



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**

**Report on the Audit of the Financial**

**Statements Opinion**

We have audited the accompanying financial statements of **SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended on that date, and 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 March 31, 2021, the profit and total comprehensive income, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

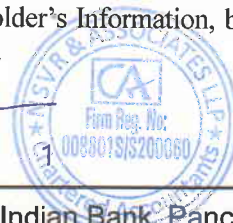
**Key Audit Matters**

Key audit matters 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.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report there on.

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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, total comprehensive income 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:

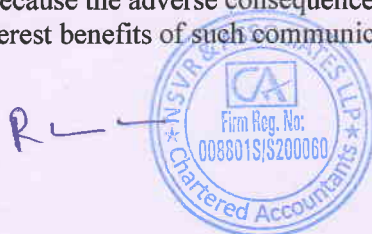
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

From the matters communicated with those charged with governance, we determine those matters that were of significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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: 21224033AAAAOR2321**

**Date:30.06.2021**

**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 SQUAREPEG DISTRIBUTION 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 **SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED** ("the Company") as of March 31, 2021 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**

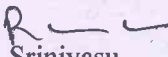
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 2021, 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 Srinivasu  
Partner

M.no:224033

UDIN: 21224033AAAAOR2321

Date: 30.06.2021

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 SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED of even date)

- In respect of the Company's fixed assets:
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed Provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- a) As explained to us, the company is doing business of running of vehicles on hire basis hence not inventory available.
- The Company has not granted any loans, secured or unsecured to companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act. Thus, Clause 3(iii) of the Order is not applicable.
- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 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
- 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.
- According to the information and explanations given to us, in respect of statutory dues:
  - The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and
  - Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.



- There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- Based on our Audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised moneys by way of initial public offer or further public offer.
- To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- 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.
- The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all 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.
- During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.





- The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For NSVR & ASSOCIATES LLP,**  
Chartered Accountants  
(FRNo.008801S/S200060)

  
**R Srinivasu**

Partner

M.no:224033

UDIN: 21224033AAAAOR2321



Date: 30.06.2021

Place: Hyderabad.

## PART I - Form of BALANCE SHEET

M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED

Balance Sheet as at 31.03.2021


Particulars		Note No.	As at 31.03.2021	As at 31.03.2020
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	1,664,307	1,013,977
			<b>4,334,307</b>	<b>3,683,977</b>
<b>2 Non-current liabilities</b>				
(a) Long-term borrowings			2,491,101	2,991,995
			<b>2,491,101</b>	<b>2,991,995</b>
<b>3 Current liabilities</b>				
(a) Short-term borrowings		3	899,920	900,090
(b) Trade payables		4	5,794,470	5,689,415
(c) Other current liabilities		5	4,481,433	7,696,135
(d) Short-term provisions		6	784,592	596,820
			<b>11,960,415</b>	<b>14,882,461</b>
<b>TOTAL</b>			<b>18,785,823</b>	<b>21,558,433</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) property, plant &amp; equipment</b>				
(i) Tangible assets		7	1,586,166	4,998,717
(b) Deferred tax assets (net)			74,533	135,431
(c) Long-term loans and advances				
			<b>1,660,698</b>	<b>5,134,148</b>
<b>2 Current assets</b>				
(a) Inventories		8	10,143,422	8,369,016
(b) Trade receivables		9	393,361	147,144
(c) Cash and cash equivalents		10	6,513,533	7,833,315
(d) Short-term loans and advances		11	74,810	74,810
(e) Other current assets				
			<b>17,125,125</b>	<b>16,424,286</b>
<b>TOTAL</b>			<b>18,785,823</b>	<b>21,558,433</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. NSVR &amp; Associates LLP.,

Chartered Accountants

FRN:008801S/S200060


  
R. Srinivasu

(Partner)

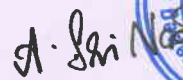
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UDIN: 21224033AAAOR2321



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:30-06-2021

**PART II - Form of STATEMENT OF PROFIT AND LOSS**  
**M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**  
**Profit and loss statement for the year ended 31.03.2021**

