

**INDEPENDENT AUDITOR'S REPORT**

To
The Members of
M/s. SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying (Standalone) financial statements of M/s. **SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the (Standalone) Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

A. Sri Narayana S.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Profit and Loss, the Profit for the period ended on that date; and
- (c) in the case of the cash flow statement of the Company as at March 31, 2016

Report on Other Legal and Regulatory Requirements

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

A. Sai Narayana

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Companies Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g. 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.

J. Sai Nand

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the (Standalone) financial statements of the Company for the year ended March 31, 2016:

- 1)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
- 2)
 - (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanation given to us, the company has not granted any loan, or made investment or provided any security, hence the compliance with the provisions of section 185 / 186 of the Act does not arise.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any term loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the company has not paid any managerial remuneration as contemplated under section 197 read with Schedule V to the Companies Act. Hence this clause is not applicable.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, 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 clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

"Annexure B" to the Independent Auditor's Report of even date on the (Standalone) Financial Statements of M/s. SQUAREPEG DISTRIBUTION SERVICES PRIVATE 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 over financial reporting of **M/s. SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the (Standalone) financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our Responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting


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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S V P and Co.,
Chartered Accountants
Firm Reg. No. 014048S


(R. Srinivasu)
Partner
M. No. 224033

Place: Hyderabad
Date: 01.09.2016.

PART I - Form of BALANCE SHEET
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED
Balance Sheet as at 31.03.2016

Particulars	Note No.	As at 31/03/2016	As at 31/03/2015
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	2,670,000	2,670,000
(b) Reserves and surplus	2	1,366,767	1,112,656
(c) Money received against share warrants			
2 Share application money pending allotment		4,036,767	3,782,656
3 Non-current liabilities			
(a) Long-term borrowings			
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long-term provisions			
4 Current liabilities			
(a) Short-term borrowings	3	2,593,177	-
(b) Trade payables	4	2,163,257	940,199
(c) Other current liabilities	5	2,362,819	1,161,581
(d) Short-term provisions	6	312,229	-
TOTAL		7,431,482	2,101,780
		11,468,249	5,884,436
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	7	159,964	55,608
(i) Tangible assets			
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances			
(e) Other non-current assets		215,192	-
2 Current assets		375,156	55,608
(a) Deposits			
(b) Inventories			
(c) Trade receivables	8	5,585,882	3,627,950
(d) Cash and cash equivalents	9	2,578,215	467,315
(e) Short-term loans and advances	10	2,928,996	1,733,562
(f) Other current assets	11	-	-
TOTAL		11,093,093	5,828,827
Notes forming part of the financial statements 1 To 18		11,468,249	5,884,435

This is the Balance Sheet referred to in our report of even date.

M/s. SVP & co.,
Chartered Accountants

R. Srinivasu
(Partner)
M.No:224033
FRN:014048S

Place:Hyderabad
Date:01.09.2016

For and on behalf of Board of Directors
M/s. SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED

A. Sri Naidu
Director



Vasani... A.
Director



A. Sri Naidu

PART II - Form of STATEMENT OF PROFIT AND LOSS
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED
Profit and loss statement for the year ended 31.03.2016

Particulars	Refer Note No.	As at	
		31/03/2016	31/03/2015
I. Revenue from operations	12	35,464,290	14,968,828
II. Other income	13	1,280	-
III. Total Revenue (I + II)		35,465,570	14,968,828
IV. Expenses:			
Direct Expenses	14	29,148,094	9,723,602
Employee Cost	15	4,151,852	1,992,958
Depreciation	7	36,561	5,667
Administration Expenses	16	926,535	2,128,955
Finance Cost	17	236,778	4,991
Total expenses		34,499,820	13,856,173
V. Profit before exceptional and extraordinary items and tax (III-IV)			
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		965,750	1,112,656
VIII. Extraordinary items		-	-
IX. Profit before tax (VII- VIII)		965,750	1,112,656
X Tax expense:			
(1) Current tax		312,229	-
(1) Income tax Previous year		399,410	-
(2) Deferred tax		-	-
Profit (Loss) for the period from continuing operations (VII-VIII)		254,111	1,112,656
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		254,111	1,112,656
XV Profit (Loss) for the period (XI + XIV)		254,111	1,112,656
XVI Earnings per equity share:			
(1) Basic		0.95	4.17
(2) Diluted			
Notes forming part of the financial statements	1 To 18		

This is the Profit & Loss account referred to in our report of even date.

