

**Independent Auditors' Report
To The Members of Tanvi Foods (India) Private Limited**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Tanvi Foods (India) Private Limited** (the 'Company'), which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated September 13th 2013 of the ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, 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 the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Annexure to Auditors' Report

Referred to in paragraph 7 of the Auditors' Report of even date to the members of **Tanvi Foods (India) Private Limited** on the financial statements as of and for the year ended 31st March, 2014

- I. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanation given to us, a substantial part of fixed assets has not been sold/disposed off by the Company during the year.
- II. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- III. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of Clause 4(iii) [(a), (b), (c), (d), (e), (f) and (g)] of the said Order are not applicable to the Company.

- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods. Further on the basis of our examination of the books and records, of the Company, and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- V. (a) According to the information and explanation given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The Company has not accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from public during the financial year.
- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the services provided by the company
- IX. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, there have been delays in respect of dues of Local Sales Tax. However, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues of sales tax (VAT) as at 31st March, 2014 which have been deposited on account of a dispute, are as follows:



Name of the Statute	Nature of dues	Amount deposited towards disputed demand amount (In Rs)	Disputed demand amount due (In Rs)	Period to which relates	Forum where the dispute is pending
AP Sales Tax Act	Local Sales Tax	11,22,124	98,23,225	FY: 2007-08 To FY: 2010-11	Supreme Court

(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax which have not been deposited on account of any dispute.

- X. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year on that date or in the immediately preceding financial year.
- XI. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- XII. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the said Order are not applicable.
- XIII. As the provisions of any special statute applicable to chit fund /nidhi /mutual fund societies are not applicable to the Company, the provisions of Clause 4 (xiii) of the Order not applicable to the Company.
- XIV. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4(xiv) of the said Order are not applicable.
- XV. The company has not given guarantee for the loans taken by others from banks or financial institution. Therefore, the provisions of Clause 4(xv) of the said Order is not are not applicable.
- XVI. In our opinion, and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.

- XVII. In our opinion, and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- XVIII. The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- XIX. In our opinion, and according to the information and explanations given, the company didn't have any outstanding debentures during the year. Therefore the provisions of Clause 4(xix) of the said Order are not applicable.
- XX. The Company has not raised any money through public issue during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- XXI. During the course of our examination of the books and records of the Company, carried out in accordance with Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For P.S. NAGARAJU & CO.,
Chartered Accountants
(Firm's Registration No. 011447S)

CA. P.S. NAGARAJU

Partner

(Membership No. 210268)

Hyderabad

September 3, 2014

TANVI FOODS (INDIA) PRIVATE LIMITED

Plot No. 41, Srinivasa Colony East, SR Nagar, Hyderabad-500038

Balance sheet as at 31st March 2014

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share Capital	A	75,00,000	75,00,000
b) Reserves and Surplus	B	1,00,77,677	83,38,905
2 Share application money pending for allotment		2,42,00,000	17,00,000
3 Non - Current liabilities			
a) Long - term borrowings	C	2,72,34,952	2,56,38,064
b) Deferred tax liabilities (Net)	D	3,05,836	2,84,443
4 Current liabilities			
a) Short - term borrowings	E	2,69,94,162	-
b) Trade payables	F	12,42,300	25,16,360
c) Other current liabilities	G	30,49,704	23,24,846
d) Short term Provisions	H	8,83,340	21,59,960
TOTAL		10,14,87,971	5,04,94,378
II. ASSETS			
1 Non-current Assets			
a) Fixed assets			
Tangible assets	I	1,81,87,712	1,11,14,096
b) Other Non-Current assets	J	10,40,000	13,30,000
2 Current assets			
a) Inventories	K	6,43,26,000	2,13,38,000
b) Trade receivables	L	1,56,12,518	1,39,65,756
c) Cash and cash equivalents	M	10,54,205	3,95,919
d) Short-term loans and advances	N	11,87,545	19,39,124
e) Other current assets	O	79,991	483
TOTAL		10,14,87,971	5,04,94,378
Significant Accounting Policies & Practices			

The Notes form an integral part of these financial statements

In terms of our report attached,

For P S NAGARAJU & CO.,

Chartered Accountants

(Firm Reg. No.0114475)

CA P S NAGARAJU

Partner

(Membership No.210268)

Place : Hyderabad

Date : 28th May, 2014

For and on behalf of the Board of Directors

Vasavi Adusumilli

Director

Sarat Chandra Babu Adusumilli

(Director)



TANVI FOODS (INDIA) PRIVATE LIMITED

Plot No. 41, Srinivasa Colony East, SR Nagar, Hyderabad-500038

Statement of Profit and Loss account for the year ended 31st March, 2014

(Amount in Ru.)

