



**NSVR & ASSOCIATES LLP,**  
**CHARTERED ACCOUNTANTS**

**Independent Auditor's Report:**

**To**

**The members of**

**Square peg Distributions Services private limited**

**Report on the Audit of the Financial Statements**

**Opinion:**

We have audited the financial statements of **Square peg Distributions Services private limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion:**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters:**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**NSVR & ASSOCIATES LLP**

House No.1-89/1/42, 2nd Floor, Plot No. 41 & 43, Sri Ram Nagar Colony, Kavuri Hills, Guttala Begumpet,  
Madhapur, Hyderabad, Telangana - 500081. | Ph: 040 - 23391164, E-mail: info@nsvr.in

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of Companies Act 2013, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

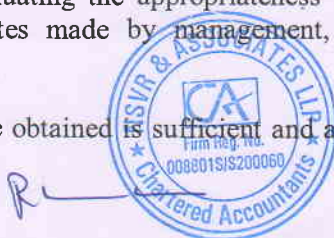
### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to express an opinion on these 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 there under.

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 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 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 the reasonableness of the Accounting estimates made by management, 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.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the department of company affairs, in terms of section 143 (11) of the companies Act, 2013, and on the basis of our examination of the books and records as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Companies Act 2013, 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 appears from our examination of those books.

c) The Balance Sheet and Statement of Profit and Loss and Cash flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financials comply with the Accounting Standards specified under of Section 133 of the Companies Act, 2013 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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 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 A"; and

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) There are no pending litigations for or against the Company which would impact its financial position.

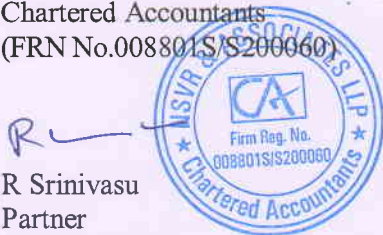
ii) The Company does not have any derivatives contracts. Further there are no long term contracts for which provisions for any material foreseeable losses is required to be made.

iii) There are no amounts pending that are required to be transferred to Investor Education and Protection Fund.

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants

(FRN No.008801S/S200060)



R Srinivasu  
Partner

M.no:224033

UDIN: 22224033AQHBPW3481

Date: 28-05-2022

Place: Hyderabad.



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Square peg Distributions Services private limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 **Square peg Distributions Services private limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.*

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



### **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 statement for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls 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 authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **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 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants  
(FRN No. 008801S/S200060)

R

R Srinivasu

Partner

M.No:224033

UDIN: 22224033AQHBPW3481



Date: 28-05-2022

Place: Hyderabad.

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Square peg Distributions Services private limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that

- i. In respect of the Company's Property, Plant and Equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (b) Maintenance of Proper records for Intangible records is not applicable to the company.
  - (c) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (d) According to the information and explanations given to us, the company does not own any immovable Properties at the balance sheet date, hence the clause of reporting whether the title deeds are held in the name of company is not applicable.
  - (e) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - (f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The company does not have any inventory and hence reporting under clause 3(ii)(a) is not applicable.
  - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. The company has not advanced any loans, guarantees to directors of the company. Hence the is not applicable to the company.
- v. 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.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
  - (b) There are no disputed dues Pending as on March 31, 2022.





- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints received by the Company during the year (and upto the date of this report).
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.





- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are Opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- xx. Transfer to fund specified under Schedule VII of Companies Act, 2013 not applicable to the company.

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants  
(FRN No. 008801S/S200060)



R Srinivasu

Partner

M.no:224033

UDIN. No:22224033AQHBPW3481



Date: 28-05-2022

Place: Hyderabad.

