

**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 as set out below:

Name of the Person	Designation	2016-17	2015-16
	-	-	-
<b>TOTAL</b>		-	-

**2. Auditors' Remuneration**

PARTICULARS	2016-17	2015-16
Statutory Audit	20,000	20,000
Tax Audit	10,000	10,000
<b>TOTAL</b>	<b>30,000</b>	<b>30,000</b>

**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, 2017 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



**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, 2017, 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.

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, 2017;
- (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, 2017

### **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. 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.
  - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

### **“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, 2017:

- 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 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, 2017 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 and Cash credit 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 managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 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.

**For S V P and Co.,**

Chartered Accountants  
Firm Reg. No. 014048S

R



**(R. Srinivasu)**

Partner

M. No. 224033

**Place:** Hyderabad

**Date:** 17-05-2017.

**“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, 2017 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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, 2017, 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

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



**Place:** Hyderabad  
**Date:** 17-05-2017.

**PART I – Form of BALANCE SHEET**  
**M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**  
**Balance Sheet as at 31-03-2017**

Particulars	Note No.	As at 31/03/2017	As at 31/03/2016
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	2,670,000	2,670,000
(b) Reserves and surplus	2	2,014,826	1,366,767
(c) Money received against share warrants			
		4,684,826	4,036,767
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings			
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long-term provisions			
		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings	3	2,327,890	2,593,177
(b) Trade payables	4	5,245,462	2,163,257
(c) Other current liabilities	5	2,825,844	2,362,819
(d) Short-term provisions	6	286,612	312,229
		<b>10,685,808</b>	<b>7,431,482</b>
<b>TOTAL</b>		<b>15,370,634</b>	<b>11,468,249</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>	7	301,914	159,964
(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)		7,468	-
(d) Long-term loans and advances		215,192	215,192
(e) Other non-current assets			
		524,574	375,156
<b>2 Current assets</b>			
(a) Deposits			-
(b) Inventories			-
(c) Trade receivables	8	8,218,364	5,585,882
(d) Cash and cash equivalents	9	482,178	2,578,215
(e) Short-term loans and advances	10	6,145,517	2,928,996
(f) Other current assets	11		-
		14,846,059	11,093,093
<b>TOTAL</b>		<b>15,370,634</b>	<b>11,468,249</b>
<b>Notes forming part of the financial statements</b>	<b>1 To 18</b>		

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



Place:Hyderabad  
Date:17-05-2017

**PART II - Form of STATEMENT OF PROFIT AND LOSS**  
**M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**  
**Profit and loss statement for the year ended 31-03-2017**

Particulars	Refer Note No.	As at 31/03/2017	As at 31/03/2016
I. Revenue from operations	12	36,777,029	35,464,290
II. Other income	13	763,832	1,280
<b>III. Total Revenue (I + II)</b>		<b>37,540,861</b>	<b>35,465,570</b>
IV. Expenses:			
Direct Expenses	14	29,083,598	29,148,094
Employee Cost	15	4,498,842	4,151,852
Depreciation	7	67,449	36,561
Administration Expenses	16	2,561,224	926,535
Finance Cost	17	402,547	236,778
<b>Total expenses</b>		<b>36,613,659</b>	<b>34,499,820</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>			
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>927,202</b>	<b>965,750</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>927,202</b>	<b>965,750</b>
X Tax expense:			
(1) Current tax		286,612	312,229
(1) Income tax Previous year		-	399,410
(2) Deferred tax		-7,468	-
<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>648,059</b>	<b>254,111</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>648,059</b>	<b>254,111</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>648,059</b>	<b>254,111</b>
XVI Earnings per equity share:			
(1) Basic		2.43	0.95
(2) Diluted			
<b>Notes forming part of the financial statements</b>	<b>1 To 18</b>		

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

M/s. S V P & 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**



Place:Hyderabad

Date:17-05-2017

**PART III - Cash Flow statement**  
**M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**  
**Cash flow statement for the period ended 31st March 2017**

Particulars	As at 31-03-2017	As at 31.03.2016
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	927,202	965,750
Adjusted for :		
Interest debited to P&L A/c	402,547	236,778
Depreciation	67,449	36,561
Operating profits before working capital changes	<b>1,397,198</b>	<b>1,239,089</b>
<b>Changes in current assets and liabilities</b>		
Inventories	-	-
Sundry debtors	(2,632,482)	(1,957,932)
Loans and advances and Other current assets	(3,216,521)	(1,195,434)
Current liabilities	3,254,327	5,329,702
Cash generated from operations	(1,197,478)	3,415,425
Income tax paid	(286,612)	(711,639)
<b>Net cash generated from operating activities</b>	<b>(1,484,090)</b>	<b>2,703,786</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets and change in capital wip	(209,400)	(140,917)
Long Term Loans and advances	-	(215,192)
Net cash used in investing activities	<b>(209,400)</b>	<b>(356,109)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Secured and Unsecured Loans	-	-
Interest paid	(402,547)	(236,778)
Increase in share Capital	-	-
<b>Net cash generated in financing activities</b>	<b>(402,547)</b>	<b>(236,778)</b>
D. Net increase / (decrease) in cash and cash equivalents	(2,096,037)	2,110,899
E. Cash and cash equivalents at the beginning of the year	2,578,215	467,316
<b>F. Cash and cash equivalents at the end of the year</b>	<b>482,179</b>	<b>2,578,215</b>

