of changes in the fair value of the derivative or if the hedging instrument no longer meets the criteria for hedge accounting, is recognized immediately in the statement of profit and loss.

2. **ACCOUNTING POLICIES (Cont'd)**

(r) **Financial instruments (Cont'd)**

**Subsequent measurement**: **(Cont'd)**

**Fair value Hedge**
Changes in fair value of derivatives including forward exchange contracts that qualify as fair value hedge are recognised in profit or loss.

**Financial instruments at fair value through profit or loss**
This category has derivative financial instruments which are not designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is categorised as a financial instruments at fair value through profit or loss.

**De-recognition of financial instruments**
The Company derecognises 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. A financial liability (or a part of a financial liability) is derecognised from the Company's consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

(s) **Borrowings costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. **ACCOUNTING POLICIES (Cont'd)**

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

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, 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.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

(u) **Taxation**

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

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The Group and the Company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted by the reporting date.

*Deferred taxation*

Deferred tax is recognised on 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 and are accounted for using liability method.

Deferred tax liabilities are generally recognised for all deductible temporary differences and deferred tax assets are generally recognised 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 utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

*BIOSEEDS LIMITED*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2020**

2. **ACCOUNTING POLICIES (Cont'd)**

(v) **Related parties**

Related party transactions, their nature and types have been disclosed in Note 24. Related parties are those parties that are directly or indirectly controlled or are under common control through one or more parties such that one party has the ability to control another party or exercise significant influence over the other party in making financial and operating decisions.

No disclosures have been made in respect of intragroup transactions in Note 24 since under IAS 24 (Related Party Disclosures) no disclosures of transaction are required in consolidated financial statements in respect of intra-group transactions.

(w) **Critical accounting judgements and key sources of estimation uncertainty**

*Critical accounting judgements in applying the Company's accounting policies*

In the process of applying the Company's accounting policies, the directors have made the following judgement that has the most effect on the amounts recognised in the financial statements:-

*Determination of functional currency*

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. The directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

*Estimate of useful lives and residual value*

The depreciation and amortisation charge calculation requires an estimate of the economic useful life of the respective assets. The Group uses historical experience and comparable market available data to determine useful life of assets.

*Impairment testing*

The Group reviews and tests the carrying value of assets based on events or changes in circumstances suggesting that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

**(in USD)**

**3. Non-current assets**

| AS AT MARCH 31, 2020 | **Leasehold Improvements** | **Right of use assets** | **Buildings** | **Motor Vehicles** | **Plant and Machinery** | **Furniture fixtures and fittings** | **Office equipment** | **Goodwill** | **Leased Vehicles** | **Software** | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **COST** | | | | | | | | | | | |
| As at March 31, 2019 | 7,923 | - | 820,987 | 331,387 | 2,094,247 | 66,559 | 164,114 | 10,885,760 | 200,808 | 293,271 | **14,865,056** |
| Additions | - | 762,819 | 40,858 | - | 143,994 | 217 | 7,011 | - | 38,923 | - | **993,822** |
| SBTL Assets w/off | - | - | (80,668) | - | (2,616) | (791) | (8,958) | - | - | - | **(93,033)** |
| Disposals | - | (37,084) | - | (68,828) | (3,771) | (4,584) | (14,087) | - | - | - | **(128,354)** |
| Transfer on sale | - | - | (1,044) | - | (305,708) | - | - | - | - | - | **(306,752)** |
| Difference on exchange | (150) | 41,228 | 24,684 | 94 | 30,270 | 1,197 | (3,815) | - | 5,717 | (807) | **98,418** |
| As at March 31, 2020 | **7,773** | **766,963** | **804,817** | **262,653** | **1,956,416** | **62,598** | **144,265** | **10,885,760** | **245,448** | **292,464** | **15,429,157** |
| **DEPRECIATION** | | | | | | | | | | | |
| As at March 31, 2019 | 2,897 | - | 416,512 | 252,285 | 1,519,886 | 61,912 | 131,374 | 1,043,676 | 167,417 | 216,035 | **3,811,994** |
| Charge for the year | 2,294 | 253,906 | 87,200 | 24,218 | 92,620 | 1,112 | 14,757 | - | 10,003 | 29,736 | **515,846** |
| Disposals due to -SBTL Assets W/off | - | (24,023) | (80,668) | (34,786) | (3,644) | (5,375) | (20,291) | - | - | - | **(168,787)** |
| Difference on exchange | (93) | (1,648) | (483) | (364) | 8,020 | 1,048 | (4,770) | - | 5,139 | (1,695) | **5,154** |
| Depreciation on disposals | - | - | - | - | (292,497) | - | - | - | - | - | **(292,497)** |
| As at March 31, 2020 | **5,098** | **228,235** | **422,561** | **241,353** | **1,324,385** | **58,697** | **121,070** | **1,043,676** | **182,559** | **244,076** | **3,871,710** |
| **NET BOOK VALUES** | | | | | | | | | | | |
| As at March 31, 2020 | **2,675** | **538,728** | **382,256** | **21,300** | **632,031** | **3,901** | **23,195** | **9,842,084** | **62,889** | **48,388** | **11,557,447** |
| As at March 31, 2019 | 5,026 | - | 404,475 | 79,102 | 574,361 | 4,647 | 32,740 | 9,842,084 | 33,391 | 77,236 | **11,053,062** |

***BIOSEEDS LIMITED***



Notes to the consolidated financial statements for the period ended March 31, 2020

| | **As at March 31, 2020 USD** | As at March 31, 2019 USD |
|---|---|---|
| **3. Non-current assets (contd…)** | | |
| **(a) Financial Assets (contd…)** | | |
| **3.1 Loans** | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Loan & Advances to related parties | **77,700** | 498,200 |
| | **77,700** | 498,200 |
| **3.2 Other financial assets** | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Security deposits | **36,841** | 64,715 |
| | **36,841** | 64,715 |
| **4. Deferred tax assets / (liabilities) (Net)** | | |
| **Deferred tax assets:** | | |
| Others | **441,488** | 140,508 |
| Deferred tax assets | **441,488** | 140,508 |
| **Deferred tax liability** | | |
| Depreciation | **(56,061)** | (57,144) |
| Deferred tax liabilities | **(56,061)** | (57,144) |
| Deferred tax assets (net) | **497,549** | 197,652 |
| **5. Other non-current assets** | | |
| Prepaid expenses | **-** | - |
| | **-** | - |

***BIOSEEDS LIMITED***



Notes to the consolidated financial statements for the period ended March 31, 2020

| | As at March 31, 2020 USD | As at March 31, 2019 USD |
|---|---|---|
| **CURRENT ASSETS** | | |
| **6. Inventories (at lower of cost and net realisable value)** | | |
| Raw materials | **239,819** | 692,194 |
| Work-in-progress | **1,282,294** | 1,261,845 |
| Finished goods | **1,636,066** | 1,595,430 |
| Stores and spares | **598,051** | 759,625 |
| | **3,756,230** | 4,309,094 |
| **7. Financial Assets** | | |
| **7.1 Trade receivables** | | |
| Outstanding for a period exceeding six months from due date for payment | | |
| Secured - considered good | **-** | - |
| Unsecured - considered good | **2,781,548** | 4,728,809 |
| Unsecured - considered doubtful | **-** | - |
| | **2,781,548** | 4,728,809 |
| Less: Provision for doubtful receivables | **1,239,442** | 1,199,844 |
| | **1,542,106** | 3,528,965 |
| Others | | |
| Secured - considered good | **-** | - |
| Unsecured - considered good | **-** | - |
| | **1,542,106** | 3,528,965 |
| **7.2 Cash and cash equivalents** | | |
| Balances with banks on | | |
| - Current accounts | **2,101,412** | 2,391,487 |
| - Deposit accounts (earmeked) | **26,599** | 17,127 |
| Cheques on hand | **-** | - |
| Cash on hand | **1,178** | 1,938 |
| Liquid investments - mutual funds | **-** | - |
| | **2,129,189** | 2,410,552 |
| **7.3 Loans** | | |
| (Unsecured Considered good unless otherwise stated) | | |
| Loans to employees | **25,046** | 53,677 |
| | **25,046** | 53,677 |
| **7.4 Other financial assets** | | |
| Interest accrued on loans, investment, deposits etc (ii) | | |
| Considered good | **(3)** | 17 |
| Considered doubtful | **-** | - |
| | **(3)** | 17 |
| Less: Provision for doubtful receivables | **-** | - |
| | **(3)** | 17 |
| Sales consideration receivable | **105,160** | - |
| Other debts considered good | **487** | 1,581 |
| Security deposits | **-** | 1,600 |
| | **105,644** | 3,198 |
| **8. Current Tax Assets** | | |
| Advance tax | **(19,250)** | 21,877 |
| Provision for current tax | **19,250** | (21,877) |
| Tax payments (net of provision for current tax) | **-** | - |
| | **-** | - |
| **9. Other Current Assets** | | |
| (Unsecured Considered good unless otherwise stated) | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| Considered good | **1,151,504** | 405,774 |
| Considered doubtful | **-** | - |
| | **1,151,504** | 405,774 |
| Less: Provision for doubtful advances | **-** | - |
| | **1,151,504** | 405,774 |
| Prepaid expenses | **134,682** | 281,770 |
| Balances with customs, excise etc | **-** | - |
| | **1,286,186** | 687,544 |

| | Year ended March 31, 2020 USD | Year ended March 31, 2019 USD |
|---|---|---|
| **10. Other equity** | | |
| General Reserve 1,3 | **-** | 3 |
| Surplus in Statement of Profit and loss 1 | **(32,702,568)** | (36,190,545) |
| Share premium reserve 3 | **13,117,500** | 13,117,500 |
| Capital Reserve 3 | **-** | 7,605,781 |
| Other Comprehensive income 3 | **-** | 55,973 |
| Foreign currency translation reserve 3 | **(431,125)** | - |
| Minority interest 3 | **14,324,471** | 14,739,971 |
| | **(5,691,722)** | (671,317) |

1. General reserve and surplus in statement of profit and loss represents the cumulative profits attributable to the shareholders of the Company.