	<b>Particulars</b>	<b>Refer Note No.</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
I.	Revenue from operations	<b>12</b>	2,780,940	19,220,169
II.	Other income	<b>13</b>	2,303,375	1,121,591
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>5,084,315</b>	<b>20,341,760</b>
IV.	Expenses:			
	Direct Expenses	<b>14</b>	383,051	13,051,362
	Employee Cost	<b>15</b>	568,931	2,736,672
	Depreciation	<b>7</b>	1,864,233	3,192,383
	Administration Expenses	<b>16</b>	577,742	1,482,224
	Finance Cost	<b>17</b>	979,130	2,555,680
	<b>Total expenses</b>		<b>4,373,087</b>	<b>23,018,322</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			
VI.	Exceptional items		-	-
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>711,228</b>	<b>-2,676,562</b>
VIII.	Extraordinary Items		-	-
<b>IX.</b>	<b>Profit before tax (VII- VIII)</b>		<b>711,228</b>	<b>-2,676,562</b>
X	Tax expense:			
	(1) Current tax		<b>60,898</b>	<b>-52,759</b>
	(1) Income tax Previous year			-
	(2) Deferred tax		60,898	-52,759
<b>XI</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>650,330</b>	<b>-2,623,803</b>
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
<b>XIV</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		650,330	-2,623,803
<b>XV</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>650,330</b>	<b>-2,623,803</b>
XVI	Earnings per equity share:			
	(1) Basic		2.44	-9.83
	(2) Diluted		2.44	-9.83
	Notes forming part of the financial statements	<b>1 To 18</b>		

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: 21224033AAAAOR2321

**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:30.06.2021



**PART III - Cash Flow statement**  
**M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**  
**Cash flow statement for the period ended 31st March 2021**

Particulars	As at 3/31/2021	As at 3/31/2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	711,228	(2,676,562)
Adjusted for :		
Interest debited to P&L A/c	979,130	2,555,680
Add Profit on sale of vehicles	(1,351,682)	
Depreciation	1,864,233	3,192,383
Operating profits before working capital changes	<b>2,202,910</b>	<b>3,071,502</b>
<b>Changes in current assets and liabilities</b>		
Inventories	-	-
Sundry debtors	(1,774,405)	257,471
Loans and advances and Other current assets	1,319,782	5,920,928
Current liabilities	(2,922,046)	(1,391,502)
Cash generated from operations	(1,173,759)	7,858,399
Income tax paid	-	-
<b>Net cash generated from operating activities</b>	<b>(1,173,759)</b>	<b>7,858,399</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale of fixed assets and change in capital wip	2,900,000	-
Long Term Loans and advances	-	-
Net cash used in investing activities	<b>2,900,000</b>	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Secured and Unsecured Loans	(500,894)	(5,519,208)
Interest paid	(979,130)	(2,555,680)
Increase in share Capital	-	-
<b>Net cash generated in financing activities</b>	<b>(1,480,024)</b>	<b>(8,074,888)</b>
D. Net increase / (decrease) in cash and cash equivalents	246,217	(216,489)
E. Cash and cash equivalents at the beginning of the year	147,144	363,632
<b>F. Cash and cash equivalents at the end of the year</b>	<b>393,361</b>	<b>147,143</b>