PART I – Form of BALANCE SHEET  
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED  
Balance Sheet as at 31.03.2022  
All amounts are in Lakhs unless Specified

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	1	26.70	26.70
(b) Reserves and surplus	2	20.91	16.65
		<b>47.61</b>	<b>43.35</b>
2 Non-current liabilities			
(a) Long-term borrowings	3	13.29	24.91
(b) Deferred tax Liabilities (net)		0.20	-
		<b>13.49</b>	<b>24.91</b>
3 Current liabilities			
(a) Short-term borrowings	4	9.00	9.00
(b) Trade payables	5	9.10	57.94
(c) Other current liabilities	6	30.85	44.82
(d) Short-term provisions	7	5.97	7.85
		<b>54.91</b>	<b>119.61</b>
<b>TOTAL</b>		<b>116.01</b>	<b>187.87</b>
<b>II. ASSETS</b>			
Non-current assets			
1 (a) property, plant & equipment		3.78	15.86
(i) Tangible assets			0.74
(b) Deferred tax assets (net)		-	-
(c) Long-term loans and advances		-	-
		<b>3.78</b>	<b>16.61</b>
2 Current assets			
(a) Inventories			
(b) Trade receivables	8	81.63	101.43
(c) Cash and cash equivalents	9	0.87	3.94
(d) Short-term loans and advances	10	28.45	65.14
(e) Other current assets	11	1.27	0.75
		<b>112.23</b>	<b>171.26</b>
<b>TOTAL</b>		<b>116.01</b>	<b>187.87</b>

Notes forming part of the financial statements 1 To 19  
This is the Balance Sheet referred to in our report of even date.

**M/s. NSVR & Associates LLP.**

Chartered Accountants

FRN:008801S/S200060

  
**R. Srinivasu**  
(Partner)  
M.No:224033  
UDIN: 22224033AQHPW3481



**For and on behalf of Board of Directors**  
M/s. SQUARE PEG DISTRIBUTION SERVICES PRIVATE LIMITED

  
**Sri Nagaveer Adusumilli**  
Director  
DIN : 02096695

  
**Vasavi Adusumilli**  
Director  
DIN : 02589803



Place:Hyderabad  
Date:28-05-2022

PART II - Form of STATEMENT OF PROFIT AND LOSS  
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED  
Profit and loss statement for the half year ended 31.03.2022  
All amounts are in Lakhs unless Specified

Particulars	Refer Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I. Revenue from operations	12	28.46	27.81
II. Other income	13	6.15	23.03
		<b>34.61</b>	<b>50.84</b>
III. Total Revenue (I + II)			
IV. Expenses:			
Direct Expenses	14	16.47	3.83
Employee Cost	15	2.33	5.69
Depreciation	7	2.18	18.64
Administration Expenses	16	3.24	5.77
Finance Cost	17	5.18	9.79
Total expenses		<b>29.41</b>	<b>43.72</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)			
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		<b>5.20</b>	<b>7.12</b>
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		<b>5.20</b>	<b>7.12</b>
X Tax expense:			
(1) Current tax		-	-
(1) Income tax Previous year		-	-
(2) Deferred tax		0.94	0.61
XI Profit (Loss) for the period from continuing operations (VII-VIII)		<b>4.26</b>	<b>6.51</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		4.26	6.51
XV Profit (Loss) for the period (XI + XIV)		<b>4.26</b>	<b>6.51</b>
XVI Earnings per equity share:			
(1) Basic		1.60	2.44
(2) Diluted		1.60	2.44
Notes forming part of the financial statements	1 To 19		

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

M/s. NSVR & Associates LLP,  
Chartered Accountants  
FRN:008801S/S200060

R. Srinivasu  
(Partner)  
M.No:224033  
UDIN: 22224033AQHPW3481



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

Sri Nagaveer Adusumilli  
Director  
DIN : 02096695

Vasavi Adusumilli  
Director  
DIN : 02589803



Place:Hyderabad  
Date:28-05-2022



PART III - Cash Flow statement  
M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED  
Cash flow statement for the period ended 31.03.2022