2. Securities premium reserve represents the premium on issue of shares and to be utilised in accordance with the provisions of the Companies Act 2013.

3. Name of grouping has been changed effective 1 April 2019.

***BIOSEEDS LIMITED***



Notes to the consolidated financial statements for the period ended March 31, 2020

| | As at March 31, 2020 USD | As at March 31, 2019 USD |
|---|---|---|
| **11. NON-CURRENT LIABILITIES** | | |
| **11.1 Financial liabilities** | | |
| **Long term borrowings (at amortized cost)** | | |
| **Secured** | | |
| Term loans | | |
| From banks | **-** | - |
| | **-** | - |
| **Unsecured** | | |
| Long term maturities of finance lease obligations | **261,290** | 26,924 |
| Loan from holding company | **10,365,000** | 4,815,014 |
| | **10,626,290** | 4,841,938 |
| | **10,626,290** | 4,841,938 |
| **11.2 Long Term Provisions** | | |
| Provision for employee benefits | | |
| Gratuity | **177,314** | 473,246 |
| | **177,314** | 473,246 |

*BIOSEEDS LIMITED*



Notes to the consolidated financial statements for the period ended March 31, 2020

| | As at March 31, 2020 USD | As at March 31, 2019 USD |
|---|---|---|
| **12. CURRENT LIABILITIES** | | |
| **Financial liabilities** | | |
| **12.1 Short term borrowings - at amortized cost** | | |
| **Secured** | | |
| Other loans from banks | - | - |
| | - | - |
| **Unsecured** | | |
| Loans repayable on demand - other than banks | - | 5,549,999 |
| Other loans from banks | 394,321 | - |
| Loan from subsidiary company | 2,561,000 | 710,740 |
| | 2,955,321 | 6,260,739 |
| | 2,955,321 | 6,260,739 |
| **12.2 Trade Payables** | | |
| Total outstanding due of other than micro & small enterprise | 3,108,651 | 4,605,590 |
| | 3,108,651 | 4,605,590 |
| **12.3 Other Financial liabilities** | | |
| Interest accrued but not due on borrowings | 5,087,842 | 4,288,959 |
| Short term maturities of finance lease obligations | 15,070 | 14,121 |
| Lease liability for right of use | 149,685 | - |
| | 5,252,597 | 4,303,080 |
| **13. Short term provisions** | | |
| Contingent provision for standard assets | | |
| Current tax liabilities (net) | 19,250 | 21,877 |
| **14. Other current liabilities** | | |
| Statutory levies | 142,005 | 117,267 |
| Advance received from customers | 1,073,814 | 418,698 |
| Provision for contingencies | 914,877 | - |
| | 2,130,696 | 535,965 |

| | Year ended March 31, 2020 USD | Year ended March 31, 2019 USD |
|---|---|---|
| **15. Revenue from Operations** | | |
| **Revenue from sale of products** | | |
| Sale of Products | **14,604,565** | 13,393,155 |
| Less: Discounts | **(2,295,310)** | (1,966,353) |
| Gross Sales | **12,309,255** | 11,426,802 |
| **Other Operating Revenue** | | |
| Scrap sale and other miscellaneous income | **76,639** | 305,731 |
| **Revenue from operations** | **12,385,894** | 11,732,533 |

| | Year ended March 31, 2020 USD | Year ended March 31, 2019 USD |
|---|---|---|
| **16. Other Income** | | |
| Interest income from financial assets carried at amortized cost | **21,627** | 7,894 |
| Miscellaneous income | **34,379** | 174,493 |
| Other gains/(losses): | | |
| - foregin exchange gains/(losses) | **-** | - |
| - net gain on sale of property, plant and equipment (including assets held for sale) | **55,625** | 5,060 |
| | **111,631** | **187,447** |

| | Year ended March 31, 2020 USD | Year ended March 31, 2019 USD |
|---|---|---|
| **17. Change in inventories of finished goods, stock-in-trade and work-in-progress** | | |
| Closing stock | **3,904,615** | 2,857,273 |
| Less: Opening stock | **2,857,273** | 1,136,642 |
| | **(1,047,342)** | **(1,720,631)** |

| | Year ended March 31, 2020 USD | Year ended March 31, 2019 USD |
|---|---|---|
| **18. Employee benefits expense** | | |
| Salaries, wages, bonus, gratuity, commission, etc. | **4,819,249** | 4,650,539 |
| Contribution to provident and other funds | **82,479** | 25,895 |
| Staff welfare expenses | **97,706** | 121,752 |
| | **4,999,434** | 4,798,186 |

| | Year ended March 31, 2020 USD | Year ended March 31, 2019 USD |
|---|---|---|
| **19. Finance Costs** | | |
| Interest expense on financial liabilities measured at amortized cost | **1,092,961** | 895,343 |
| Net loss on foreign currency transactions and translation | **(1)** | - |
| | **1,092,960** | 895,343 |

| | **Year ended March 31, 2020 USD** | Year ended March 31, 2019 USD |
|---|---|---|
| **20. Depreciation and amortization expense** | | |
| Depreciation of property, plant and equipment | **232,209** | 226,197 |
| Amortization of intangible assets | **283,641** | 42,645 |
| | **515,850** | 268,842 |

**_BIOSEEDS LIMITED_**



Notes to the consolidated financial statements for the period ended March 31, 2020

| | Year ended March 31, 2020 USD | Year ended March 31, 2019 USD |
|---|---|---|
| **21. Other expenses** | | |
| Consumption of stores and spare parts | **1,845,920** | 1,196,571 |
| Power, fuel etc. | **90,536** | 150,196 |
| Rent | **87,158** | 323,143 |
| Repairs | | |
| Buildings | **-** | - |
| Plant and machinery | **39,826** | 40,418 |
| Donation 1 | **339** | - |
| Insurance | **55,725** | 50,773 |
| Rates and taxes | **118,692** | 67,096 |
| Auditors' remuneration | | |
| Audit fee | **22,007** | 37,217 |
| Tax audit | **6,712** | 4,279 |
| Limited reviews | **-** | - |
| Provision for doubtful debts and advances | **62,776** | 18,264 |
| Freight and transport | **271,362** | 370,319 |
| Selling expenses | **362,852** | 420,600 |
| Exchange fluctuation | **37,201** | 53,588 |
| Royalty | **2,343,798** | 1,315,092 |
| Loss on sale of Fixed Assets(net) | **-** | - |
| Miscellaneous expenses | **1,929,455** | 1,795,128 |
| | **7,274,359** | 5,842,684 |

| | **Year ended March 31, 2020 USD** | Year ended March 31, 2019 USD |
|---|---|---|
| **22. Tax expense** | | |
| Current tax | **112,136** | 593,952 |
| Less:- MAT credit entitlement | **-** | - |
| | **112,136** | 593,952 |
| Deferred tax | **(399,695)** | (57,873) |
| **Tax adjustments related to earlier years:** | | |
| - Current tax | **-** | - |
| | **(287,559)** | 536,079 |