As per our report of even date

**M/s. NSVR & Associates LLP,**  
Chartered Accountants

FRN:008801S/S200060

  
**R. Srinivasu**  
 (Partner)  
 M.No:224033  
 UDIN: 21224033AAAAOR2321

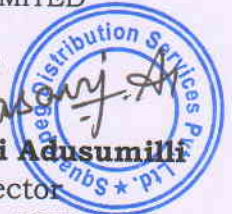


**For and on behalf of Board of Directors**  
 M/s. SQUARE PEG DISTRIBUTION SERVICES PRIVATE LIMITED

  
**Sri Nagaveer Adusumilli**  
 Director  
 DIN : 02096695



  
**Vasavi Adusumilli**  
 Director  
 DIN : 02589803



Place:Hyderabad  
Date:30-06-2021

**NOTE 1**

<b>Share Capital</b>	<b>As on 31.03.2021</b>	<b>As on 31-03-2020</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>As on 31.03.2021</b>		<b>As on 31.03.2020</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 31.03.2021</b>		<b>As on 31.03.2012</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</b>	<b>As on</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
<b>b. Surplus</b>		
Opening balance	1,013,977	3,637,780
(+) Net Profit/(Net Loss) For the current year	650,330	-2,623,803
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
(-/+ ) Adjustments	-	-
Closing Balance	1,664,307	1,013,977
<b>Total</b>	<b>1,664,307</b>	<b>1,013,977</b>

**Note 3**

<b>Long-term borrowings</b>	<b>As on</b>	<b>As on</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
<b>secured</b>		
Vehicle Loans **		
i) From Banks	3,242,542	6,816,278
The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"		
	2,844,687	4,872,360
	397,855	1,943,918
i) From NBFC's	-	-
The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"		
	-	-
<b>Total Secured Loans</b>	<b>397,855</b>	<b>1,943,918</b>
Business Loans		
i) From Banks		
The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"		
	-	-
i) From NBFC's ***	3,678,193	3,746,202
The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"		
	1,584,947	2,698,125
	2,093,246	1,048,077
<b>Total Un-Secured Loans</b>	<b>2,093,246</b>	<b>1,048,077</b>
<b>Total Long Term Borrowings</b>	<b>2,491,101</b>	<b>2,991,995</b>

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**Note 4**

<b>Short Term Borrowings</b>	<b>As on</b> <b>31.03.2021</b>	<b>As on</b> <b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
<b>secured</b>		
<b>(a) Loans repayable on demand</b>		
Secured Over Draft from Andhra Bank:	-80	90
<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) Secured Loans</b>	-	-
<b>(c) UnSecured Loans</b>	-	-
<b>(d) Loans and advances from related parties</b>	900,000	900,000
<b>(e) Deposits</b>	-	-
<b>(f) Other loans and advances (specify nature)</b>	-	-
	899,920	900,090
<b>In case of continuing default as on the balance sheet date in</b>		
1. Period of default		
2. Amount		
<b>Total</b>	<b>899,920</b>	<b>900,090</b>

**NOTE 5**

<b>Trade Payables</b>	<b>As on</b> <b>31.03.2021</b>	<b>As on</b> <b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
Dues to Micro, Small and Medium Enterprises *		
Dues to Others	5,794,470	5,689,415
<b>Total</b>	<b>5,794,470</b>	<b>5,689,415</b>



**NOTE 6**

<b>Other Current Liabilities</b>	<b>As on</b>	<b>As on</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
<b>Current Maturities of Long Term Debt (Secured) (Refer Note No.3)</b>		
(a) Vehicle Loans		
From Banks	2,844,687	4,872,360
From NBFC's	-	-
(b) Business Loans		
From Banks	-	-
From NBFC's	1,584,947	2,698,125
Duties & Taxes	15,799	2,447
Rent Payable		25,000
Expenses Payable		98,203
Audit fee Payable	36,000	-
<b>Total</b>	<b>4,481,433</b>	<b>7,696,135</b>

**NOTE 7**

<b>Short-term provisions</b>	<b>As on</b>	<b>As on</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
Provision for Tax	596,820	596,820
Interest Payable	187,772	
<b>Total</b>	<b>784,592</b>	<b>596,820</b>

**Note 8**

<b>Trade Receivables</b>	<b>As on</b>	<b>As on</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
Outstanding period not exceeds 6 Months	10,143,422	8,369,016
Outstanding period exceeds 6 Months		
<b>Total</b>	<b>10,143,422</b>	<b>8,369,016</b>

**Note 9**

<b>Cash and cash equivalents</b>	<b>As on</b>	<b>As on</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
a. Balances with banks	300,670	22,565
b. Cash on hand	92,690	124,579
c. Others (specify nature)		
<b>Total</b>	<b>393,361</b>	<b>147,144</b>