Particulars	Note No.	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
I. Revenue from Operations	P	20,02,95,390	11,46,12,165
II. Other Income	Q	-	2,45,67,819
III. Total Revenue (I + II)		20,02,95,390	13,91,80,000
IV. Expenses:			
Cost of Materials Consumed	R	17,33,06,539	7,33,66,139
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	S	(4,19,63,520)	(1,10,97,899)
Employee Benefits Expense	T	45,91,542	65,71,466
Finance Costs	U	47,92,988	10,10,316
Depreciation and Amortization Expense	I	28,05,896	31,65,360
Other Expenses	V	5,41,78,441	6,30,99,101
Total Expenses		19,76,51,885	13,31,33,479
V. Profit/(Loss) Before Exceptional and Extraordinary items and tax (III-IV)		26,43,505	60,46,521
VI. Exceptional Items & Extraordinary Items		-	-
VII. Profit/(Loss) before tax (V - VI)		26,43,505	60,46,521
VIII. Tax Expenses			
1) Current tax		5,83,340	21,59,960
2) Deferred tax		21,392	67,154
IX. Profit for the year (VII-VIII)		17,38,772	39,63,715
X. Earning per equity share:			
**Basic/Diluted		2.32	5.28
Weighted Avg. No. of Shares outstanding		7,50,000	7,50,000
Significant Accounting Policies			

The Notes form an integral part of these financial statements

in terms of our report attached.

For P S NAGARAJU & CO.,

Chartered Accountants

(Firm Reg. No. 0114475)

CA P S NAGARAJU

Partner

(Membership No. 210268)

Place: Hyderabad

Date: 28th May, 2014

For and on behalf of the Board of Directors

Vasavi

Vasavi Adusumilli

Director

A S Babu

Sarat Chandra Babu Adusumilli

(Director)



TANVI FOODS (INDIA) PRIVATE LIMITED

Plot No. 41, Srinivasa Colony East, SR Nagar, Hyderabad-500038

Notes forming part of Financial Statements

A. Share Capital

i) Details relating to Authorised, Issued, Subscribed and Paid up capital:

(Amount in Rs.)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised Share Capital; 30,00,000 Previous Year 10,00,000; Equity shares of Rs. 10 each	3,00,00,000	1,00,00,000
Issued, Subscribed and Fully paid up Shares; 7,50,000 Equity shares of Rs. 10 each	75,00,000	75,00,000
Total	75,00,000	75,00,000

ii) Reconciliation Statement:

Particulars	No. of Shares
Number of shares outstanding as on 01st April, 2013.	7,50,000
Add: Additions to share capital on account of Fresh issue or bonus issue etc.,	-
Ded: Deductions from share capital on account of Shares bought back, redemption and etc.,	-
Number of shares outstanding as on 31st March, 2014	7,50,000

iii) Details of Share holders holding more than 5% shares in the company:

Name of the share holder	No. of Shares As on 01.04.2013	% of share holding	No. of Shares As on 31.03.2014	% of share holding
Smt. Vasavi Adusumilli	4,50,000	60%	4,50,000	60%
Shri. Sarat Chandra babu Adusumilli	2,00,000	27%	2,00,000	27%
Smt. Sarada Adusumilli	1,00,000	13%	1,00,000	13%
Total	7,50,000	100%	7,50,000	100%

B. Reserves and Surplus

Particulars	As at 31st March, 2013	Additions	Deductions	As at 31st March, 2014
Surplus:				
Profit and Loss Account	83,38,905	17,38,772	-	1,00,77,677
Total	83,38,905	17,38,772	-	1,00,77,677

C. Long-Term Borrowings

(Amount in Rs.)