As per our report of even date

**M/s.S V P & Co.,**  
Chartered Accountants  
FRN:014048S

**R. Srinivasu**  
Partner  
M.No:224033



Place: Hyderabad  
Date :17-05-2017

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



**Director**



**Director**

<b>NOTE 1</b>		
<b>Share Capital</b>	<b>As on 31-03-2017</b>	<b>As on 31-3-2016</b>
	<b>Rs</b>	<b>Rs</b>
<b>Authorised</b>		
500,000 Equity Shares of `10 each	5,000,000	5,000,000
<b>Issued</b>		
2,67,000 Equity Shares of `10 each	2,670,000	2,670,000
<b>Subscribed &amp; Paid up</b>		
2,67,000 Equity Shares of `10 each	2,670,000	2,670,000
<b>Subscribed but not fully Paid up</b>		
NIL Equity Shares of `NA each, not fully paid up	-	-
<b>Total</b>	<b>2,670,000</b>	<b>2,670,000</b>

**NOTE 1 A**

<b>Particulars</b>	<b>Equity Shares 31-03-2017</b>		<b>Equity Shares 31.03.2016</b>	
	<b>Number</b>	<b>Amount(Rs)</b>	<b>Number</b>	<b>Amount(Rs)</b>
Shares outstanding at the beginning of the year	267,000	2,670,000	267,000	2,670,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	267,000	2,670,000	267,000	2,670,000

**NOTE I B**

100% of Equity Shares are held by M/s.Tanvi Foods (India) Limited (holding Company) of the company.

**NOTE I C**

Details of shareholding (if more than 5%)

<b>S.No</b>	<b>Name of Shareholder</b>	<b>As on 31.03.2017</b>		<b>As on 31.03.2016</b>	
		<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
1	M/s.TANVI FOODS (INDIA) LIMITED	266,995	100	266,995	100
2	Mr.A.Sri Nagaveer (Registered owner on behalf of the beneficial owner M/s.Tanvi Foods (India) Limited)	5	0	5	0
	<b>Total</b>	<b>267,000</b>	<b>100</b>	<b>267,000</b>	<b>100</b>

## NOTE 2

<b>Reserves and Surplus</b>	<b>As on 31-03-2017</b>	<b>As on 31-3-2016</b>
	<b>Rs</b>	<b>Rs</b>
<b>b. Surplus</b>		
Opening balance		
(+) Net Profit/(Net Loss) For the current year	1,366,767	1,112,656
(+) Transfer from Reserves	648,059	254,111
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
(-/+ ) Adjustments	-	-
Closing Balance	648,059	254,111
<b>Total</b>	<b>2,014,826</b>	<b>1,366,767</b>

## Note 3

<b>Short Term Borrowings</b>	<b>As on 31-03-2017</b>	<b>As on 31-3-2016</b>
	<b>Rs</b>	<b>Rs</b>
<b>secured</b>		
<b>(a) Loans repayable on demand</b>		
Secured Over Draft from Andhra Bank:		
<b>Rate of Interest:</b>		
Interest at the rate of 13.25% (base rate Plus 3.25%) subject to change in base rate		
<b>Margin:</b>		
33.33% on collateral Security		
<b>Primary Security:</b>		
Receivables		
<b>Collateral Security:</b>		
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.		
<b>Personal Guarantee of</b>		
1. Mr.A. Sri Nagaveer		
2. Smt.A.Vasavi		
<b>(b) Loans and advances from related parties</b>	-	-
<b>(c) Deposits</b>	-	-
<b>(d) Other loans and advances (specify nature)</b>		
Advance From Customers	-	-
	2,327,890	2,593,177
<b>In case of continuing default as on the balance sheet date in</b>		
1. Period of default		
2. Amount		
<b>Total</b>	<b>2,327,890</b>	<b>2,593,177</b>

## NOTE 4

<b>Trade Payables</b>	<b>As on 31-03-2017</b>	<b>As on 31-3-2016</b>
	<b>Rs</b>	<b>Rs</b>
Dues to Micro, Small and Medium Enterprises *	-	-
Dues to Others	5,245,462	2,163,257
<b>Total</b>	<b>5,245,462</b>	<b>2,163,257</b>

