

SVP & Co.,

Chartered Accountants



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 financial statements of M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 of the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provision 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 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.

SQUAREPEG DISTRIBUTION SERVICES PVT. LTD.
A. Sai Naidu
DIRECTOR

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation of the financial statements that give true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by 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 financial statements.

Opinion

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 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, 2015;
- (b) in the case of the Profit and Loss Account, of the **Profit** for the period ended on that date; and

Report on Other Legal and Regulatory Requirements

1. This report does not contain a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of section 143 of the Act, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the company.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of accounts 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 & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;

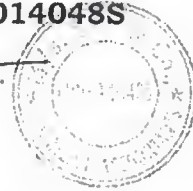
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- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
- (f) With respect to the other matters included in the Auditor's Report and to our 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 they were any material foreseeable losses.
- (iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the company.

Place: Hyderabad
Date :02.09.2015

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

R. ———
(R.Srinivasu)
Partner
M. No. 224033

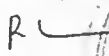


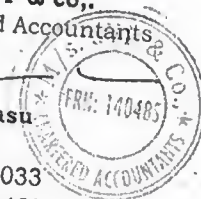
R. Srinivasu

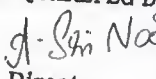
PART I - Form of BALANCE SHEET
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED
 Balance Sheet as at 31.03.2015

Particulars	Note No.	As at 31/03/2015
1	2	3
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1	26,70,000
(b) Reserves and surplus	2	11,12,655
(c) Money received against share warrants		
2 Share application money pending allotment		37,82,655
3 Non-current liabilities		
(a) Long-term borrowings		
(b) Deferred tax liabilities (Net)		
(c) Other Long term liabilities	3	9,00,000
(d) Long-term provisions		
4 Current liabilities		
(a) Short-term borrowings		9,00,000
(b) Trade payables	4	9,40,199
(c) Other current liabilities	5	2,94,639
(d) Short-term provisions		
TOTAL		12,34,838
		59,17,493
II. ASSETS		
Non-current assets		
1 (a) Fixed assets		
(i) Tangible assets	6	55,608
(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		
2 Current assets		
(a) Bills Receivables		
(b) Inventories		55,608
(c) Trade receivables		
(d) Cash and cash equivalents	7	36,27,950
(e) Short-term loans and advances	8	4,67,315
(f) Other current assets	9	17,32,842
	10	33,778
TOTAL		58,61,885
Notes forming part of the financial statements	1 To 15	59,17,493

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

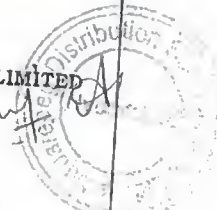
M/s. SVP & co.,
 Chartered Accountants

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



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

A. Sri Nageswara
 Director




Vasanth
 Director



Place:Hyderabad
 Date:02.09.2015

PART II - Form of STATEMENT OF PROFIT AND LOSS
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED
Profit and loss statement for the year ended 31.03.2015

Particulars	Refer Note No.	As at 31/03/2015
I. Revenue from operations	11	1,49,68,828
II. Other income	12	-
		1,49,68,828
III. Total Revenue (I + II)		
IV. Expenses:		
Employee Cost	13	19,60,677
Depreciation	5	5,667
Administration Expenses	14	1,18,89,829
		1,38,56,173
 Total expenses		
Profit before exceptional and extraordinary items V. and tax (III-IV)		
VI. Exceptional items		-
VII. Profit before extraordinary items and tax (V - VI)		11,12,655
VIII. Extraordinary Items		-
IX. Profit before tax (VII- VIII)		11,12,655
X Tax expense:		
(1) Current tax		-
(2) Deferred tax		-
Profit (Loss) for the period from continuing XI operations (VII-VIII)		11,12,655
XII Profit/(loss) from discontinuing operations		-
XIII Tax expense of discontinuing operations		-
Profit/(loss) from Discontinuing operations (after XIV tax) (XII-XIII)		11,12,655
XV Profit (Loss) for the period (XI + XIV)		11,12,655
XVI Earnings per equity share:		
(1) Basic		
(2) Diluted		
Notes forming part of the financial statements	1 To 15	

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

M/s. S V P & Co, V P
Chartered Accountants

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

Place:Hyderabad
Date:02.09.2015

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

A. Sri Nagesh
Director

Vasanth
Director

PART III - Cash Flow statement
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED
Cash flow statement for the period ended 31st March 2015