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Secured Loans:		
Yes Bank Working Capital	-	1,00,00,000
TATA Working Capital	-	1,00,00,000
TATA Term loan	-	4,55,640
Kotak Mahindra Prime Ltd_7710979	8,81,380	11,22,490
Kotak Mahindra Bank Ltd_LCV-163643	11,51,920	-
Kotak Mahindra Bank Ltd_LCV-163650	5,95,884	-
	25,29,184	2,13,78,130
Unsecured Loans:		
HDFC Bank loan	4,91,699	7,01,689
Religare Finvest Ltd_XSMEPAN00049383	12,94,606	-
HDB Financial Services Ltd_499791	13,64,457	-
Future Capital Limited_1712162	18,97,786	-
Barclays Finance	-	5,00,093
TATA Business loan	26,94,074	19,57,557
Fulletron Business loan	2,46,486	4,42,595
From Others	1,64,16,458	4,48,000
	2,46,05,768	40,49,934
Total	2,72,34,952	2,56,28,064

D. Deferred Tax Liability (net)

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Opening Balances:	3,84,443	3,61,598
Tax on Difference between Companies Act & Income Tax Act depreciation	21,392	(77,154)
Tax on Other Items giving rise to time difference	-	-
Total	3,05,836	2,84,443

E. Short-term Borrowings

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Loans repayable on demand From Banks/FI:		
Andhra Bank_OCC 0496	2,69,94,162	-
Total	2,69,94,162	-

Terms and Conditions:

Andhra Bank _ OCC 0496

The demand loan of Rs. 3,00,00,000/- sanctioned by Andhra Bank, Ibbipet branch, Vijayawada on 17th October, 2013 by take over existing financial liabilities with Yes bank OD & Tata WCDL and it is secured by:-

a) Primary Security:

i) Hypothecation of Inventory and Receivables of the company;

b) Collateral Securities:

i) Hypothecation of plant & machinery and other fixed assets of the company;

ii) Equitable mortgage of vacant landed property of 209 sq. yds located at plot 980, survey no. 95/1, situated at paranki village, Iatigodapa, vijayawada. (Owner of the property _ Sri Tammareddy Venkateswami)

iii) EM of house plot measuring 330 sq. yds located at plot bearing no. 295 in category UG of Nallagunda HUDA residential complex, at Nallagunda village, Serilingampally GHMC and Mandal, RR dist.

(Owner of the property _Smt. Adusumilli Vasavi)

iv) EM of flat in 5th floor at D.No. 59-1-15/1, kakatya apartments, Ramachandra Nagar, Old 5th No. route, at Vijayawada. (Owner of the property _Smt. Adusumilli Vasavi)

v) EM of vacant site measuring 720 sq. yds adjacent to Gunnavaram Airport, Vijayawada. (Owner of the property _Smt. Adusumilli Vasavi)

F. Trade Payables

(Amount in Rs.)

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Creditors for Purchases:		
Sundry Creditors	12,42,300	25,16,360
Total	12,42,300	25,16,360

G. Other Current Liabilities

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Duties & Taxes:		
VAT Payable	12,82,396	8,76,998
Audit fee Payable	3,55,620	1,40,450
Salary Payable	11,10,282	7,02,624
Rent Payable	1,48,750	4,34,707
Electricity Payable	1,07,576	1,57,700
Telephone Charges Payable	39,462	54,167
Internet Charges Payable	5,618	-
Total	30,49,704	23,66,546

H. Short term Provisions

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Provisions:		
Provision for Income Tax	8,83,340	21,59,960
Total	8,83,340	21,59,960

J. Other Non-Current Assets

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Rental Deposits:		
Factory Rent @ Vijayawada	3,00,000	3,00,000
Office Rent @ Jubilee Hills	-	2,90,000
Store Rent @ Vijayawada	1,50,000	1,50,000
Office Rent @ Vizag	90,000	90,000
Cold Store @ Vijayawada	5,00,000	5,00,000
Total	10,40,000	13,30,000

K. Inventories

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Closing Inventory of Raw materials, Work-in-Progress & Finished goods:		
Raw Material	37,72,000	19,37,520
Work-in-Progress	76,55,000	86,11,200
Finished Goods	5,38,99,000	1,09,79,260
Total	6,43,26,000	2,15,28,000