## NOTE 5

<b>Other Current Liabilities</b>	<b>As on 31-03-2017</b>	<b>As on 31-3-2016</b>
	<b>Rs</b>	<b>Rs</b>
Advance From Customers	1,657,066	1,130,158
Duties & Taxes	378,901	708,678
Rent Payable	313,970	90,000
Audit Fees Payable	30,000	25,500
Salaries Payable	251,090	323,953
PF Payable	143,356	42,141
ESI Payable	44,850	42,389
Professional tax Payable	2,600	-
Telephone Charges Payable	4,011	-
<b>Total</b>	<b>2,825,844</b>	<b>2,362,819</b>

**NOTE 6**

Short-term provisions	As on 31-03-2017	As on 31-3-2016
	Rs	Rs
Income tax payable	286,612	312,229
<b>Total</b>	<b>286,612</b>	<b>312,229</b>

**Note 8**

Trade Receivables	As on 31-03-2017	As on 31-3-2016
	Rs	Rs
Outstanding period not exceeds 6 Months	8,218,364	5,067,762
Outstanding period exceeds 6 Months	-	518,120
<b>Total</b>	<b>8,218,364</b>	<b>5,585,882</b>

**Note 9**

Cash and cash equivalents	As on 31-03-2017	As on 31-3-2016
	Rs	Rs
a. Balances with banks	76,731	211,833
b. Cash on hand	405,447	2,366,382
c. Others (specify nature)		
<b>Total</b>	<b>482,178</b>	<b>2,578,214</b>

**Note 10**

Short-Term Loans & Advances	As on 31-03-2017	As on 31-3-2016
	Rs	Rs
Rental Advance	295,652	-
Others	5,532,901	2,494,000
Balances with Govt Authorities Advance Tax and TDS	316,964	434,996
<b>Total</b>	<b>6,145,517</b>	<b>2,928,996</b>

**Note 11**

Other Current Assets	As on 31-03-2017	As on 31-3-2016
	Rs	Rs
Advances from customers	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Deffered Tax Liablites	As on 31-03-2017	As on 31-3-2016
	Rs	Rs
<b>Opening balance</b>	-	-
WDV as per Income Tax	326,081	
WDV as per Companies Act	301,912	
Difference	24,169	
Deffered Tax Asset	7,468	
<b>Total</b>	<b>7,468</b>	<b>-</b>



M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED

Note 7

S No	Fixed Assets	Gross Block		Depreciation		Net Block	
		01.04.2016	31-03-2017	Opening	For the Year	31-03-2017	31.03.2016
		Rs	Rs	Rs	Rs	Rs	Rs
a	<b>Tangible Assets*</b>						
	Computers	28,200	28,200	12,932	8,931	6,337	15,268
	Furniture & Fittings	89,292	134,966	17,585	22,323	95,058	71,707
	Electrical Equipments	24,700	105,988	2,929	15,504	87,555	21,771
	Plant & machinery	60,000	113,125	8,782	16,565	87,778	51,218
	Office Equipments	-	29,312		4,126	25,186	-
	<b>Total</b>	<b>202,192</b>	<b>411,591</b>	<b>42,228</b>	<b>67,449</b>	<b>301,914</b>	<b>159,964</b>

**Note 12 Direct Incomes**

Particulars	Year Ended 31-03-2017	Year Ended 31.03.2016
	Rs	Rs
Income from Cold Storage	3,114,487	4,669,918
Income from Transport	33,662,542	30,794,372
Other operating revenues		
<b>Total</b>	<b>36,777,029</b>	<b>35,464,290</b>

**Note 13 Indirect Income**

Other Income	Year Ended 31-03-2017	Year Ended 31.03.2016
	Rs	Rs
company)	-	-
Dividend Income	-	-
Net gain/loss on sale of investments	-	-
Sub let Income	418,181	
Other non-operating income (net of expenses directly attributable to such income)	345,651	1,280
<b>Total</b>	<b>763,832</b>	<b>1,280</b>

**Note 14 Direct Expenses**

Particulars	Year Ended 31-03-2017	Year Ended 31.03.2016
	Rs	Rs
<b>Vehicle Expenses</b>		
Petrol & Diesel	13,072,108	13,703,927
Repairs and Maintenance	2,006,661	532,121
Toll Fees	2,728,233	2,373,289
Transport Expenses	236,632	909,150
Vehicle Hire Expenses	9,137,691	8,549,777
	<b>27,181,325</b>	<b>26,068,264</b>
<b>Cold Room Expenses Direct</b>		
Electricity Expenditure	1,229,745	1,173,913
Loading & Unloading Charges	-	105,917
Cold Room Maintenance	77,528	
Rent	595,000	1,800,000
	<b>1,902,273</b>	<b>3,079,830</b>
<b>Total</b>	<b>29083598</b>	<b>29148094</b>