**Note 10**

<b>Short-Term Loans &amp; Advances</b>	<b>As on</b> <b>31.03.2021</b>	<b>As on</b> <b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
Rental Advance	110,500	110,500
Others	5,686,939	6,547,970
Balances with Govt Authorities Advance Tax and TDS	716,094	1,174,846
<b>Total</b>	<b>6,513,533</b>	<b>7,833,315</b>

**Note 11**

<b>Other Current Assets</b>	<b>As on</b> <b>31.03.2021</b>	<b>As on</b> <b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
ACD Expenses		
prepaid Cards	3,200	3,200
Recoverable from NBFC's	71,607	71,607
Petro Card	3	3
<b>Total</b>	<b>74,810</b>	<b>74,810</b>

<b>Deffered Tax Liabilites</b>	<b>As on</b> <b>31.03.2021</b>	<b>As on</b> <b>31.03.2020</b>
	<b>INR</b>	<b>INR</b>
<b>Opening balance</b>	30,416	82,672
WDV as per Income Tax	1,882,283	5,536,782
WDV as per Companies Act	1,586,166	4,998,717
Difference	296,117	538,065
Deffered Tax Asset	74,533	135,431
<b>Total</b>	<b>74,533</b>	<b>135,431</b>



*R. Srinivas*



**Note 12 Direct Incomes**

Particulars	As at 31.03.2021	As at 31.03.2020
	INR	INR
Income From Transport	2,780,940	19,220,169
<b>Total</b>	<b>2,780,940</b>	<b>19,220,169</b>

**Note 13 Indirect Income**

Other Income	As at 31.03.2021	As at 31.03.2020
	INR	INR
finance company)		
Dividend Income		
Net gain/loss on sale of investments		
Sub let Income	364,300	535,800
Other non-operating income (net of expenses directly attributable to such income)	587,394	585,791
Profit on sale of vehicles	1,351,682	-
<b>Total</b>	<b>2,303,375</b>	<b>1,121,591</b>

**Note 14 Direct Expenses**

Particulars	As at 31.03.2021	As at 31.03.2020
	INR	INR
<b>Vehicle Expenses</b>		
Petrol & Diesel	67,774	6,050,497
Repairs and Maintainence	209,315	1,218,360
Toll Fees	105,962	1,246,596
Transport Expenses	-	915,000
Vehicle Hire Expenses	-	3,620,910
<b>Total</b>	<b>383,051</b>	<b>13,051,362</b>

**Note 15 Employee Cost**

Employee Cost	As at 31.03.2021	As at 31.03.2020
	INR	INR
Salary	568,931	2,564,038
Staff Welfare	-	4,346
EPF Contribution	-	125,929
ESI Contribution	-	42,359
<b>Total</b>	<b>568,931</b>	<b>2,736,672</b>



**Note 16 Administrative Expenses**

<b>Administration Expenses</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	<b>INR</b>	<b>INR</b>
Statutory Audit Fee	40,000	60,000
Tax Audit Fee	-	20,000
Electricity Charges	28,413	29,675
Water Charges	3,956	18,446
Loading & Unloading Charges	6,650	89,125
Roc Filing fees	2,000	4,900
Telephone Expenses	35,355	28,375
Office Expenses	-	89,697
Printing & Stationery	-	160
Insurance expences	-	313,904
Rates and Taxes	92,797	213,683
Travelling Expenditure	-	30,580
Edli Admin charges	-	11,306
PF Interest & Damages	-	1,215
Professional Charges	4,000	-
Postage & Courier Expenses	752	4,804
Other Expenses	103,353	64,028
Rental Expenses	260,466	502,327
<b>Total</b>	<b>577,742</b>	<b>1,482,224</b>

**Note 17 Finance Cost**

<b>Finance Cost</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	<b>INR</b>	<b>INR</b>
Bank Charges	67,973	274,910
Interest on Andhra Bank OD A/c 627	-	324,419
Interest on Business loan(NBFC)	267,967	757,110
Interest on Vehicle loan(Non NBFC)	643,190	1,178,471
Loan Processing charges	-	20,770
<b>Total</b>	<b>979,130</b>	<b>2,555,680</b>