L. Trade receivables

(Amount in Rs.)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade receivable outstanding for a period less than six months from the date they are due for payment:		
Secured, Considered Good		
Unsecured, Considered good	1,30,43,356	1,11,01,753
Unsecured, Considered doubtful	-	-
Total (i)	1,30,43,356	1,11,01,753
Trade receivable outstanding for a period more than six months from the date they are due for payment:		
Secured, Considered Good	-	-
Unsecured, Considered good	25,69,162	23,64,003
Unsecured, Considered doubtful	-	-
Total (ii)	25,69,162	23,64,003
Total (i+ii)	1,56,12,518	1,34,65,756

M. Cash and Cash equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash:		
Cash-in-hand	5,31,562	4,33,750
Cash Equivalents: (Balances in scheduled bank accounts)		
Dhanalakshmi Bank-3670	-	4,505
Dhanalakshmi Bank-2003	-	624
Andhra Bank_034311100002245	65,700	-
Andhra Bank_134011100001219	3,54,974	-
Axis Bank-3131 (OD)	-	10,164
Axis Bank-10928	81,889	389
Yes Bank-3202	-	44,893
Yes Bank-354 (OO)	-	91,755
Yes Bank-Vijayawada	-	10,638
Total	10,54,205	5,95,919

N. Short-term Loans and Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advances:		
Advance Paid to CTD (APVAT), Punjagutta	11,22,124	11,22,124
Advance against salary	65,421	5,00,000
Advance to Asian Cinema	-	3,37,000
Total	11,87,545	19,59,124

O. Other Current Assets

Particulars	As at 31st March, 2014	As at 31st March, 2013
Duties & Taxes Receivable:		
TDS Receivable	-	483
Prepaid Expenses:		
Insurance on Vehicles	56,063	-
Insurance on Stock	23,928	-
Total	79,991	483

TANVI FOODS (INDIA) PRIVATE LIMITED

Plot No. 41, Srinivasa Colony East, SR Nagar, Hyderabad-500038

Notes forming part of Financial Statements

P. Revenue from Operations

(Amount in Rs.)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Products:		
VAT Sales @ 5%	78,81,590	2,92,98,586
VAT Sales @ 14.5%	21,47,106	-
VAT Sales @ Exempted	19,02,66,694	6,53,13,599
Total	20,02,95,390	11,46,12,185

Q. Other Income

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Franchise Income from bellary & kakinada	-	63,45,000
Income from Technical Know How to Farmers	-	34,47,520
Branding fees from Counters	-	23,57,400
Income from Counters	-	30,80,427
Income from Sales of Seeds	-	63,27,469
Royalty Income from Distributors	-	30,00,000
Total	-	2,45,67,813

R. Cost of Materials Consumed

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Opening Inventory of Raw materials	19,37,520	12,69,006
Add: Purchase of Materials		
VAT Purchases @ 5%	40,42,009	20,93,609
VAT Purchases @ 14.5%	35,48,868	5,36,486
VAT Purchases @ Exempted	16,65,50,142	7,04,03,554
Sub Total	17,60,78,539	7,43,02,655
Less: Closing Inventory of Raw materials	27,72,000	19,37,520
Total	17,33,06,539	7,23,65,135

S. Changes in inventories of finished goods, work-in-progress.

(Amount in Rs.)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Opening Inventory of:		
Work-in-Progress	86,11,200	37,09,403
Finished Items	1,09,79,280	47,83,178
Total (i)	1,95,90,480	84,92,581
Closing Inventory of:		
Work-in-Progress	76,55,000	86,11,200
Finished Items	5,38,99,000	1,09,79,280
Total (ii)	6,15,54,000	1,95,90,480
Difference between total (i-ii)	(4,19,63,520)	(1,10,97,899)

T. Employee Benefit Expenses

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries & Wages	33,07,346	57,28,372
Directors Remuneration	9,00,000	5,49,079
Contribution to provident and other funds	63,280	-
Staff welfare expenses	3,20,916	1,29,015
Total	45,91,542	65,71,466