M/s. SVP & co.,
Chartered Accountants

R
R. Srinivasu
(Partner)
M.No:224033
FRN:014048S

Place:Hyderabad
Date:01.09.2016

For and on behalf of Board of Directors
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED

A. Sri Narsimha
Director



Vasanth
Director



A. Sri Narsimha

PART III - Cash Flow statement
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED
Cash flow statement for the period ended 31st March 2016

Particulars	As at 31.03.2016	As at 31.03.2015
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	965,750	1,112,656
Adjusted for :		
Interest debited to P&L A/c	236,778	4,991
Depreciation	36,561	5,667
Operating profits before working capital changes	1,239,089	1,123,314
Changes in current assets and liabilities		
Inventories	-	-
Sundry debtors	(1,957,932)	(3,627,950)
Loans and advances and Other current assets	(1,195,434)	(1,733,562)
Current liabilities	5,329,701	2,101,781
Cash generated from operations	3,415,424	(2,136,418)
Income tax paid	(711,639)	-
Net cash generated from operating activities	2,703,785	(2,136,418)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and change in capital wip	(140,917)	(61,275)
Long Term Loans and advances	(215,192)	-
Net cash used in investing activities	(356,109)	(61,275)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Secured and Unsecured Loans	-	-
Interest paid	(236,778)	(4,991)
Increase in share Capital	-	2,670,000
Net cash generated in financing activities	(236,778)	2,665,009
D. Net increase / (decrease) in cash and cash equivalents	2,110,898	467,316
E. Cash and cash equivalents at the beginning of the year	467,316	-
F. Cash and cash equivalents at the end of the year	2,578,215	467,316

As per our report of even date

M/s. SVP & Co.
Chartered Accountants
FRN:0140485

R.

R. Srinivasu
Partner
M.No:224033

Place: Hyderabad
Date:01.09.2016



For and on behalf of the Board

M/s SQUAREPEG DISTRIBUTION
SERVICES PRIVATE LIMITED

Director

Director



NOTE 1

Share Capital	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
Authorised		
500,000 Equity Shares of '10 each		
Issued		
2,67,000 Equity Shares of '10 each	50,00,000	50,00,000
Subscribed & Paid up		
2,67,000 Equity Shares of '10 each	26,70,000	26,70,000
Subscribed but not fully Paid up		
NIL Equity Shares of 'NA each, not fully paid up	26,70,000	26,70,000
Total	26,70,000	26,70,000

NOTE 1 A

Particulars	Equity Shares 31.03.2016		Equity Shares 31.03.2015	
	Number	Amount(Rs)	Number	Amount(Rs)
Shares outstanding at the beginning of the year	2,67,000	26,70,000	2,67,000	26,70,000
Shares Issued during the year				
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,67,000	26,70,000	2,67,000	26,70,000

NOTE 1 B

100% of Equity Shares are held by M/s.Tanvi Foods (India) Private Limited (holding Company) . (including Beneficial ownership)

NOTE 1 C

More than 5%

S.No	Name of Shareholder	As on 31.03.2016		As on 31.03.2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Mr. Adusumilli Sri Nagaveer			2,66,000	99.63%
2	Smt. Adusumilli Vasavi			1,000	0.37%
3	M/s.TANVI FOODS (INDIA) PRIVATE LIMITED	2,66,995	100		
4	Mr.A.Sri Nagaveer (Registered owner on behalf of the beneficial owner M/s.Tanvi Foods (India) Private Limited)	5			
	Total	2,67,000	100	2,67,000	100%