***BIOSEEDS LIMITED***



Notes to the consolidated financial statements for the year ended March 31, 2020

| 23. Reserves and Surplus | AS AT MARCH 31, 2020 USD | BRP | BVL | BL | BHL | Elimination | AS AT MARCH 31, 2019 USD |
|---|---|---|---|---|---|---|---|
| **Foreign currency translation reserve** | | | | | | | |
| Opening balance | **(298,286)** | 886,751 | (915,356) | - | 634,655 | (904,337) | (776,149) |
| Additions/ (deductions) | **(68,019)** | (4,431) | (24,667) | - | (53,380) | 14,459 | 477,863 |
| Additions/ (deductions)-Trfd to PL | **(64,820)** | - | - | - | (64,820) | - | - |
| | **(431,125)** | 882,320 | (940,023) | - | 646,095 | (889,878) | (298,286) |
| **Balance in statement of profit and loss** | | | | | | | |
| Opening balance | **(28,230,504)** | (7,284,811) | (9,634,858) | 3,533,882 | (16,651,804) | 1,807,087 | (26,256,264) |
| Add: Loss during the year | **(2,454,280)** | 1,700,474 | 1,532,394 | (155,061) | (5,517,628) | (14,459) | (1,974,240) |
| Add:Loss on sale of PTSSI & PTSGI | **(1,167,727)** | - | - | - | - | (1,167,727) | - |
| Add:PROV FOR CONTINGENCIES | **(914,877)** | - | - | - | - | (914,877) | - |
| Add:FCTR trfd | **64,820** | - | - | - | 64,820 | - | - |
| | **(32,702,568)** | (5,584,337) | (8,102,464) | 3,378,821 | (22,104,612) | (289,976) | (28,230,504) |
| **Share premium** | | | | | | | |
| Opening balance | **13,117,500** | - | - | 13,117,500 | - | - | 13,117,500 |
| Add: Loss during the year | **-** | - | - | - | - | - | - |
| | **13,117,500** | - | - | 13,117,500 | - | - | 13,117,500 |
| | **(20,016,193)** | (4,702,017) | (9,042,487) | 16,496,321 | (21,458,517) | (1,179,854) | (15,411,290) |

| | **AS AT MARCH 31, 2020 USD** | **BRP** | **BVL** | **BL** | **BHPL** | **PTSGI** | | AS AT MARCH 31, 2019 USD |
|---|---|---|---|---|---|---|---|---|
| **24. TRANSACTIONS WITH RELATED COMPANY** | | | | | | | | |
| Purchases from Shriram Bioseeds Genetics (Unit of DCM Shriram) | **979,480** | 921,208 | 58,272 | - | - | - | | 913,125 |
| Interest expense on loan from SBVL | **790,600** | - | - | 790,600 | - | - | | 790,600 |
| Interest expense on loan from SBLM (SBG - on advance) | **23,675** | - | 17,373 | - | - | 6,302 | | 75,995 |
| Amount due to Shriram Bioseeds Genetics (Unit of DCM shriam) | **1,023,036** | 586,510 | 436,526 | - | - | - | | 1,582,425 |
| Loan and interest payable to SBVL | **15,414,348** | - | - | 15,414,348 | - | - | | 14,623,748 |
| Amount due to Corporate ( Division of DCM shriram) (Loan & advance + Interest accrued) | **2,636,388** | 36,894 | - | - | 2,599,494 | - | | 814,109 |
| Interest expense to Corporate ( Division of DCM shriram) | **109,914** | - | - | - | 109,914 | - | | 25,821 |
| Loan taken from DCM during Q1 to Q3 2019-20 | **1,850,260** | - | - | - | 1,850,260 | - | | 2,630,000 |
| | **22,827,701** | 1,544,612 | 512,171 | 16,204,948 | 4,559,668 | 6,302 | - | 21,455,823 |

**25. Effect of changes upon adoption of Ind AS 116 'Leases'**

(i) Transitional disclosures

Right to use assset has been recognized at an amount equal to lease liablity adjusted by the amount of any rent already paid as on April 01, 2019.Effective April 1, 2019, the Company adopted Ind AS 116 'Leases'. The standard has been applied retrospectively with the cumulative effect of initially applying this Standard accounted as an adjustment to the opening balance of retained earnings. The impact of Ind AS 116 on these results is as under:

| | | USD |
|---|---|---|
| (a) Transitional impact as at April 1, 2019 | | |
| - Opening balance of retained earnings | : | - |
| - Recognition of lease liability | : | 705,000 |
| - Recognition of right-of-use asset corresponding to lease liablity (including USD 69,112 reclassified from prepaid lease payments) | : | 774,112 |
| (b) Statement of profit and loss | | |
| - Decrease in rent expense (included in other expenses) during half year ended March 31, 2020 | : | 274,306 |
| - Increase in finance cost during half year ended March 31, 2020 | : | 54,461 |
| - Increase in depreciation on right-of-use asset during half year ended March 31, 2020 | : | 253,906 |
| Net decrease in profit before tax | : | 34,061 |

(ii) Contractual maturities of financial liabilities **USD**

| Particulars | Up to 1 year | Between 1 year to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| **As at March 31, 2020** | | | | |
| Lease liabilities | 149,724 | 221,044 | 6,143 | 376,911 |

(iii)

| Particulars | April 2019 to March 2020 |
|---|---|
| Total cash outflow for leases | 519,245 |

(iv)

| Particulars | April 2019 to March 2020 |
|---|---|
| Expense relating to short term leases | 125,210 |

(v)

| Particulars | April 2019 to March 2020 |
|---|---|
| Future lease payments to be made for short term leases | 43,523 |

(vi) Future cash outflows w.r.t. exposure arising from leases not yet commenced to which the lease is committed

(i.e. Lease which have not been started yet but committed ) NONE

26. **CONTINGENCY AND COMMITMENTS**

DCM Shriram Limited (“DCM”), a shareholder of Bioseeds Limited, has on 29 June 2019 contracted a loan from International Finance Corporation, Washington (“IFC”).

Pursuant to the above, Bioseeds Limited has on 3 July 2019 entered into a Guarantee Arrangement for an amount not exceeding USD 35,000,000 together with all interest, commission, costs, charges and expenses by providing a corporate guarantee in favour of IFC, whereby the former will stand as guarantor for the loan contracted by DCM.

27. **SALE OF SUBSIDIARIES**

During the year, Bioseed Holdings PTE Limited (100% subsidiary) has sold the entire equity capital and underlying business including all assets and liabilities of its subsidiaries namely; PT Shriram Seed Indonesia and PT Shriram Genetics Indonesia. The results of these entities incorporated in consolidated financials up to the date of transfer of business are as under:

| | **For the period from April 1, 2019 to February 27, 2020 USD** |
|---|---|
| Sale of products | 1,134,704 |
| Loss before tax | (1,048,681) |
| Tax expense | (35,989) |
| Loss after tax | (1,084,670) |

Loss on sale of these entities amounting to USD 1,167,725 is recognised as exceptional items in the consolidated financial statements.

During the year, Bioseed Holdings PTE Limited (100% subsidiary) has entered into an agreement to completely divest from its equity shares and underlying business of its subsidiary namely; Bioseed Vietnam Limited. The consolidated financial statements include the assets and liabilities of this company and the following results after elimination of inter-company balances:

| | **Results for the year ended March 31, 2020 USD** |
|---|---|
| Sale of products | 828,083 |
| Loss before tax | (1,760,417) |
| Tax expense | - |
| Loss after tax | (1,760,417) |
| Other comprehensive loss | (25,315) |

Accordingly, provision for impairment of investment amounting to USD 914,877 is recognised as an exceptional item in consolidated financial statements.

*BIOSEEDS LIMITED*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2020**

27. **SALE OF SUBSIDIARIES (Cont'd)**

Bioseed Vietnam Limited
Statement of Assets & Liabilities as on March 31, 2020

| | USD |
|---|---|
| **ASSETS** | |
| **Non-current assets** | |
| Property, plant and equipment | 267,630 |
| Intangible assets | 21,127 |
| Financial assets | |
| Other financial assets | 7,827 |
| Deferred tax assets (net) | 56,060 |
| **Total non-current assets** | 352,644 |
| **Current assets** | |
| Inventories | 614,912 |
| Financial assets | |
| Trade receivables | 1,150,528 |
| Cash and cash equivalents | 133,075 |
| Other current assets | 6,087 |
| **Total current assets** | 1,904,602 |
| **Total assets** | 2,257,246 |
| **LIABILITIES** | |
| **Liabilities** | |
| **Non-current liabilities** | |
| Financial liabilities | |
| Other financial liabilities | 59,820 |
| **Total non-current liabilities** | 59,820 |
| **Current liabilities** | |
| Financial liabilities | |
| Trade payables | 598,854 |
| Other financial liabilities | 48,779 |
| Provisions | |
| Current tax liabilities (net) | 19,484 |
| Other current liabilities | 34,427 |
| **Total current liabilities** | 701,544 |
| **Total liabilities** | 761,364 |

*BIOSEEDS LIMITED*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2020**

28. **EVENTS AFTER REPORTING PERIOD**

Following approval of shareholders of Bioseeds Limited, the Board of Directors has accorded for the merger of Bioseeds Limited with Shriram Bioseeds Ventures Limited on 27 September 2019, whereby Bioseeds Limited will be the transferor company into Shriram Bioseeds Ventures Limited.

A Scheme of Amalgamation has been drafted. The Scheme will also allow for alterations and changes as may be desirable or expedient for satisfying the requirements or conditions imposed by the Government of India and Mauritius. As at date, the Scheme of Amalgamation is still a draft and implementation has not yet started.

The recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion, affect supply chains or otherwise impact our businesses. Governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The impact of the Coronavirus outbreak on our business is unclear yet and we are monitoring the situation closely. Risk mitigating actions are being taken.