Particulars	As at 31.03.2015
A. CASH FLOWS FROM OPERATING ACTIVITIES:	
Net profit before taxation, and extraordinary items	1,112,656
Adjusted for :	
Interest debited to P&L A/c	4,991
Depreciation	5,667
Operating profits before working capital changes	1,123,314
Changes in current assets and liabilities	
Inventories	-
Sundry debtors	(3,627,950)
Loans and advances and Other current assets	(1,733,562)
Current liabilities	2,101,781
Cash generated from operations	(2,136,418)
Income tax paid	-
Net cash generated from operating activities	(2,136,418)
B. CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets and change in capital wip	(61,275)
Long Term Loans and advances	-
Net cash used in investing activities	(61,275)
C. CASH FLOWS FROM FINANCING ACTIVITIES:	
Secured and Unsecured Loans	-
Interest paid	(4,991)
Increase in share Capital	2,670,000
Net cash generated in financing activities	2,665,009
D. Net increase / (decrease) in cash and cash equivalents	467,316
E. Cash and cash equivalents at the beginning of the year	-
F. Cash and cash equivalents at the end of the year	467,316

As per our report of even date

M/s. S V P & co.,

For and on behalf of Board of Directors

Chartered Accountants

M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED

FRN:0140485

R.

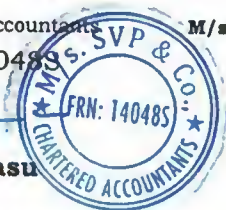
R. Srinivasu

Partner

M.No:224033

Place: Hyderabad

Date:02.09.2015



A. Sri Nagesh
Director

Vasanthi A.
Director

NOTE 1

Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule III to the Companies Act, 2013

<u>Share Capital</u>	As on 31-3-2015
	Rs
<u>Authorised</u>	
5,00,000 Equity Shares of `10 each	50,00,000
<u>Issued</u>	
2,67,000 Equity Shares of `10 each	26,70,000
<u>Subscribed & Paid up</u>	
2,67,000 Equity Shares of `10 each	26,70,000
<u>Subscribed but not fully Paid up</u>	
NIL Equity Shares of ` NA each, not fully paid up	-
Total	26,70,000

NOTE 1 A

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013

Particulars	Equity Shares	
	Number	Amount(Rs)
Shares outstanding at the beginning of	-	-
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	-	-

NOTE I

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

S.No	Name of Shareholder	As on 31.03.2015	
		No. of Shares held	% of Holding
1	Mr. Adusumilli Sri Nagaveer	2,66,000	99.63%
2	Smt. Adusumilli Vasavi	1,000	0.37%
	Total	2,67,000	100%



A. Sri Naveen
A. Sri Naveen

NOTE 2

<u>Reserves and Surplus</u>	As on 31-3-2015
	Rs
b. Surplus	
Opening balance	-
(+) Net Profit/(Net Loss) For the current year	11,12,655
(+) Transfer from Reserves	-
(-) Proposed Dividends	-
(-) Interim Dividends	-
(-) Transfer to Reserves	-
(-/+) Adjustments	-
Closing Balance	11,12,655
Total	11,12,655

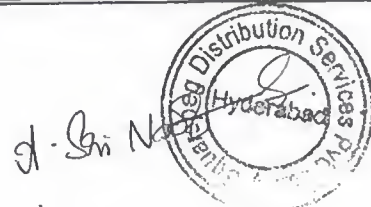
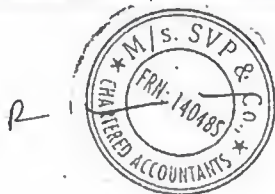
Note 3

Disclosure pursuant to Note no. 6(F) of Part I of Schedule III to the Companies Act, 2013

<u>Other Long Term Liabilities</u>	As on 31-3-2015
	Rs
<u>Secured</u>	-
<u>Unsecured</u>	
(a) Loans repayable on demand	-
from banks	-
From Others	-
(of the above, ___ is guaranteed by Directors and / or others)	
(b) Loans and advances from related parties	-
(c) Deposits	-
(d) Other loans and advances (specify nature)	
Advance From Customers	9,00,000
	9,00,000
In case of continuing default as on the balance sheet date in	
1. Period of default	-
2. Amount	-
Total	9,00,000

NOTE 4

<u>Trade Payables</u>	As on 31-3-2015
	Rs
Sundry Creditors	9,40,199
Total	9,40,199



M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED

Note 6

Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii),(iii); Note no. J and Note no. L of Part I of Schedule II to the Companies Act, 2013

S No	Fixed Assets.	Rate of Depreciation	Gross Block		Depreciation			Net Block			
			31.3.2015		For the Year		31.03.2015		31.03.2015		
			Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	
a	Tangible Assets*	31.67%	61,275	61,275	5,667						
	Computers										55,608
	Total		61,275	61,275	5,667	-	-	5,667	55,608		
	Total		61,275	61,275	5,667	-	-	5,667	55,608		