A. Sri Nag

NOTE 2

Reserves and Surplus	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
b. Surplus		
Opening balance	1,112,656	-
(+) Net Profit/(Net Loss) For the current year	254,111	1,112,656
(*) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
(-/+) Adjustments	-	-
Closing Balance	254,111	1,112,656
Total	1,366,767	1,112,656

Note 3

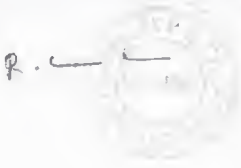
Short Term Borrowings	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
secured		
(a) Loans repayable on demand		
Secured Over Draft from Andhra Bank:	2,593,177	-
Rate of Interest:		
Interest at the rate of 13.25% (base rate Plus 3.25%) subject to change in base rate		
Margin:		
33.33% on collateral Security		
Primary Security:		
Receivables		
Collateral Security:		
Residential vacant site value of Rs. 36.50 Lakhs admeasuring 365 Sq.yards in Plot No:95, RS No:263, Sai Priya Constructions Layout, Approved by VUDA at Kesarapally Village, Gannavaram Mandal, Krishna District.		
Personal Guarantee of		
1. Mr.A. Sri Nagaveer		
2. Smt.A.Vasavi		
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances (specify nature)		
Advance From Customers	-	-
	2,593,177	-
In case of continuing default as on the balance sheet date in repayment		
1. Period of default		-
2. Amount		-
Total	2,593,177	-

NOTE 4

Trads Payables	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
Dues to Micro, Small and Medium Enterprises *	-	-
Dues to Others	2,163,257	940,199
Total	2,163,257	940,199

NOTE 5

Other Current Liabilities	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
Advance From Customers	1,130,158	900,000
Duties & Taxes	708,678	61,560
Rent Payable	90,000	-
Audit Fees Payable	25,500	15,000
Salaries Payable	323,953	130,308
PF Payable	42,141	38,162
ESI Payable	42,389	16,551
Total	2,362,819	1,161,581



A. Sri Naga

NOTE 6

Short-term provisions	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
Income tax payable	312,229	-
Total	312,229	-

Note 7

Trade Receivables	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
Outstanding period not exceeds 6 Months	5,067,762	-
Outstanding period exceeds 6 Months	518,120	3,627,950
Total	5,585,882	3,627,950

Note 8

Cash and cash equivalents	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
a. Balances with banks	211,833	159,454
b. Cash on hand	2,366,382	307,861
c. Others (specify nature)	-	-
Total	2,578,214	467,315


Note 9

Short-Term Loans & Advances	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
Rental Advance	-	108,500
Others	-	1,624,342
Balances with Govt Authorities	2,494,000	-
Advance Tax and TDS	434,996	720
Total	2,928,996	1,733,562

Note 10

Other Current Assets	As on 31-3-2016	As on 31-3-2015
	Rs	Rs
Advances from customers	-	-
Total	-	-

J. Sri Nand



For Squarepeg Distribution Services Pvt. Ltd.

J. Sri Nand

Director

Note 11 Direct Incomes

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
	Rs	Rs
Income from Cold Storage	46,69,918.00	
Income from Transport	3,07,94,372.00	1,48,68,728.00
Other operating revenues	-	1,00,100.00
Total	3,54,64,290.00	1,49,68,828.00

Note 12 Indirect Income

Other Income	Year Ended 31.03.2016	Year Ended 31.03.2015
	Rs	Rs
company)	-	-
Dividend Income	-	-
Net gain/loss on sale of investments	-	-
Other non-operating income (net of expenses directly attributable to such income)	1,280	
Total	1,280	-