Particulars	All amounts are in Lakhs unless Specified	
	For the Period 31.03.2022	For the Period 31.03.2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	5.20	7.11
Adjusted for :		
Interest debited to P&L A/c	5.18	9.79
Add Profit on sale of vehicles	-5.10	-13.52
Depreciation	2.18	18.64
Operating profits before working capital changes	7.46	22.03
Changes in current assets and liabilities		
Inventories		-
Sundry debtors	19.80	-17.74
Loans and advances and Other current assets	36.16	13.20
Short term provisions	-1.88	-
Trade Payables	-48.84	-
Current liabilities	-13.98	-29.22
Cash generated from operations	-1.27	-11.74
Income tax paid	-	-
Net cash generated from operating activities	-1.27	-11.74
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale of fixed assets and change in capital wip	15.00	29.00
Long Term Loans and advances	-	-
Net cash used in investing activities	15.00	29.00
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Secured and Unsecured Loans	-11.62	-5.01
Interest paid	-5.18	-9.79
Increase in share Capital	-	-
Net cash generated in financing activities	-16.80	-14.80
D. Net increase / (decrease) in cash and cash equivalents	-3.07	2.46
E. Cash and cash equivalents at the beginning of the year	3.94	1.48
F. Cash and cash equivalents at the end of the year	0.87	3.94

M/s. NSVR & Associates LLP  
Chartered Accountants  
FRN:008801S/S200060

R. Srinivasu  
(Partner)  
M.No:224033  
UDIN: 22224033AQHBPW3481

Place:Hyderabad  
Date:28-05-2022

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

Sri Nagaveer Adusumilli  
Director  
DIN : 02096695

Vasavi Adusumilli  
Director  
DIN : 02589803

All amounts are in Lakhs unless Specified

	As at 31.03.2022		As at 31.03.2021	
	Rs		Rs	
Share Capital				
Authorised				
5.00 lakh Equity Shares of `10 each Issued		50		50
2.67Lakh Equity Shares of `10 each Subscribed & Paid up		26.7		26.7
2.67Lakh Equity Shares of `10 each Subscribed but not fully Paid up		26.7		26.7
NIL Equity Shares of `NA each, not fully paid up		0		0
Total		26.7		26.7

**NOTE 1 A**

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount(Rs)	Number	Amount(Rs)
Shares outstanding at the beginning of the year	26.7	26.7	26.7	26.7
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	26.7	26.7	26.7	26.7

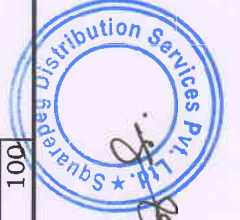
**NOTE 1 B**

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

**NOTE 1 C**

Details of shareholding (if more than 5%)

S.No	Name of Shareholder	As at 31.03.2022		As at 31.03.2021	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	M/s.TANVI FOODS (INDIA) LIMITED	2.67	100	2.66995	100
2	Mr.A.Sri Nagaveer (Registered owner on behalf of)	-	0	0	0
Total		2.67	100	2.66995	100



A. Saini

## NOTE 2 Reserves and Surplus

All amounts are in Lakhs unless Specified

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
<b>b. Surplus</b>		
Opening balance	16.65	10.14
(+) Net Profit/(Net Loss) For the current year	4.26	6.51
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
(-/+ ) Adjustments	-	-
Closing Balance	20.91	16.65
<b>Total</b>	<b>20.91</b>	<b>16.65</b>

## Note 3 Long-term borrowings

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
<b>secured</b>		
<b>Vehicle Loans **</b>		
i) From Banks	11.18	32.43
The amount represents repayment due in next 12 months classified	11.18	28.45
i) From NBFC's	-	3.98
The amount represents repayment due in next 12 months classified	-	-
<b>Total Secured Loans</b>	-	3.98
<b>Business Loans</b>		
i) From Banks		
The amount represents repayment due in next 12 months classified		
i) From NBFC's ***	31.40	36.78
The amount represents repayment due in next 12 months classified	18.11	15.85
	13.29	20.93
<b>Total Un-Secured Loans</b>	13.29	20.93
<b>Total Long Term Borrowings</b>	13.29	<b>24.91</b>