**BIOSEED RESEARCH USA INC.**

**BALANCE SHEET AS AT MARCH 31, 2020**

| PARTICULARS | NOTES | As at MARCH 31, 2020 USD | As at MARCH 31, 2019 USD |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' funds** | | | |
| Share capital | 1 | 250 | 250 |
| Reserves and surplus | 2 | 3,875 | 6,473 |
| | | 4,125 | 6,723 |
| **Current Liabilities** | 3 | | |
| Trade payables | | 1,500 | 1,500 |
| | | 1,500 | 1,500 |
| **Total** | | 5,625 | 8,223 |
| **ASSETS** | | | |
| **Current Assets** | 4 | | |
| Cash and cash equivalents | | 5,625 | 8,223 |
| **Total** | | 5,625 | 8,223 |

Date: 18 May 2020

**Dr. Paresh Verma**
**Director**

**BIOSEED RESEARCH USA INC.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS ON MARCH 31, 2020**

| PARTICULARS | FOR THR Year Ended MARCH 31, 2020 USD | FOR THR Year Ended MARCH 31, 2019 USD |
|---|---|---|
| **EXPENDITURE** | | |
| Legal & Professional fees | 2,118 | 2,093 |
| Bank Charges | 480 | 480 |
| | 2,598 | 2,573 |
| **(Loss) for the period/year** | (2,598) | (2,573) |

Date: 18 May 2020

Dr. Paresh Verma
Director

**BIOSEED RESEARCH USA INC.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

| PARTICULARS | FOR THR Year Ended MARCH 31, 2020 USD | FOR THR Year Ended MARCH 31, 2019 USD |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| **Net loss for the period before tax** | **(2,598)** | (2,629) |
| **Adjustments for :** | | |
| Exchange difference on conversion | | |
| **Operating profit before working capital changes** | **(2,598)** | (2,629) |
| **Adjustments for :** | | |
| Increase/ (decrease) in trade payables | - | (128) |
| **Net cash used in operating activities** | **(2,598)** | (2,757) |
| **B. Cash flow from investing activities** | | |
| **Net cash used in investing activities** | - | - |
| **C. Cash flow from financing activities** | | |
| Issue of share capital | - | - |
| **Net cash from in financing activities** | - | - |
| **Net increase in cash and cash equivaleats** | **(2,598)** | (2,757) |
| Cash and cash equivalents as at opening | | |
| Cash and cheques in hand and Balances with banks | 8,223 | 13,553 |
| Cash and cash equivalents as at closing | | |
| Cash and cheques in hand and Balances with banks | **5,625** | **10,796** |

**Dr. Paresh Verma**
**Director**

**BIOSEED RESEARCH USA INC.**

| | As at Mar 31, 2020 USD | As at Mar 31, 2019 USD |
|---|---|---|
| **1. SHARE CAPITAL** | | |
| **Authorised** | | |
| 5,000 (2014-15 - 5,000) shares of capital stock of USD 1 each | **5,000** | 5,000 |
| **Issued, Subscribed and Paid up Share capital** | | |
| 250 (2014-15 - 250) shares of capital stock of USD 1 each | **250** | 250 |
| | **250** | 250 |

| | As at Mar 31, 2020 USD | As at Mar 31, 2019 USD |
|---|---|---|
| **2. RESERVES AND SURPLUS** | | |
| **Securities Premium Account** | | |
| Opening Balance | **24,750** | 24,750 |
| Additions during the year | - | - |
| Deductions during the year | | |
| Closing Balance | **24,750** | 24,750 |
| **FCTR** | | |
| **Profit & Loss account** | | |
| Opening Balance | **(18,277)** | (15,704) |
| Additions during the year | **(2,598)** | (2,573) |
| Closing Balance | **(20,875)** | (18,277) |
| | **3,875** | 6,473 |

| | As at Mar 31, 2020 USD | As at Mar 31, 2019 USD |
|---|---|---|
| **3. Current Liabilities** | | |
| **Trade payables** | | |
| Total outstanding dues other than micro and small enterprise | **1,500** | 1,500 |
| | **1,500** | 1,500 |
| | **1,500** | 1,500 |

| | As at Mar 31, 2020 USD | As at Mar 31, 2019 USD |
|---|---|---|
| **4. Current Assets** | | |
| **Cash and cash equivalents** | | |
| Balances with banks on current account | **5,625** | 8,223 |
| | **5,625** | 8,223 |
| | **5,625** | 8,223 |

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Grant Thornton

# Financial statements and Independent Auditors' Report

*(prepared in accordance with International Financial Reporting Standards)*

Bioseed Vietnam Limited

For the year ended 31 March 2020

# Contents

# 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 2020.

## 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 6th 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 2020 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 2020 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 profit and loss and other 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 2020 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,

MSDN: 0101174120-C
TRÁCH NHIỆM HỮU HẠN
MỘT THÀNH VIÊN
BIOSEED
VIỆT NAM

**Bhambi Sanjeev Baldevchandra**
General Director

Hanoi, Vietnam
30 April 2020

Grant Thornton

# Independent Auditors' Report

**on the financial statements of Bioseed Vietnam Limited**
**for the the year ended 31 March 2020**

**Grant Thornton (Vietnam) Limited**
18th 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. 19-11-001

## To Members' Council of Bioseed Vietnam Limited

## Opinion

We have audited the accompanying financial statements of Bioseed Vietnam Limited ("the Company"), prepared on 30 April 2020, which comprise the statement of financial position as at 31 March 2020, the statement of profit and loss and other 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 2020, 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

CÔNG TY TNHH GRANT THORNTON (VIỆT NAM)

Nguyen Hong Ha
Audit Partner
*(CPA Vietnam Practicing Certificate No 1710-2018-068-1)*

Hanoi, Vietnam
30 April 2020

# Statement of financial position

as at 31 March 2020

| | Notes | 31 March 2020 VND'000 | 31 March 2020 US$ | 31 March 2019 VND'000 | 31 March 2019 US$ *(reclassified)* |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Non – current** | | | | | |
| Property, plant and equipment | 5 | 6,325,983 | 267,630 | 4,684,110 | 201,997 |
| Intangible assets | 6 | 499,398 | 21,127 | 758,924 | 32,727 |
| Other long term non-financial assets | | 185,011 | 7,827 | 463,491 | 19,988 |
| Deferred tax assets | 18 | 1,325,100 | 56,060 | 1,325,100 | 57,143 |
| Non-current assets | | 8,335,492 | 352,644 | 7,231,625 | 311,855 |
| **Current** | | | | | |
| Inventories | 7 | 14,534,655 | 614,912 | 28,299,154 | 1,220,371 |
| Trade and other receivables | 8 | 27,195,032 | 1,150,528 | 47,710,245 | 2,057,450 |
| Current tax assets | | 143,883 | 6,087 | 143,546 | 6,190 |
| Cash and cash equivalents | 9 | 3,145,492 | 133,075 | 16,679,101 | 719,268 |
| Current assets | | 45,019,062 | 1,904,602 | 92,832,046 | 4,003,279 |
| **Total assets** | | 53,354,554 | 2,257,246 | 100,063,671 | 4,315,134 |
| **Equity and liabilities** | | | | | |
| **Equity** | | | | | |
| Charter capital | 10 | 229,908,605 | 10,696,519 | 229,908,605 | 10,696,519 |
| Translation differences | | - | (829,657) | - | (804,342) |
| Accumulated losses | | (194,550,384) | (8,370,980) | (230,168,180) | (9,903,374) |
| **Total equity** | | 35,358,221 | 1,495,882 | (259,575) | (11,197) |
| **Liabilities** | | | | | |
| **Non – current** | | | | | |
| Borrowings | 11 | 1,413,966 | 59,820 | - | - |
| **Non-current liabilities** | | 1,413,966 | 59,820 | - | - |
| **Current** | | | | | |
| Pension and other employees obligations | 12 | 813,741 | 34,427 | 1,284,281 | 55,383 |
| Trade and other payables | 13 | 14,155,104 | 598,854 | 56,992,893 | 2,457,758 |
| Borrowings | 11 | 1,152,980 | 48,779 | 40,484,805 | 1,745,000 |
| Current tax liabilities | 14 | 460,542 | 19,484 | 1,561,267 | 68,190 |
| **Current liabilities** | | 16,582,367 | 701,544 | 100,323,246 | 4,326,331 |
| **Total liabilities** | | 17,996,333 | 761,364 | 100,323,246 | 4,326,331 |
| **Total equity and liabilities** | | 53,354,554 | 2,257,246 | 100,063,671 | 4,315,134 |