U. Financial Costs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest on Secured Loans:		
Kotak Mahindra Prime Ltd_7710979	1,23,028	1,44,289
Kotak Mahindra Bank Ltd_LCV-163643	35,000	-
Kotak Mahindra Bank Ltd_LCV-163650	18,104	-
TATA Capital Limited_Term Loan	17,442	1,18,581
Andhra Bank_OCC 0496	15,50,084	-
Cholamandalam DBS	-	4,526
YES Bank_Over Draft A/c	6,76,176	-
TATA Capital Limited_WCDL	7,13,925	-
Interest on Unsecured Loans:		
Religare Finevest Ltd_XSMEPAN00049383	1,36,403	-
HDB Financial Services Ltd_499791	1,47,022	-
Future Capital Limited_1712162	1,17,725	-
HDFC Bank Ltd_23049324	1,15,578	33,031
Fullerton India Ltd_003515600003400	87,290	1,16,016
Barclay Finance	42,196	1,39,281
TATA Capital Financial Services Ltd_BL3685649	4,67,410	2,29,592
Others	2,82,703	2,25,000
Processing Charges:		
Andhra Bank_OCC 0496	1,01,124	-
TATA Capital Financial Services Ltd_BL3685649	51,006	-
Kotak Mahindra Bank Ltd_LCV-163643	5,360	-
Kotak Mahindra Bank Ltd_LCV-163650	3,893	-
Future Capital Limited_1712162	44,944	-
HDB Financial Services Ltd_499791	39,158	-
Religare Finevest Ltd_XSMEPAN00049383	17,415	-
Total	47,92,988	10,10,316

V. Other Expenses

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Loading Charges	18,25,184	40,45,782
Transportation Charges	39,91,217	78,24,178
Former Commission charges	1,73,72,561	1,82,84,726
Storage & Freezer Charges	57,81,232	57,16,485
Advertisements & Marketing Expenses	61,07,835	60,39,430
Formers Welfare expenses	16,10,102	14,48,811
Electricity Expenses	13,95,966	30,92,402
Rental Expenses	17,24,025	5,28,300
Office Maintenance	8,05,959	6,44,767
Vehicle Maintenance	11,83,245	8,93,015
Audit fees	1,68,540	1,40,450
Roc Annual filing fees	61,500	-
Inspection Audit Expenses	35,654	28,275
Legal Charges	5,60,330	2,80,900
Interest on late payment of tax	31,380	-
Administrative Expenses	76,33,078	67,75,415
Traveling Expenses	5,07,395	2,00,156
Telephone & Expenses	4,21,452	5,68,811
Internet Charges	60,000	60,000
Postage & Courier	65,585	52,468
Printing & Stationery	1,44,602	56,485
Insurance		
On Vehicles	4,979	1,03,936
On Stock	16,319	68,453
On Others	67,162	-
Overdue Charges - Andhra Bank_OCC 0-96	2,247	-
Wastages_Perishable items	1,30,845	-
Repairs & Maintenance	4,07,516	3,01,417
Fuel Charges	7,36,671	5,45,682
Security Service Charges	2,42,725	1,92,000
Road Taxes & Fines	13,080	3,440
Medical Expenses	2,30,870	2,58,455
Business Promotion Expenses	1,04,800	16,50,492
Spare Parts_HES 36 Mixer	4,295	-
Web Designing Charges	26,956	-
Annual Maintenance Charges_Tally ERP9	28,090	28,090
Miscellaneous Expenses	2,95,094	2,66,280
Total -	5,41,18,441	6,00,99,101

TANVI FOODS (INDIA) PRIVATE LIMITED

Plot No. 41, Srinivasa Colony East, SR Nagar, Hyderabad-500039

Depreciation Statement as per the Companies Act, 1956

Part No. 1. FIXED ASSETS

Sl. No	PARTICULARS	Rate (%)	GROSS BLOCK		DEPRECIATION		NET BLOCK (WDV)	
			As at 01st April, 2013	As at 31st March, 2014	As at 01st April, 2013	As at 31st March, 2014	As at 01st March, 2014	As at 31st March, 2013
1	Computers	40.00%	9,15,314	9,63,813	90,788	8,01,652	1,82,161	2,04,450
2	Furniture & Fixtures	18.10%	10,21,011	13,99,566	1,21,421	6,03,739	7,63,837	5,06,703
3	Vehicles	25.80%	24,37,000	43,31,619	4,59,278	14,68,798	28,42,831	14,06,480
4	Plant & Machinery	13.91%	1,53,11,717	2,28,49,556	21,35,408	84,52,662	1,43,96,894	89,94,463
TOTAL			1,96,83,042	2,95,64,554	28,05,895	1,13,76,842	1,81,82,712	1,11,14,096
PREVIOUS YEAR			1,85,38,542	1,96,83,042	21,43,360	85,70,946	1,11,14,096	1,18,52,956