## Note 4 Short Term Borrowings

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
(a) Secured Loans	-	-
(b) UnSecured Loans	-	-
(c) Loans and advances from related parties	9.00	9.00
(d) Deposits	-	-
(e) Other loans and advances (specify nature)	-	-
	9.00	9.00
In case of continuing default as on the balance sheet date in repay		
1. Period of default	-	-
2. Amount	-	-
<b>Total</b>	9.00	9.00



R...

d. Srinivas



## NOTE 5 Trade Payables

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
Dues to Micro, Small and Medium Enterprises *		
Dues to Others	9.10	57.94
<b>Total</b>	<b>9.10</b>	<b>57.94</b>

## NOTE 6 Other Current Liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
Current Maturities of Long Term Debt (Secured) (Refer Note No.3)		
(a) Vehicle Loans		
From Banks	11.18	28.45
From NBFC's	-	-
(b) Business Loans		
From Banks	-	-
From NBFC's	18.11	15.85
Duties & Taxes	0.80	0.16
Rent Payable		
Expenses Payable		
Audit fee Payable	0.76	0.36
<b>Total</b>	<b>30.85</b>	<b>44.82</b>

## NOTE 7 Short-term provisions

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
Provision for Tax	5.97	5.97
Interest Payable	-	1.88
<b>Total</b>	<b>5.97</b>	<b>7.85</b>

## Note 8 Trade Receivables

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
Outstanding period not exceeds 6 Months	81.63	101.43
Outstanding period exceeds 6 Months	-	-
<b>Total</b>	<b>81.63</b>	<b>101.43</b>

## Note 9 Cash and cash equivalents

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
a. Balances with banks	0.05	3.01
b. Cash on hand	0.82	0.93
c. Others (specify nature)		
<b>Total</b>	<b>0.87</b>	<b>3.94</b>



Note 10 Short-Term Loans & Advances

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
Rental Advance	1.11	1.11
Others	19.73	56.87
Balances with Govt Authorities Advance Tax and TDS	7.61	7.16
<b>Total</b>	<b>28.45</b>	<b>65.14</b>

Note 11 Other Current Assets

Particulars	As at 31.03.2022	As at 31.03.2021
	INR	INR
ACD Expenses	-	-
prepaid Cards	0.03	0.03
Recoverable from NBFC's	1.24	0.72
Petro Card	0.00	0.00
<b>Total</b>	<b>1.27</b>	<b>0.75</b>



Note 12 Direct Incomes		All amounts are in Lakhs unless Specified	
Particulars	For the year ended 31.03.2022	For the Year ended 31.03.2021	
	INR	INR	
Income From Transport	28.46	27.81	
Total	28.46	27.81	
Note 13 Indirect Income			
Particulars	For the year ended 31.03.2022	For the Year ended 31.03.2021	
	INR	INR	
Sub let Income	1.05	3.64	
Other non-operating income	-	5.87	
Profit on sale of vehicles	5.10	13.52	
Total	6.15	23.03	
Note 14 Direct Expenses			
Particulars	For the year ended 31.03.2022	For the Year ended 31.03.2021	
	INR	INR	
Vehicle Expenses			
Petrol & Diesel	12.97	0.68	
Repairs and Maintainence	3.36	2.09	
Toll Fees	-	1.06	
Transport Expenses	0.15	-	
Vehicle Hire Expenses	-	-	
Total	16.48	3.83	





Note 15 Employee Cost

Particulars	For the year ended 31.03.2022	For the Year ended 31.03.2021
	INR	INR
Salary	2.33	5.69
Staff Welfare	-	-
EPF Contribution	-	-
ESI Contribution	-	-
<b>Total</b>	<b>2.33</b>	<b>5.69</b>