Note 13 Direct Expenses

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
	Rs	Rs
Vehicle Expenses		
Petrol & Diesel	1,37,03,927	73,05,913
Repairs and Maintenance	5,32,121	1,23,431
Toll Fees	23,73,289	13,82,321
Transport Expenses	9,09,150	5,48,500
Vehicle Hire Expenses	85,49,777	-
	2,60,68,264	93,60,165
Cold Room Expenses Direct		
Electricity Expenditure	11,73,913	992
Loading & Unloading Charges	1,05,917	34,995
Rent	18,00,000	3,27,450
	30,79,830	3,63,437
Total	29148094	9723602

Note 14 Employee Cost

Employee Cost	Year Ended 31.03.2016	Year Ended 31.03.2015
	Amount(Rs)	Amount(Rs)
Salary	3,808,536	1,916,913
Staff Welfare	19,654	43,764
EPF Contribution	212,804	20,192
ESI Contribution	110,858	12,089
Total	4,151,852	1,992,958

Note 15 Administrative Expenses

Administration Expenses	Year Ended 31.03.2016	Year Ended 31.03.2015
	Amount(Rs)	Amount(Rs)
Audit Fees	30,000	15,000
Business Promotion	86,240	56,500
Bad Debts	6,284	16,406
Commission expenses	80,000	982,487
Telephone Expenses	27,056	16,094
Conveyance Expenses	-	1,500
Office Expenses	101,188	838,483
Printing & Stationery	15,618	39,586
Rates and Taxes	123,284	94,349
Travelling Expenditure	268,015	20,221
Interest on TDS	22,803	1,081
Miscellaneous Expenditure	-	4,275
Pooja Expenses	-	8,827
Postage & Courier Expenses	8,047	4,146
Preliminary Expenses Written off	-	30,000
ROC Expenses	158,000	-
Total	926,535	2,128,955

Note 16 Finance Cost

Finance Cost	Year Ended 31.03.2016	Year Ended 31.03.2015
	Amount(Rs)	Amount(Rs)
Bank Charges	67,032	4,991
Interest on Andhra Bank OD A/c 627	169,746	-
Total	236,778	4,991

P



A. Sri Nasa



M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED

Note 6

S No	Fixed Assets	Gross Block			Depreciation		Net Block	
		01.04.2015	31.3.2016	31.03.2016	For the Year	31.03.2016	31.03.2016	31.03.2015
		Rs	Rs	Rs	Rs	Rs	Rs	Rs
a	Tangible Assets*							
	Computers	28,200	28,200	4,001	8,931	12,932	15,268	24,199
	Furniture & Fittings	33,075	89,292	1,666	15,919	17,585	71,707	31,409
	Electrical Equipments		24,700		2,929	2,929	21,771	
	Plant & machinery		60,000		8,782	8,782	51,218	
	Total	61,275	202,192	5,667	36,561	42,228	159,964	55,608



J. Sri Nand

For Squarepeg Distribution Services Pvt. Ltd.

J. Sri Nand

Director

19

NOTE 18

**M/s. SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED
I -SIGNIFICANT ACCOUNTING POLICIES.**

a. Basis of Accounting:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year end. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue 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. The following specific recognition criteria must also be met before revenue is recognized:

> Income from operations

The company follows mercantile system of accounting and recognizes the income on accrual basis.


d. Fixed Assets and Depreciation


Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is provided on written down value method at the rates specified in Schedule II of the Companies Act, 2013

e. Foreign Currency Transactions

> Initial Recognition

R. 

A. Sri N. S. 

A. Sri N. S. 

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items, if any are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

All other exchange differences are recognized as income or as expenses in the period in which they arise.

f. Preliminary Expenditure:

Preliminary Expenses are amortized during the first financial year.

g. Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

h. Earnings per share

Basic earnings per share are 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.

i. Cash & Bank balances

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



A. Sri Narayana



j. Provisions

A provision is recognized when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

II. EXPLANATORY NOTES

1. Managerial Remuneration

The Company carries out periodic reviews of comparable Companies and through commissioned survey ascertains the remuneration levels prevailing in these Companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with Companies operating in similar industries in India.