In terms of our report attached

For P S NAGARAJU & CO.,

Chartered Accountants

(Firm Reg. No. 01/4475)

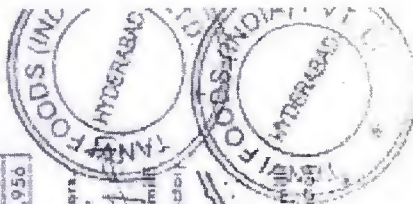
CA. S. NAGARAJU

Partner

(Membership No. 710268)

Place: Hyderabad

Date: 28th May, 2014



For and on behalf of the Board of Directors

Vasavi
Vaenvi Arusemili
Hyderabad

A.S. Babu

Sarek Chandra Babu Arusemili
Hyderabad



TANVI FOODS (INDIA) PRIVATE LIMITED

(Plot No. 41, Srinivasa Colony East, SR Nagar, Hyderabad-500038)

Statement of Significant Accounting Policies and Practices

(Annexed to and forming part of the financial statements for the year ended 31st March, 2014)

I. Basis for Preparation of Financial Statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under Companies Act, 1956 shall continue to apply.

Consequently, these financial statements have been prepared on the basis of going concern, under the historical cost convention on the accrual basis, to comply in all material aspects with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and notified under Section 211(3c) (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be in 12 months for the purpose of current – noncurrent classification of assets and liabilities.

II. Use of Estimates:

The preparation and presentation of financial statements requires estimates and assumptions and/or revised estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialised.

III. Valuation of Inventories:

Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realizable value. Work-in-progress is carried at lower of cost and net realisable value. Stores and spare parts are carried at cost.

IV. Revenue Recognition:

- (i) Revenues /Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.

Statement of Significant Accounting Policies and Practices



Handwritten signature or initials.

- (ii) Sale of Goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods.
- (iii) Company generally follows the mercantile system of accounting and recognizes income and expenses on accrual basis, including provisions or adjustments for committed obligations and amounts deemed as payable or receivable during the year.

V. Fixed Assets:

Fixed Assets (Other than livestock) are stated at cost, less accumulated depreciation (other than 'Freehold Land' where no depreciation is charged). Cost comprises the purchase price, including duties and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition and indirect costs specifically attributable to the acquisition of fixed asset. Assets retired from active use² are carried at lower of book value and estimated net realisable value.

VI. Method of Depreciation:

Depreciation on Fixed Assets (Other than 'Land' and 'Live Stock' where no depreciation is provided) is provided on the 'Written down Value Method' at the rates specified in Schedule XIV to the Companies Act, 1956 from time to time. Depreciation on additions or sale of assets is calculated pro rata from the month of such addition or upto the month of such sale, as the case may be.

VII. Foreign Currency Transactions:

There is no foreign currency transaction for the company during the year; hence AS-11 "Accounting for foreign exchange" is not applicable for this year.

VIII. Employee Benefits:

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 – Employee Benefits (Revised 2005) issued by the Institute of Chartered Accountants of India (the "ICAI").

IX. Earnings per share:

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

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

X. Related Party Transactions:

During the Financial Year 2013-2014, there is no transaction made with related party, therefore the Accounting standard-18 "Related Party disclosure" is not required.

XI. Taxes on Income:

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the assessment year 2014-15. Deferred tax asset and liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance sheet date.

In terms of our report attached.

For **P.S. NAGARAJU & CO.,**
Chartered Accountants
(Firm Registration No: 011447S)

P. Nagaraju
CA P.S. NAGARAJU
Partner
(Membership No.210268)

Hyderabad
28th May, 2014

For and on behalf of the board

Vasavi Adusumilli
Vasavi Adusumilli
(Managing Director)

A.S. Babu
Sarat Chandra babu Adusumilli
(Director)