G. Srinivas

NOTE 5

Disclosure pursuant to Note no.R of Part I of Schedule III to the Companies Act, 2013

Short-term provisions	As on 31-3-2015
	Rs
Duties & Taxes	
Provisions	1,49,331
Audit Fees Payable	15,000
Salaries Payable	1,30,308
Income tax payable	-
Total	2,94,639

Note 7

Disclosure pursuant to Note no.R of Part I of Schedule III to the Companies Act, 2013

Trade Receivables	As on 31-3-2015
	Rs
Sundry Debtors	36,27,950
Total	36,27,950

Note 8

Cash and cash equivalents	As on 31-3-2015
	Rs
a. Balances with banks*	
-Andhra Bank-1583	3,742
-Andhra Bank-1361	1,55,707
-Andhra Bank-2935	5
b. Cash on hand*	3,07,861
c. Others (specify nature)	
Total	4,67,315

*Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.



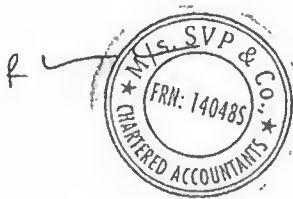
Note 9

Disclosure pursuant to Note no.R of Part I of Schedule III to the Companies Act, 2013

Short-Term Loans & Advances	As on 31-3-2015
	Rs
Rental Advance	1,08,500
Others	16,24,342
Total	17,32,842

Note 10

Other Current Assets	As on 31-3-2015
	Rs
Service Tax Credit	33,058
TDS Receivable	720
Total	33,778



A. Srinivas

Note 11

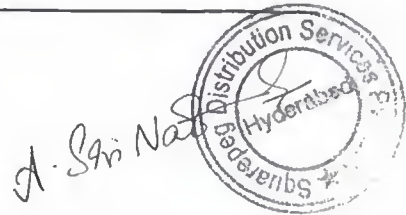
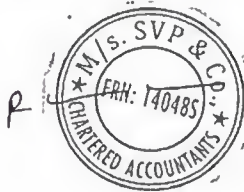
Disclosure pursuant to Note no. 2 of Part II of Schedule III to the Companies Act, 2013

Particulars	Year Ended 31.03.2015
	Rs
Sale of services	1,48,68,728
Other operating revenues	1,00,100
Total	1,49,68,828

Note 12

Disclosure pursuant to Note no. 4 of Part II of Schedule III to the Companies Act, 2013

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

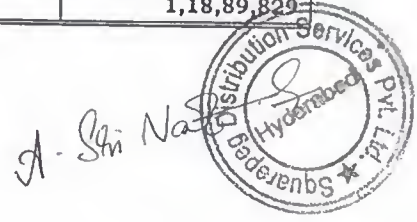


Note 13

Employee Cost	Year Ended 31.03.2015
	Amount(Rs)
Salary	19,16,913
Staff Welfare	43,764
Total	19,60,677

Note 14

Administration Expenses	Year Ended 31.03.2015
	Amount(Rs)
Petrol & Diesel	73,05,913
Audit Fees	15,000
Business Promotion	56,500
Commission expenses	9,82,487
Telephone Expenses	16,094
Conveyence Expenses	1,500
Labour Charges	34,995
Office Expenses	8,38,483
Printing & Stationery	39,586
Rates and Taxes	94,349
Tollgate Fee	13,82,321
Travelling Expenditure	20,221
Vehicle Maintenance	1,23,431
Bad Debts	16,406
Bank Charges	4,991
ESI & PF	32,281
Electricity Expenditure	992
Interest on TDS	1,081
Miscellaneous Expenditure	4,275
Pooja Expenses	8,827
Postage & Courier Expenses	4,146
Rent	3,27,450
Preliminary Expenses Written off	30,000
Transportation Expenditure	5,48,500
Total	1,18,89,829



A. Sri Nataraj

NOTE 13

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, (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.

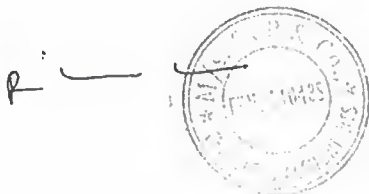
➤ Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Refunds and claims are recognized on their admittance by the concerned authorities.

d. Preliminary Expenditure:

Preliminary Expenses are amortized during the first financial year.



A. Sri Naidu

e. Income Taxes

This is the Second financial year of the company, Commercial operations are not yet started, statement of profit and loss account shows loss, and hence there are no tax obligations to the company.

f. 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.

g. 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.

h. 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.

Place: Hyderabad

Date: 02.09.2015.



A. Srinivas