The accompanying notes are an integral part of these statements

# Statement of profit and loss and other comprehensive income

for the year ended 31 March 2020

| | Notes | | Year ended 31 March 2020 | | Year ended 31 March 2019 |
|---|---|---|---|---|---|
| | | VND'000 | US$ | VND'000 | US$ |
| Revenue | 15 | 72,388,865 | 3,114,405 | 92,504,611 | 3,998,298 |
| Sales deduction | 15 | (53,141,534) | (2,286,322) | (44,726,766) | (1,933,211) |
| **Net sales** | 15 | 19,247,331 | 828,083 | 47,777,845 | 2,065,087 |
| Other income | 15 | 81,802,405 | 3,519,406 | 3,295,156 | 142,425 |
| Other expenses | 15 | (5,901,456) | (253,900) | (8,199) | (354) |
| Cost of sales | 15 | (24,730,612) | (1,063,992) | (47,856,571) | (2,068,489) |
| Depreciation and amortization | 15 | (2,803,178) | (120,602) | (1,692,153) | (73,139) |
| Selling and distribution expenses | 15 | (11,904,280) | (512,161) | (8,736,187) | (377,601) |
| Administrative expenses | 15 | (17,166,236) | (738,547) | (14,047,565) | (607,173) |
| **Operating profit/(loss)** | 15 | 38,543,974 | 1,658,287 | (21,267,674) | (919,244) |
| Finance income | 16 | 39,996 | 1,721 | 41,989 | 1,815 |
| Finance costs | 16 | (2,966,174) | (127,614) | (1,839,122) | (79,492) |
| **Profit/(Loss) before tax** | | 35,617,796 | 1,532,394 | (23,064,807) | (996,921) |
| Corporate income tax expenses | 17 | - | - | - | - |
| Deferred corporate income tax expense | 18 | - | - | - | - |
| **Net profit/(loss) for the year from continuing operations** | | 35,617,796 | 1,532,394 | (23,064,807) | (996,921) |
| **Other comprehensive income** | | | | | |
| Translation differences | | - | (25,315) | - | (13,411) |
| **Total comprehensive income/(loss) for the year** | | 35,617,796 | 1,507,079 | (23,064,807) | (1,010,332) |

# Statement of changes in equity

for the year ended 31 March 2020

| | Charter capital | Translation differences | Accumulated losses | Total |
|---|---|---|---|---|
| | VND'000 | VND'000 | VND'000 | VND'000 |
| Balance at 1 April 2018 | 229,908,605 | - | (207,103,373) | 22,805,232 |
| Net loss during the year | - | - | (23,064,807) | (23,064,807) |
| **Balance at 31 March 2019** | **229,908,605** | **-** | **(230,168,180)** | **(259,575)** |
| Balance at 1 April 2019 | 229,908,605 | - | (230,168,180) | (259,575) |
| Net profit during the year | - | - | 35,617,796 | 35,617,796 |
| **Balance at 31 March 2020** | **229,908,605** | **-** | **(194,550,384)** | **35,358,221** |
| | US$ | US$ | US$ | US$ |
| Balance at 1 April 2018 | 10,696,519 | (790,931) | (8,906,453) | 999,135 |
| Net loss during the year | - | - | (996,921) | (996,921) |
| Other comprehensive income | - | (13,411) | - | (13,411) |
| Total comprehensive income for the year | - | (13,411) | (996,921) | (1,010,332) |
| **Balance at 31 March 2019** | **10,696,519** | **(804,342)** | **(9,903,374)** | **(11,197)** |
| Balance at 1 April 2019 | 10,696,519 | (804,342) | (9,903,374) | (11,197) |
| Net profit during the year | - | - | 1,532,394 | 1,532,394 |
| Other comprehensive income | - | (25,315) | - | (25,315) |
| Total comprehensive income for the year | - | (25,315) | 1,532,394 | 1,507,079 |
| **Balance at 31 March 2020** | **10,696,519** | **(829,657)** | **(8,370,980)** | **1,495,882** |

# Statement of cash flows

for the year ended 31 March 2020

| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| **Cash flows from operating activities** | | | | |
| Profit/(Loss) before tax | 35,617,796 | 1,532,394 | (23,064,807) | (996,921) |
| *Adjustments for:* | | | | |
| Depreciation and amortisation | 2,803,178 | 120,602 | 1,692,153 | 73,139 |
| Change in provisions | 10,539,063 | 453,425 | (21,997,732) | (950,801) |
| Loss/(Gain) on foreign currency translation | 164,704 | 7,086 | (27,670) | (1,196) |
| Provision for technical transfers | 3,699,776 | 159,176 | 12,017,535 | 519,430 |
| Gain from disposal of fixed assets | (1,330,192) | (57,229) | (125,273) | (5,415) |
| Written-off borrowing principals, interest and other payables | (78,576,629) | (3,380,623) | - | - |
| Interest expenses | 2,156,376 | 92,774 | 1,025,256 | 44,314 |
| Interest income | (18,466) | (794) | (2,233) | (97) |
| **Operating loss before changes in working capital** | (24,944,394) | (1,073,189) | (30,482,771) | (1,317,547) |
| Changes in accounts receivable | 15,913,679 | 684,658 | (5,589,422) | (241,590) |
| Changes in inventories | 4,556,649 | 196,042 | 18,841,207 | 814,368 |
| Changes in accounts payable | (12,160,861) | (523,200) | (15,360,052) | (663,902) |
| Changes in prepaid expenses | 278,480 | 11,981 | 12,888 | 557 |
| **Net cash flow used in operating activities** | (16,356,447) | (703,708) | (32,578,150) | (1,408,114) |
| | | | | |
| **Cash flows from investing activities** | | | | |
| Acquisitions of property, plant and equipment | - | - | (1,709,629) | (73,895) |
| Proceed from disposal of property, plant and equipment | 1,072,812 | 46,156 | 125,273 | 5,415 |
| Interest income received | 18,466 | 794 | 2,233 | 97 |
| **Net cash flow generated from investing activities** | 1,091,278 | 46,950 | (1,582,123) | (68,383) |
| | | | | |
| **Cash flows from financing activities** | | | | |
| Proceeds from loans | 3,490,500 | 150,173 | 40,464,805 | 1,748,997 |
| Repayment of loans | - | - | (111,108) | (4,802) |
| Financial leasing payment | (1,790,991) | (77,054) | - | - |
| Interest paid | - | - | (391,830) | (16,936) |
| **Net cash flow generated from financing activities** | 1,699,509 | 73,119 | 39,961,867 | 1,727,259 |
| **Net (decrease)/increase in cash** | (13,565,660) | (583,639) | 5,801,594 | 250,762 |
| **Cash and cash equivalents at beginning of year** | 16,679,101 | 719,268 | 10,877,507 | 476,561 |
| Effects of changes in foreign exchange rates | 32,051 | 1,379 | - | - |
| Translation differences | - | (3,933) | - | (8,055) |
| **Cash and cash equivalents at end of the year** | 3,145,492 | 133,075 | 16,679,101 | 719,268 |

# Notes to the financial statements

for the year ended 31 March 2020

## 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 6th floor, Hong Ha building, 25 Ly Thuong Kiet street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi, Vietnam. The Company also has factories at Tay Ninh and Thai Nguyen provinces.

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 related 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 2020 (including comparatives) were approved and authorised for issue by the Board of Directors on 30 April 2020.

## 3. New and revised standards or Interpretations

The Company has adopted the new accounting pronouncements which have become effective this year, and are as follows:

**IFRS 16 'Leases'**

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The following is a reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 1 April 2019:

| | VND'000 | US$ |
|---|---|---|
| **Total operating lease commitments disclosed at 31 March 2019** | 4,193,464 | 180,839 |
| Recognition exemptions: | | |
| • Leases with remaining lease term of less than 12 months | - | - |
| | 4,193,464 | 180,839 |

**Other pronouncements**

Other accounting pronouncements which have become effective from 1 January 2019 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

## 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.

### 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 VND23,637/US$1 (31 March 2019: VND23,189/ 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 VND23,243/US$1 for the year (2019: VND23,136/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**

Revenue includes sales of finished goods to customers. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised services to its customers.

**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

As described in Note 3, the Company has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under IAS 17 and IFRIC 4.

**Accounting policy applicable from 1 January 2019**

*The Company as a lessee*

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

*Measurement and recognition of leases as a lessee*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in trade and other payables.

**Accounting policy applicable before 1 January 2019**
*The Company as a lessee - 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 18).