Managerial remuneration was paid as set out below:

Name of the Person	Designation	2015-16	2014-15
	-	-	-
TOTAL		-	-

2. Auditors' Remuneration

PARTICULARS	2015-16	2014-15
Statutory Audit	20,000	10,000
Tax Audit	10,000	5,000
TOTAL	30,000	15,000

Note: All amounts are stated exclusive of Service Tax.

3. Disclosures under the Micro, Small and Medium Enterprises Act, 2006

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. In view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material.

Particulars	As at March 31, 2016
-------------	----------------------



J. Sai Nass

Transactions / Balances with Related Parties

NATURE OF TRANSACTION	M/s. Tanvi Foods (India) Private Limited (Holding Company)	M/s. Polar Cube Cold Storage Solutions Private Limited
1. Director's Remuneration	-	-
2. Loans accepted	-	-
3. Loans repaid	-	-
4. Rental expenses	-	Rs.8,50,000Cr
5. Vehicle Lease Expenses**	Rs. 85,49,777/-	
6. Advances Given	-	-
7. Freezer charges (Income)**	Rs 2,50,000 /-	
8. Transportation Charges(Income)**	Rs 23,38,500 /-	

Closing Balance with Related Parties (Debit / (Credit))

Name of the Party	Amount in Rs (As at 31 st March 2016)
M/s. Tanvi Foods (India) Private Limited	(7,84,552)
M/s. Polar Cube Cold Storage Solutions Private Limited	(2,55,925)

Note: Related Party Relationships are as identified by the Company and relied upon by the Auditors

5. Operating Lease :-

Particulars	Amount Rs.
Operating Lease of Cold room from M/s. Polar cube cold storage solutions private limited	
0 to 1 year	
1 to 5 years	8,50,0000
Operating Lease of Vehicles from M/s. Tanvi foods (India) private limited	
0 to 1 year	
1 to 5 years	85,49,777
	3,41,99,109

**** the amount is excluding all taxes.**



The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	NIL
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL
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 Micro Small and Medium Enterprise Development Act, 2006.	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	NIL

4. Unconfirmed balances of Receivable, Payables and Advances

Where written confirmation has not been obtained from the parties themselves, the management has certified them to be true and correct. The management does not anticipate any material changes in these amounts considered in the financial statements.

5. Disclosure under AS - 18 : Related Party Disclosures

List of Related Parties and their Relationships:

Related party Transaction Firms/Company		
SI. No.	Name of the Firm	
1	M/s. Tanvi Foods (India) Private Limited	
2	M/s. Polar Cube Cold Storage Solutions Private Limited	
KEY MANAGEMENT PERSONNEL (KMP)		
SI. No.	Name of the Person	Designation
1	Sri.A.Sri Nagaveer	Director
2	Smt.A.Vasavi	Director

Transactions / Balances with Related Parties



A. Sri NaB

For Squarepeg Distribution Services Pvt. Ltd.
A. Sri NaB
Director

7. Disclosure under AS -20 : Earnings Per Share

PARTICULARS	2015-16	2014-15
Profit/(Loss) after tax (net profit attributable to Equity Shareholders)	254,111	1,112,656
Weighted average number of equity shares outstanding during the year	2,67,000	2,67,000
Earnings per share (Basic & Diluted)	0.95	4.17

8. Foreign Exchange Earned:

Receipt of Foreign Currency Rs. Nil

Payment of Foreign Currency Rs. Nil

9. Disclosure under AS - 22 : Accounting for Taxes on Income

Major components of Deferred Tax, arising on account of Timing Differences

PARTICULARS	As at 31 st March, 2016 (in Rs.)
Deferred Tax Liabilities	Rs. Nil
Depreciation & Amortization	Nil
Expenses disallowed as per the Income Tax Act, 1961	-
Previous year expenses now allowed	-
Net Deferred Tax Assets as at 31.03.2016	Nil

In accordance with "Accounting Standard 22", the Company has recognized in its Profit & Loss Account a sum of Rs. Nil/- as Deferred Tax.