Note 16 Administrative Expenses

Particulars	For the year ended 31.03.2022	For the Year ended 31.03.2021
	INR	INR
Statutory Audit Fee	0.40	0.40
Electricity Charges	-	0.28
Water Charges	-	0.04
Loading & Unloading Charges	-	0.07
Roc Filing fees	0.15	0.02
Telephone Expenses	0.31	0.35
Rates and Taxes	0.03	0.93
Professional Charges	-	0.04
Postage & Courier Expenses	-	0.01
GST Late Payment Fee	0.50	-
TDS Compounding fee	0.73	-
Other Expenses	1.12	1.03
Rental Expenses	-	2.60
<b>Total</b>	<b>3.24</b>	<b>5.77</b>

Note 17 Finance Cost

Particulars	For the year ended 31.03.2022	For the Year ended 31.03.2021
	INR	INR
Bank Charges	1.45	0.68
Interest on Andhra Bank OD A/c 627	-	-
Interest on Business loan(NBFC)	3.73	2.68
Interest on Vehicle loan(Non NBFC)	-	6.43
Loan Processing charges	-	-
<b>Total</b>	<b>5.18</b>	<b>9.79</b>



**M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**

**Note #**

All amounts are in Lakhs unless Specified

S No	Fixed Assets	Gross Block				Depreciation				Net Block			
		01.04.2021	31-03-2022	Opening	For the Year	Depreciation on Sale	31-03-2022	31-03-2022	31-03-2022	31-03-2021	31-03-2021		
		Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs		
a	<b>Tangible Assets*</b>												
	Computers	0.28	0.28	0.27	-	0.27	0.27	0.01	0.27	0.01	0.01	0.01	0.01
	Furniture & Fittings	1.35	1.35	1.06	0.07	1.06	1.14	0.21	1.14	0.21	0.29	0.29	0.29
	Electrical Equipments	1.11	1.11	0.82	0.08	0.82	0.90	0.22	0.90	0.22	0.29	0.29	0.29
	Plant & machinery	1.13	1.13	0.74	0.07	0.74	0.81	0.32	0.81	0.32	0.39	0.39	0.39
	Office Equipments	0.29	0.29	0.27	0.01	0.27	0.28	0.01	0.28	0.01	0.02	0.02	0.02
	Motor Vehicles	54.58	44.67	39.72	1.95	39.72	41.67	3.00	41.67	3.00	14.85	14.85	14.85
	<b>Total</b>	58.75	48.85	42.88	2.18	42.88	45.06	3.78	45.06	3.78	15.86	15.86	15.86



## NOTE 18

### **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. **Property, Plant & Equipment and Depreciation**

Property, Plant & Equipment 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 property, plant & equipment 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.

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	2021-22	2020-21
SRI NAGAVEER ADUSUMILLI	Director	-	-
VASAVI ADUSUMILLI	Director	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

### 2. Auditors' Remuneration

PARTICULARS	Rs in Lakhs	
	2021-22	2020-21
Statutory Audit	0.40	0.40
Tax Audit	-	-
<b>TOTAL</b>	<b>0.40</b>	<b>0.40</b>

**Note:** All amounts are stated exclusive of GST.

### 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, 2021 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. In view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material.

Particulars	As at March 31, 2022
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	NIL



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.	
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 Company	Nature of Relationship
1	M/s. Tanvi Foods (India) Limited	Holding Company
2	M/s. Polar Cube Cold Storage Solutions Private Limited	Common Control
KEY MANAGEMENT PERSONNEL (KMP)		
SI. No.	Name of the Person	Designation
1	Sri.A.SriNagaveer	Director
2	Smt.A.Vasavi	Director