**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 | Right-of-use assets VND'000 | **Total VND'000** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Historical cost** | | | | | | | | | | |
| 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 | 39,000 | - | - | - | - | - | - | **1,709,629** |
| Transferred from construction | - | 1,339,744 | - | - | - | - | - | (1,339,744) | - | **-** |
| Disposal | - | - | (46,200) | - | | (414,535) | - | - | - | **(460,735)** |
| 1 April 2019 | 19,312 | 6,762,521 | 18,975,356 | 354,597 | 317,313 | 3,725,370 | 261,827 | - | - | **30,416,296** |
| Addition | - | - | - | - | - | - | - | - | 4,357,937 | **4,357,937** |
| Disposal | - | (66,899) | (7,060,502) | - | - | - | - | - | - | **(7,127,401)** |
| 31 March 2020 | 19,312 | 6,695,622 | 11,914,854 | 354,597 | 317,313 | 3,725,370 | 261,827 | - | 4,357,937 | **27,646,832** |
| **Accumulated depreciation** | | | | | | | | | | |
| 1 April 2018 | (19,312) | (3,645,148) | (16,827,839) | (336,933) | (272,637) | (3,718,550) | (261,827) | - | - | **(25,082,246)** |
| Charge for year | - | (213,061) | (723,135) | - | (34,041) | (140,438) | - | - | - | **(1,110,675)** |
| Disposals | - | - | 46,200 | - | - | 414,535 | - | - | | **460,735** |
| 1 April 2019 | (19,312) | (3,858,209) | (17,504,774) | (336,933) | (306,678) | (3,444,453) | (261,827) | - | - | **(25,732,186)** |
| Charge for year | - | (419,906) | (298,221) | - | (14,373) | (108,733) | - | - | (1,702,419) | **(2,543,652)** |
| Disposals | - | 41,240 | 6,913,749 | - | - | - | - | - | - | **6,954,989** |
| 31 March 2020 | (19,312) | (4,236,875) | (10,889,246) | (336,933) | (321,051) | (3,553,186) | (261,827) | | (1,702,419) | **(21,320,849)** |
| **Net book value** | | | | | | | | | | |
| 1 April 2019 | - | 2,904,312 | 1,470,582 | 17,664 | 10,635 | 280,917 | - | - | - | **4,684,110** |
| 31 March 2020 | - | 2,458,747 | 1,025,608 | 17,664 | (3,738) | 172,184 | - | - | 2,655,518 | **6,325,983** |

| | Leasehold 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$ | Right-of-use assets US$ | Total US$ |
|---|---|---|---|---|---|---|---|---|---|---|
| **Historical cost** | | | | | | | | | | |
| 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)** |
| 1 April 2019 | 833 | 291,626 | 818,291 | 15,292 | 13,684 | 160,652 | 11,291 | - | - | **1,311,669** |
| Addition | - | - | - | - | - | - | - | - | 187,493 | **187,493** |
| Disposals | - | (2,878) | (303,766) | - | - | - | - | - | - | **(306,644)** |
| Translation difference | (16) | (5,479) | (10,449) | (290) | (260) | (3,044) | (214) | - | (3,124) | **(22,876)** |
| 31 March 2020 | 817 | 283,269 | 504,076 | 15,002 | 13,424 | 157,608 | 11,077 | - | 184,369 | **1,169,642** |
| **Accumulated depreciation** | | | | | | | | | | |
| 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 | 2,528 | 11,638 | 232 | 191 | 2,531 | 180 | - | - | **17,313** |
| 1 April 2019 | (833) | (166,381) | (754,874) | (14,530) | (13,225) | (148,538) | (11,291) | - | - | **(1,109,672)** |
| Charge for the year | - | (18,066) | (12,830) | - | (618) | (4,678) | - | - | (73,244) | **(109,436)** |
| Disposals | - | 1,774 | 297,452 | - | - | - | - | - | - | **299,226** |
| Translation difference | 16 | 3,425 | 9,566 | 276 | 260 | 2,893 | 214 | - | 1,220 | **17,870** |
| 31 March 2020 | (817) | (179,248) | (460,686) | (14,254) | (13,583) | (150,323) | (11,077) | - | (72,024) | **(902,012)** |
| **Net book value** | | | | | | | | | | |
| 1 April 2019 | - | 125,245 | 63,417 | 762 | 459 | 12,114 | - | - | - | **201,997** |
| 31 March 2020 | - | 104,021 | 43,390 | 748 | (159) | 7,285 | - | - | 112,345 | **267,630** |

Right-of-use assets are related to five-year office operating lease contract and 24-month apartment leasing contract recognised during the year. Details of lease obligation is presented in Note 11.

## 6. Intangible assets

| | VND'000 | Software US$ |
|---|---|---|
| **Historical cost** | | |
| 1 April 2018 | 4,700,905 | 205,954 |
| Translation difference | - | (3,233) |
| 1 April 2019 | 4,700,905 | 202,721 |
| Translation difference | - | (3,842) |
| 31 March 2020 | 4,700,905 | 198,879 |
| **Accumulated amortisation** | | |
| 1 April 2018 | (3,360,503) | (147,229) |
| Charge for year | (581,478) | (25,076) |
| Translation difference | - | 2,311 |
| 1 April 2019 | (3,941,981) | (169,994) |
| Charge for year | (259,526) | (11,166) |
| Translation difference | - | 3,408 |
| 31 March 2020 | (4,201,507) | (177,752) |
| **Net book value** | | |
| 1 April 2019 | 758,924 | 32,727 |
| 31 March 2020 | 499,398 | 21,127 |

## 7. Inventories

| | 31 March 2020 VND'000 | 31 March 2020 US$ | 31 March 2019 VND'000 | 31 March 2019 US$ |
|---|---|---|---|---|
| Parent seeds | 547,868 | 23,178 | 611,775 | 26,382 |
| Raw materials | - | - | 6,005,490 | 258,980 |
| Packing materials | 886,322 | 37,497 | 942,164 | 40,630 |
| Work in progress | 21,214,230 | 897,501 | 13,733,261 | 592,232 |
| Finished goods | 112,672 | 4,767 | 3,359,785 | 144,887 |
| Consumables | 780,096 | 33,004 | 2,785,000 | 120,100 |
| Goods receivables kept at the customers | 547,974 | 23,183 | 1,208,336 | 52,108 |
| | 24,089,162 | 1,019,130 | 28,645,811 | 1,235,320 |
| Provision for decline in inventory value | (9,554,507) | (404,218) | (346,657) | (14,949) |
| | 14,534,655 | 614,912 | 28,299,154 | 1,220,371 |

## 8. Trade and other receivables

| | 31 March 2020 VND'000 | 31 March 2020 US$ | 31 March 2019 VND'000 | 31 March 2019 US$ |
|---|---|---|---|---|
| Trade accounts receivable | 58,181,063 | 2,461,440 | 86,482,725 | 3,729,472 |
| Provision for doubtful debts | (26,579,255) | (1,124,477) | (25,248,042) | (1,088,794) |
| Provision for sale returns | (1,231,000) | (52,079) | (2,660,000) | (114,710) |
| Provision for sales discounts | (4,772,618) | (201,913) | (13,279,754) | (572,675) |
| Net receivables | 25,598,190 | 1,082,971 | 45,294,929 | 1,953,293 |
| Prepayments to suppliers | 178,575 | 7,555 | 96,141 | 4,146 |
| Short term deposits | 365,308 | 15,455 | 863,456 | 37,235 |
| Others | 1,052,959 | 44,547 | 1,455,719 | 62,776 |
| | 27,195,032 | 1,150,528 | 47,710,245 | 2,057,450 |

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 USD1,124,477 (31 March 2019:

USD1,088,794) 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 2020 | | 31 March 2019 |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Opening balance | 25,248,042 | 1,088,794 | 25,354,952 | 1,110,841 |
| Provision made during the year | 1,459,150 | 62,777 | 422,554 | 18,264 |
| Reversal of provision | (127,937) | (5,504) | (529,464) | (22,885) |
| Translation differences | - | (21,590) | - | (17,426) |
| Closing balance | 26,579,255 | 1,124,477 | 25,248,042 | 1,088,794 |

Provision for sale returns represents the estimated receivable amounts from customers.

The movements in the provision for sales discounts is presented below:

| | | 31 March 2020 | | 31 March 2019 |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Opening balance | 13,279,754 | 572,675 | 9,457,665 | 414,356 |
| Provision made during the year | 3,699,776 | 159,176 | 12,017,535 | 519,430 |
| Payment to customers | (12,206,912) | (525,181) | (8,195,446) | (354,229) |
| Translation differences | - | (4,757) | - | (6,882) |
| Closing balance | 4,772,618 | 201,913 | 13,279,754 | 572,675 |

## 9. Cash and cash equivalents

| | | 31 March 2020 | | 31 March 2019 |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Cash on hand | 5,383 | 228 | 20,725 | 894 |
| Cash in banks | 3,140,109 | 132,847 | 15,628,376 | 673,956 |
| | 3,145,492 | 133,075 | 15,649,101 | 674,850 |
| **Cash equivalents** | | | | |
| Deposits at bank with terms less than 3 months | - | - | 1,030,000 | 44,418 |
| | 3,145,492 | 133,075 | 16,679,101 | 719,268 |

## 10. Charter capital

| | Charter capital as per Investment Certificate | | Contribution to date | |
|---|---|---|---|---|
| | US$ | % | US$ | VND'000 equivalent |
| Bioseeds Holdings Pte Limited | 10,696,519 | 100 | 10,696,519 | 229,908,605 |

## 11. Borrowings

| | | 31 March 2020 | | 31 March 2019 |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| **Short-term** | | | | |
| Borrowings from related party (i) | - | - | 40,464,805 | 1,745,000 |
| Operating lease liabilities (ii) | 1,152,980 | 48,779 | - | - |
| | 1,152,980 | 48,779 | 40,464,805 | 1,745,000 |
| **Long term** | | | | |
| Operating lease liabilities (ii) | 1,413,966 | 59,820 | - | - |
| | 2,566,946 | 108,599 | 40,464,805 | 1,745,000 |

**(i) Borrowings from related party**

Borrowings from Bioseeds Holdings Pte Limited, the Parent company, was consisted of several borrowing agreements, unsecured and with interest rate ranging from 3.73% to 5.91% per annum. As at 28 February 2020, the Company received the financial support agreement from the Parent company to waive off all outstanding borrowing principal of USD1,895,000 and related accrued interest balance of USD1,072,058 as presented in Note 20. The Company recognised this written-off amounts as other income in the statement of profit and loss for the current year.