**Note 15 Employee Cost**

Employee Cost	Year Ended 31-03-2017	Year Ended 31.03.2016
	Amount(Rs)	Amount(Rs)
Salary	3,858,988	3,808,536
Staff Welfare	297,130	19,654
EPF Contribution	237,636	212,804
ESI Contribution	105,088	110,858
<b>Total</b>	<b>4,498,842</b>	<b>4,151,852</b>

**Note 16 Administrative Expenses**

Administration Expenses	Year Ended 31-03-2017	Year Ended 31.03.2016
	Amount(Rs)	Amount(Rs)
Audit Fees	49,500	30,000
Business Promotion	107,205	86,240
Bad Debts	-	6,284
Commission expenses	-	80,000
Consultancy Charges	10,000	
Telephone Expenses	84,784	27,056
Office Expenses	480,945	101,188
Printing & Stationery	2,701	15,618
Rates and Taxes	122,711	123,284
Travelling Expenditure	107,125	268,015
Interest on TDS	-	22,803
Postage & Courier Expenses	18,750	8,047
Rental Expenses	1,577,503	-
ROC Expenses	-	158,000
<b>Total</b>	<b>2,561,224</b>	<b>926,535</b>

**Note 17 Finance Cost**

Finance Cost	Year Ended 31-03-2017	Year Ended 31.03.2016
	Amount(Rs)	Amount(Rs)
Bank Charges	65,057	67,032
Interest on Andhra Bank OD A/c 627	337,490	169,746
<b>Total</b>	<b>402,547</b>	<b>236,778</b>

## **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**

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.

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, 2017
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) Limited
2	M/s. Polar Cube Cold Storage Solutions Private Limited

**5. Notes towards obligation on Lease:-**

Particulars	Amount Rs.
Operating Lease of Vehicles from M/s.Tanvi foods (India) limited	
0 to 1 year	95,44,823/-
1 to 5 years	3,81,79,292/-

**\*\* the amount is including of all taxes.**

The company has entered into operating lease arrangements for its premises at various locations

Particulars	2016-17	2015-16
<b>Future minimum lease payments</b>		
not later than one year	6,31,418/-	-
later than one year and not later than five years	4,27,190/-	-
later than five years	-	-

**6. Disclosure under AS -20: Earnings Per Share**

PARTICULARS	2016-17	2015-16
Profit/(Loss) after tax (net profit attributable to Equity Shareholders).	648,059	254,111
Weighted average number of equity shares outstanding during the year.	2,67,000	2,67,000
<b>Earnings per share (Basic &amp; Diluted)</b>	<b>2.43</b>	<b>0.95</b>

**7. Foreign Exchange Earned:**

Receipt of Foreign Currency	Rs. Nil
Payment of Foreign Currency	Rs. Nil

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

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

PARTICULARS	As at 31 <sup>st</sup> March, 2017 (in Rs.)
<b>Deferred Tax Liabilities</b>	<b>Nil</b>
Depreciation & Amortization	7,468
Expenses disallowed as per the Income Tax Act, 1961	-
Previous year expenses now allowed	-
<b>Net Deferred Tax Assets as at 31.03.2017</b>	<b>7,468</b>

In accordance with "Accounting Standard 22", the Company has recognized in its Profit & Loss Account a sum of Rs. 7,468/- as Deferred Tax.

**9. Disclosure under AS - 29 : Provisions, Contingent Liabilities and Contingent Assets**

**Contingent Liabilities - Nil**

**10. Comparatives and Disclosures:**

The previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary.

**11. Disclosure of Specified bank Notes and Other Bank notes during the period of 08-11-2016 to 30-12-2016.**

Particulars	Specified Bank notes	Other denomination notes	Total
	Amount	Amount	
Closing balance as at 08-11-2016	529,000	3,183	532,183
(+) Amount withdrawn from Banks	-	209,400	209,400
(+) Permitted receipts	-	269,657	269,657
(+) Non Permitted receipts	-	-	-
(-) Permitted payments	-	117,182	117,182
(-) Non Permitted payments	-	-	-
(-) Amount deposited in Banks	529,000	700	529,700
<b>Closing balance as on 30-12-2016</b>	<b>-</b>	<b>364,358</b>	<b>364,358</b>

**M/s.S V P & Co.,**  
Chartered Accountants  
FRN:014048S

**R. Srinivasu**  
Partner  
M.No:224033

Date: 17-05-2017  
Place: Hyderabad



**For and on behalf of the Board**



Director



Director