**Transactions / Balances with Related Parties**

NATURE OF TRANSACTION	M/s. Tanvi Foods (India) Limited (Holding Company)	M/s. Polar Cube Cold Storage Solutions Private Limited	Sri.A.SriNaga veer
1. Director's Remuneration	-	-	-
2. Loans accepted	-	-	-
3. Loans repaid	-	-	-
4. Purchase of Vehicles	-	-	-
5. Vehicle Lease Expense	-	-	-
6. Advances Given	53.88	-	-
7. Advance Taken	41.53	0.60	-
8. Freezer charges	-	-	-
9. Transportation Income	-	-	-

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

**Rs in Lakhs**

Name of the Party	Amount in Rs (As at 31 <sup>st</sup> March 2022)
M/s. Tanvi Foods (India) Limited	30.87 Dr
M/s. Polar Cube Cold Storage Solutions Private Limited	20.20 Dr

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

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

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

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

Particulars	2021-22	2020-21
<b>Future minimum lease payments</b>		
not later than one year	-	-
later than one year and not later than five years	-	-
later than five years	-	-





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

PARTICULARS	Rs in Lakhs	
	2021-22	2020-21
Profit/(Loss) after tax (net profit attributable to Equity Shareholders).	4.26	6.50
Weighted average number of equity shares outstanding during the year.	2.67	2.67
<b>Earnings per share (Basic &amp; Diluted)</b>	<b>1.60</b>	<b>2.44</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, 2022 (in Rs.)
<b>Deferred Tax Assets on 01.04.2021</b>	0.74
Depreciation & Amortization Assets	(0.74)
Expenses disallowed as per the Income Tax Act, 1961	-
Previous year expenses now allowed	-
<b>Net Deferred Tax Assets as at 31.03.2022</b>	-

In accordance with “Accounting Standard 22”, the Company has recognized in its Profit & Loss Account a sum of Rs 0.74 Lakhs as Deferred Tax expense.

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

**Contingent Liabilities - Nil**



**10. Trade Receivable ageing**

As at 31 March 2022:

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6months	6months-1year	1-2 years	2-3 years	More than 3 years	
(i) undisputed trade receivables-considered good	4.17	5.51	16.31	29.87	25.77	81.63
(ii) undisputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
(iii) undisputed trade receivable -credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) disputed trade receivables -credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4.17</b>	<b>5.51</b>	<b>16.31</b>	<b>29.87</b>	<b>25.77</b>	<b>81.63</b>

**Trade Receivable ageing schedule:**

As at 31 March 2021:

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6months	6months-1year	1-2 years	2-3 years	More than 3 years	
(i) undisputed trade receivables-considered good	22.13	13.49	29.93	29.08	6.81	101.43
(ii) undisputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
(iii) undisputed trade receivable -credit impaired	-	-	-	-	-	-



(iv) Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) disputed trade receivables -credit impaired						-
<b>Total</b>	<b>22.13</b>	<b>13.49</b>	<b>29.93</b>	<b>29.08</b>	<b>6.81</b>	<b>101.43</b>

### 11. Trade Payable Ageing schedule

As at 31.03.2022

Particulars	Outstanding for following period from due date of payment					
	Unbilled	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	3.17	5.93	-	-	9.10
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3.17</b>	<b>5.93</b>	<b>-</b>	<b>-</b>	<b>9.10</b>

As at 31.03.2022

Particulars	Outstanding for following period from due date of payment					
	Unbilled	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	31.61	9.61	2.83	13.90	57.94
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>31.61</b>	<b>9.61</b>	<b>2.83</b>	<b>13.90</b>	<b>57.94</b>



**12. Comparatives and Disclosures:**

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

**M/s.NSVR&Associates LLP.,**  
Chartered Accountants  
FRN:008801S/S200060

  
**R.Srinivasu**  
Partner  
M.No:224033  
UDIN:22224033AQHBPW3481



**For and on behalf of the Board**  
**Squarepeg Distribution Services Private Limited**

  
**Sri Nagaveer Adusumilli**  
Director  
DIN : 02096695



  
**Vasavi Adusumilli**  
Director  
DIN : 02589803



Date:28-05-2022  
Place: Hyderabad