**(ii) Operating lease liabilities**

The Company entered into office and apartment operating lease contracts as described in Note 5. Future minimum lease payments at 31 March 2020 were as follows:

| | | | 31 March 2020 |
|---|---|---|---|
| | Total | Interest expenses | Principal |
| | VND'000 | VND'000 | VND'000 |
| During 1 year | 1,265,836 | 112,856 | 1,152,980 |
| From 2 to 5 years | 1,480,187 | 66,221 | 1,413,966 |
| | 2,746,023 | 179,077 | 2,566,946 |

| | | | 31 March 2020 |
|---|---|---|---|
| | Total | Interest expenses | Principal |
| | US$ | US$ | US$ |
| During 1 year | 53,554 | 4,775 | 48,779 |
| From 2 to 5 years | 62,622 | 2,802 | 59,820 |
| | 116,176 | 7,577 | 108,599 |

# 12. Employee remuneration

## 12.1 Employee benefits expenses

Expenses recognised for employee benefits are analysed below:

| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Wages, salaries | 19,983,505 | 859,755 | 21,779,013 | 941,347 |
| Social and health insurance | 1,531,527 | 65,891 | 1,588,275 | 68,650 |
| | 21,515,032 | 925,646 | 23,367,288 | 1,009,997 |

## 12.2 Current pension and other employee obligations

| | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Salaries | 643,614 | 27,229 | 543,013 | 23,417 |
| Social and health insurance and trade union | 170,127 | 7,198 | 741,268 | 31,966 |
| | 813,741 | 34,427 | 1,284,281 | 55,383 |

## 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 2020 | | Year ended 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Salary | 3,010,640 | 127,370 | 3,009,176 | 117,855 |
| Other benefits | 2,077,991 | 87,913 | 3,772,051 | 185,997 |
| | 5,088,631 | 215,283 | 6,781,227 | 303,852 |

## 13. Trade and other payables

| | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Trade accounts payable | 1,592,631 | 67,379 | 11,007,703 | 474,695 |
| Payables to related parties (Note 20) | 10,318,184 | 436,527 | 43,870,364 | 1,891,862 |
| Accrued expenses payable | 2,051,452 | 86,790 | 1,852,760 | 79,898 |
| Other payables | 192,837 | 8,158 | 262,066 | 11,303 |
| | 14,155,104 | 598,854 | 56,992,893 | 2,457,758 |

All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

## 14. Current tax liabilities

| | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Corporate income tax (Note 17) | 391,926 | 16,581 | 391,926 | 16,901 |
| Personal income tax | 57,102 | 2,416 | 43,453 | 1,874 |
| Foreign contractor tax | 11,514 | 487 | 1,145,888 | 49,415 |
| | 460,542 | 19,484 | 1,581,267 | 68,190 |

## 15. Revenue and expenses from operations

The Company's revenue and expenses from operations are as follows:

| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| **Revenue** | | | | |
| Revenue from sale of corn seeds | 68,232,733 | 2,935,595 | 88,645,044 | 3,831,477 |
| Revenue from rice seeds | 4,156,132 | 178,810 | 3,859,567 | 166,821 |
| Gross sales | 72,388,865 | 3,114,405 | 92,504,611 | 3,998,298 |
| Sales deduction | (53,141,534) | (2,286,322) | (44,726,766) | (1,933,211) |
| - *Sales returns* | *(49,446,451)* | (2,127,347) | *(31,240,365)* | *(1,350,292)* |
| - *Sales discounts* | *(3,695,083)* | (158,975) | *(13,486,401)* | *(582,919)* |
| Net sales | 19,247,331 | 828,083 | 47,777,845 | 2,065,087 |
| | | | | |
| **Other income** | | | | |
| Sales from defected goods | 506,169 | 21,777 | 1,932,501 | 83,527 |
| Gain on disposal of fixed assets | 1,353,123 | 58,216 | 125,273 | 5,415 |
| Waived-off borrowing and interest payables to Bioseeds Holding Pte Ltd (Note 20) | 68,954,417 | 2,967,058 | - | - |
| Waived-off interest and other payables to Bioseeds Limited (Note 20) | 9,622,212 | 414,037 | - | - |
| Written-off foreign contractor tax related to waived-off borrowing interest payables | 1,169,678 | 50,323 | - | - |
| Write off gratuity payable to a former Director | - | - | 1,058,340 | 45,744 |
| Others | 196,806 | 7,995 | 179,042 | 7,739 |
| | 81,802,405 | 3,519,406 | 3,295,156 | 142,425 |
| **Operation expenses** | | | | |
| Cost of raw materials | 20,233,640 | 870,517 | 30,158,614 | 1,303,536 |
| Provision for decline in inventory valuation | 9,554,507 | 411,066 | 346,657 | 14,983 |
| Labour costs | 20,066,981 | 863,347 | 23,425,122 | 1,012,497 |
| Depreciation and amortization | 2,803,178 | 120,602 | 1,692,153 | 73,139 |
| Other expenses | 9,847,456 | 423,670 | 16,718,129 | 722,601 |
| Total operation expenses | 62,505,762 | 2,689,202 | 72,340,675 | 3,126,756 |
| **Profit/(Loss) from operations** | 38,543,974 | 1,658,287 | (21,267,674) | (919,244) |

## 16. Finance income and costs

| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| **Finance income** | | | | |
| Gains from foreign exchange differences | 21,530 | 927 | 39,756 | 1,718 |
| Interest income | 18,466 | 794 | 2,233 | 97 |
| | 39,996 | 1,721 | 41,989 | 1,815 |
| **Finance costs** | | | | |
| Interest expenses | 1,735,233 | 74,655 | 620,019 | 26,799 |
| Interest expenses on late payment | 421,143 | 18,119 | 405,237 | 17,515 |
| Unrealised loss | 164,704 | 7,086 | - | - |
| Realised loss from foreign exchange differences | 180,100 | 7,748 | 813,866 | 35,178 |
| Trade discount | 464,994 | 20,006 | - | - |
| | 2,966,174 | 127,614 | 1,839,122 | 79,492 |
| | (2,926,178) | (125,893) | (1,797,133) | (77,677) |

## 17. Tax expenses

The Company is liable to corporate income tax ("CIT") at 10% of taxable income. A reconciliation of the Company's net profit/(loss) and taxable profit/(loss) is presented as follows:

| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| **Accounting profit/(loss) before tax** | 35,617,796 | 1,532,394 | (23,064,807) | (996,921) |
| *Adjustments:* | | | | |
| ***Permanent differences*** | | | | |
| Estimated non-deductible expenses | 4,195,477 | 180,503 | 3,390,641 | 146,553 |
| ***Temporary differences*** | | | | |
| Provision for sales discounts | (8,507,136) | (366,005) | 3,822,089 | 165,201 |
| Provision for doubtful debt | (11,339,739) | (487,872) | (106,910) | (4,621) |
| Net provision for sale returns | (768,638) | (33,069) | 264,327 | 11,425 |
| Reversal of provision for decline in inventory | 9,207,850 | 396,152 | (22,104,641) | (955,422) |
| **Tax profit/(loss)** | 28,405,610 | 1,222,103 | (37,799,301) | (1,633,785) |
| **Loss carried forward** | (28,405,610) | (1,222,103) | - | - |
| Current CIT expense | - | - | - | - |
| CIT payable at beginning of the year | 391,926 | 16,901 | 391,926 | 17,171 |
| Translation difference | - | (320) | - | (270) |
| CIT payable at end of the year (Note 14) | 391,926 | 16,581 | 391,926 | 16,901 |

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 carried forward | Year of Expiration |
|---|---|---|---|---|---|---|
| | | VND'000 | VND'000 | VND'000 | VND'000 | |
| 31 March 2015 | Finalised | (15,800,999) | 15,800,999 | - | - | 2020 |
| 31 March 2016 | Finalised | (16,733,141) | 12,604,611 | - | (4,128,530) | 2021 |
| 31 March 2017 | Not finalised | (56,794,832) | | - | (56,794,832) | 2022 |
| 31 March 2018 | Not finalised | (30,979,498) | - | - | (30,979,498) | 2023 |
| 31 March 2019 | Not finalised | (37,799,301) | - | - | (37,799,301) | 2024 |
| | | (158,107,771) | 28,405,610 | - | (129,702,161) | |

## 18. 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 2020 | 31 Mar 2019 | 2020 | 2019 |
| | VND'000 | VND'000 | VND'000 | VND'000 |
| **Deferred tax assets** | - | - | - | |
| Tax losses carried forward | 1,325,100 | 1,325,100 | - | - |
| | 1,325,100 | 1,325,100 | - | - |
| | US$ | US$ | US$ | US$ |
| **Deferred tax assets** | | | | |
| Tax losses carried forward | 58,055 | 58,055 | - | - |
| **Translation difference - equity** | (1,995) | (912) | - | - |
| | 56,060 | 57,143 | - | - |

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.