**M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**  
Note 7

**M/s SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED**  
Note 7

S No	Fixed Assets	01.04.2020		3/31/2021		Opening		For the Year		3/31/2021		3/31/2021		3/31/2020	
		Rs		Rs		Rs		Rs		Rs		Rs		Rs	
		Rs		Rs		Rs		Rs		Rs		Rs		Rs	
a	<b>Tangible Assets*</b>														
	Computers	28,200	-	28,200	26,790	-	26,790	-	10,017	26,790	1,410	1,410	1,410	1,410	1,410
	Furniture & Fittings	134,966	-	134,966	96,274	10,017	106,292	10,017	10,188	106,292	28,674	28,674	28,674	38,692	38,692
	Electrical Equipments	111,488	-	111,488	72,138	10,188	82,326	10,188	8,728	82,326	29,162	29,162	29,162	39,350	39,350
	Plant & machinery	113,125	-	113,125	64,904	8,728	73,632	8,728	1,881	73,632	39,493	39,493	39,493	48,221	48,221
	Office Equipments	29,312	-	29,312	25,137	1,881	27,019	1,881	1,833,419	27,019	2,293	2,293	2,293	4,175	4,175
	Motor Vehicles	10,857,500	-5,400,000	5,457,500	5,990,630	1,833,419	3,972,367	1,833,419	3,851,682	3,972,367	1,485,133	1,485,133	1,485,133	4,866,870	4,866,870
	<b>Total</b>	<b>11,274,591</b>	<b>-5,400,000</b>	<b>5,874,591</b>	<b>6,275,874</b>	<b>1,864,233</b>	<b>4,288,425</b>	<b>1,864,233</b>	<b>3,851,682</b>	<b>4,288,425</b>	<b>1,586,166</b>	<b>1,586,166</b>	<b>1,586,166</b>	<b>4,998,717</b>	<b>4,998,717</b>

Deferred Tax Liabilities	Rs
WDV as per Income Tax	1,882,283
WDV as per Companies Act	1,586,166
Difference	296,117
Deferred Tax Asset	74,533
Opening Deferred Tax	135,431
<b>Current Year Deferred Tax</b>	<b>(60,898)</b>



*d. Sai Nand*



## **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	2020-21	2019-20
SRI NAGAVEER ADUSUMILLI	Director	-	-
VASAVI ADUSUMILLI	Director	-	-
<b>TOTAL</b>		-	-

### 2. Auditors' Remuneration

PARTICULARS	2020-21	2019-20
Statutory Audit	40,000	60,000
Tax Audit		20,000
<b>TOTAL</b>	<b>40,000</b>	<b>80,000</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, 2021
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	NIL





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		
Sl. 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)		
Sl. No.	Name of the Person	Designation
1	Sri.A.Sri Nagaveer	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.Sri Nagaveer
1. Director's Remuneration	-	-	-
2. Loans accepted	-	--	-
3. Loans repaid	-	-	-
4. Purchase of Vehicles	-	-	-
5. Vehicle Lease Expense	-	-	-
6. Advances Given	71,18,853	1,12,000	-
7. Advance Taken	34,19,118	7,730	-
8. Freezer charges	-	-	-
9. Transportation Income	-	-	-

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

Name of the Party	Amount in Rs (As at 31 <sup>st</sup> March 2021)
M/s. Tanvi Foods (India) Limited	18,52,489 Dr
M/s. Polar Cube Cold Storage Solutions Private Limited	19,60,120 Cr

**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	2020-21	2019-20
<b>Future minimum lease payments</b>		
not later than one year	Nil	3,90,698/-
later than one year and not later than five years	Nil	Nil
later than five years	Nil	Nil







**10. 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 —

**R.Srinivasu**  
Partner  
M.No:224033  
UDIN:21224033AAAAOR2321



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

A. Srinivasu

Sri Nagaveer Adusumilli  
Director  
DIN : 02096695



Vasavi

Vasavi Adusumilli  
Director  
DIN : 02589803



Date:30.06.2021  
Place: Hyderabad