## 19. Non-cash transactions supplements to statement of cash flows

| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Waived off borrowings | 44,039,800 | 1,895,000 | - | - |
| Waived off borrowing interest | 32,597,683 | 1,402,655 | - | - |
| Waived off other payables | 1,939,146 | 83,440 | - | - |

## 20. Related party transactions

During the year, the following transactions with related parties were recorded as follows:

| Related party | Relationship | Transactions | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|---|---|
| | | | VND'000 | US$ | VND'000 | US$ |
| Bioseed Research Philippines | Fellow | Purchase of seeds | - | - | 653,163 | 28,342 |
| | Subsidiary | Retirement fixed assets | 1,783,699 | 76,867 | | |
| Bioseeds Limited | Parent Company | Waived off other payables | 1,939,146 | 83,440 | - | - |
| | | Waived off borrowing interest | 7,683,066 | 330,597 | - | - |
| Bioseeds Holdings Pte Limited | Parent | Borrowings | 3,490,500 | 150,000 | 40,448,505 | 1,745,000 |
| | Company | Interest expenses | 1,648,472 | 70,928 | 564,304 | 24,651 |
| | | Waived off borrowings | 44,039,800 | 1,895,000 | - | - |
| | | Waived off borrowing interest | 24,914,617 | 1,072,058 | - | - |
| Shriram Bioseed Genetics | Parent Company | Purchases of seeds | 1,387,571 | 59,800 | 6,992,620 | 302,605 |
| (a unit of DCM Shriram Limited) | | Default interest on late payment | 400,085 | 17,212 | | |

At 31 March, the following balances were outstanding with related parties:

| Related party | Relationship | Transactions | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|---|---|
| | | | VND'000 | US$ | VND'000 | US$ |
| **Payables (Note 13)** | | | | | | |
| Bioseeds Limited | Parent Company | Other payables | - | - | 1,934,890 | 83,440 |
| | | Interest payables | - | - | 7,666,206 | 330,597 |
| Shriram Bioseed Genetics | Parent Company | Seeds purchases | | | | |
| (a unit of DCM Shriram Limited) | | | 10,318,184 | 436,527 | 9,783,694 | 421,911 |
| DCM Shriram Limited | Parent Company | Purchase of assets | - | - | 840,825 | 36,260 |
| Bioseeds Research Philippines | Fellow subsidiary | Seeds purchases | - | - | 429,551 | 18,524 |
| Bioseeds Holdings Pte Limited | Parent Company | Interest payables | - | - | 23,215,198 | 1,001,130 |
| | | | 10,318,184 | 436,527 | 43,870,364 | 1,891,862 |

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 with details as Note 11.

## 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.

### 22.1 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 2020 | | 31 March 2019 |
|---|---|---|---|---|
| | US$ | VND'000 | US$ | VND'000 |
| Financial assets | 79,231 | 1,841,585 | 624,656 | 14,452,043 |
| Financial liabilities | (436,527) | (10,146,303) | (3,636,862) | (84,142,439) |
| **Short-term exposure** | (357,296) | (8,304,718) | (3,012,206) | (69,690,396) |

Disclosure on the foreign currency sensitivity has not been presented as the impact to the net result for the year and equity is immaterial.

*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.

### 22.2 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 2020 | | 31 March 2019 |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| **Classes of financial assets - carrying amounts** | | | | |
| Cash and cash equivalents | 3,145,492 | 133,075 | 16,679,101 | 719,268 |
| Trade and other receivables | 27,195,032 | 1,150,528 | 47,710,245 | 2,057,450 |
| | 30,340,524 | 1,283,603 | 64,389,346 | 2,776,718 |

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 2020 | | 31 March 2019 |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Not more than 3 months | 13,594,780 | 575,148 | 28,243,966 | 1,217,990 |
| More than 3 months but not more than 6 months | 6,069,757 | 256,790 | 10,556,275 | 455,228 |
| More than 6 months but not more than 1 year | 4,256,770 | 180,089 | 7,102,205 | 306,274 |
| More than one year | 3,273,725 | 138,501 | 1,807,799 | 77,958 |
| | 27,195,032 | 1,150,528 | 47,710,245 | 2,057,450 |

### 22.3 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 |
| **31 March 2020** | | | | |
| Borrowings and lease liabilities | - | 1,152,980 | 1,413,966 | - |
| Trade payables | 1,592,631 | - | - | - |
| Other short term financial liabilities | 13,376,214 | - | - | - |
| | 14,968,845 | 1,152,980 | 1,413,966 | - |
| 31 March 2019 | | | | |
| Borrowings and lease liabilities | - | 40,464,805 | - | - |
| Trade payables | 11,007,703 | - | - | - |
| Other short term financial liabilities | 47,269,471 | - | - | - |
| | 58,277,174 | 40,464,805 | - | - |
| | US$ | US$ | US$ | US$ |
| **31 March 2020** | | | | |
| Borrowings and lease liabilities | - | 48,779 | 59,820 | - |
| Trade payables | 67,379 | - | - | - |
| Other short term financial liabilities | 565,902 | - | - | - |
| | 633,281 | 48,779 | 59,820 | - |
| 31 March 2019 | | | | |
| Borrowings and lease liabilities | - | 1,745,000 | - | - |
| Trade payables | 474,695 | - | - | - |
| Other short term financial liabilities | 2,038,446 | - | - | - |
| | 2,513,141 | 1,745,000 | - | - |

## 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 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| | VND'000 | VND'000 | VND'000 | VND'000 |
| **Financial assets** | | | | |
| Cash and cash equivalent | 3,145,492 | 3,145,492 | 16,679,101 | 16,679,101 |
| Trade and other receivables | 27,195,032 | 27,195,032 | 47,710,245 | 47,710,245 |
| | 30,340,524 | 30,340,524 | 64,389,346 | 64,389,346 |
| **Financial liabilities** | | | | |
| Borrowings and lease liabilities | 2,566,946 | 2,566,946 | 40,464,805 | 40,464,805 |
| Trade payables | 1,592,631 | 1,592,631 | 11,007,703 | 11,007,703 |
| Other short term financial liabilities | 13,376,214 | 13,376,214 | 47,269,471 | 47,269,471 |
| | 17,535,791 | 17,535,791 | 98,741,979 | 98,741,979 |
| | US$ | US$ | US$ | US$ |
| **Financial assets** | | | | |
| Cash and cash equivalent | 133,075 | 133,075 | 719,268 | 719,268 |
| Trade and other receivables | 1,150,528 | 1,150,528 | 2,057,450 | 2,057,450 |
| | 1,283,603 | 1,283,603 | 2,776,718 | 2,776,718 |
| **Financial liabilities** | | | | |
| Borrowings and lease liabilities | 108,599 | 108,599 | 1,745,000 | 1,745,000 |
| Trade payables | 67,379 | 67,379 | 474,695 | 474,695 |
| Other short term financial liabilities | 565,902 | 565,902 | 2,038,446 | 2,038,446 |
| | 741,880 | 741,880 | 4,258,141 | 4,258,141 |

## 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 2020 and 31 March 2019 is summarized as follows:

| | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | VND'000 | US$ | VND'000 | US$ |
| Total equity | 35,358,221 | 1,495,882 | (259,575) | (11,197) |
| Subordinated borrowings | - | - | 40,464,805 | 1,745,000 |
| Cash balance | (3,145,492) | (133,075) | (16,679,101) | (719,268) |
| **Capital** | 32,212,729 | 1,362,807 | 23,526,129 | 1,014,535 |
| Total equity | 35,358,221 | 1,495,882 | (259,575) | (11,197) |
| Borrowings | - | - | 40,464,805 | 1,745,000 |
| **Overall financing** | 35,358,221 | 1,495,882 | 40,205,230 | 1,733,803 |
| **Capital to overall financing** | 0.91 | 0.91 | 0.59 | 0.59 |

## 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 2019**

| | As previously reported | Reclassification | **As reclassified** |
|---|---|---|---|
| | VND'000 | VND'000 | **VND'000** |
| Trade and other receivables - Net | 62,198,335 | (14,488,090) | **47,710,245** |
| Inventories | 27,090,818 | 1,208,336 | **28,299,154** |
| Provision for technical transfer fees | 13,279,754 | (13,279,754) | - |
| | US$ | US$ | **US$** |
| Trade and other receivables - Net | 2,682,234 | (624,784) | **2,057,450** |
| Inventories | 1,168,262 | 52,109 | **1,220,371** |
| Provision for technical transfer fees | 572,675 | (572,675) | - |

## 26. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the 31 March 2020 and the date of authorisation.

## 27. Authorisation of financial statements

The financial statements for the year ended 31 March 2020 (including comparatives) were approved by the Board of Director for issuance.

Hanoi, Vietnam
30 April 2020

CÔNG TY TRÁCH NHIỆM HỮU HẠN MỘT THÀNH VIÊN BIOSEED VIỆT NAM

Bhambi Sanjeev Baldevchandra
General Director