

Independent Auditor's Report

To the Members of M/s Tanvi Foods (India) Private Limited

Report on Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of M/s Tanvi Foods (India) Private Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

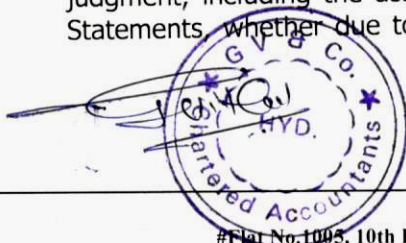
Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters, which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor



considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

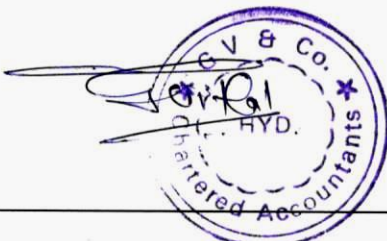
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2016 and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, The Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



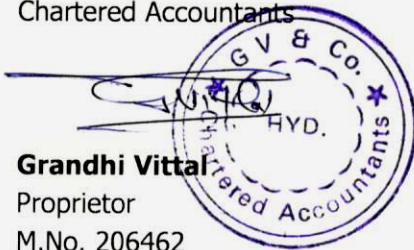
GV & Co.

Chartered Accountants

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GV & Co.,
Chartered Accountants



Grandhi Vittal
Proprietor
M.No. 206462
Firm Regn No. 012875S

Place : Hyderabad
Date : 01st September, 2016

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31 March 2016, we report that:

- (i)
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets are physically verified by the management according to a phased programme designed to cover all items which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification and the same have been properly dealt with in the books of account.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii)
- a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii)
- a) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - b) In case of loans granted to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of interest^s as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3 (iii) (b) of the order is not applicable to the company in respect of repayment of principal amount.
 - c) There are no overdue amounts in respect of the loans granted to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013 (The Act).



(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantee and security made.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore the provisions of sec 73 to 76 and the rules framed there under are not applicable to the Company.

(vi) The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the Company's operations. Therefore the provisions of Clause 3 (vi) of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been generally regular in depositing, during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material statutory dues including sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues pending for deposit with the appropriate authorities on account of any dispute, except as follows;

Sl. No	Name of the Statute	Nature of Dues	Disputed Amount	Period	Forum, where the dispute is pending	Amount deposited towards disputed demand amount
1	Income Tax Act, 1961	Income Tax	23,35,802	2012-13	The Commissioner of Income Tax (Appeals)	10,00,000
2	Income Tax Act, 1961	Interest on Income Tax	11,69,502	2012-13		

(viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.



However, the Company has issued / allotted the Equity Shares for acquiring two private limited companies as Wholly Owned Subsidiaries, M/s Squarepeg Distribution Services (P) Ltd., and M/s Polarcube Cold Storage Solutions (P) Ltd.

Sl.No.	Particulars	No. of Shares issued	Amount
M/s Squarepeg Distribution Services (P) Ltd.			
1	Adusumilli Sri Nagaveer	2,53,806	25,38,060
2	Adusumilli Vasavi	943	9,430
M/s Polar Cube Cold Storage Solutions (P) Ltd.			
1	Paturi Sarada	2,20,008	22,00,080
2	Mikkilineni Sravanthi	2,20,013	22,00,130

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company is not a Public company, and the provisions of section 197 read with Schedule V to the Act relating to managerial remuneration is not applicable to the company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a Public company, and the provisions of section 177 and 188, to the extent of applicable of the Act relating to transactions with the related parties.

According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of preference shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into non-cash transactions with directors or persons connected with him.



The Particulars are as follows:



The Company has acquired M/s Squarepeg Distribution Services (P) Ltd., and the following Equity Shares were allotted to the Mr. Sri Nagaveer Adusumilli, Managing Director, and Mrs. Vasavi Adusumilli, Director as fully paid up for consideration other than cash.

Sl.No.	Particulars	No. of Shares issued	Amount
1	Adusumilli Sri Nagaveer	2,53,806	25,38,060
2	Adusumilli Vasavi	943	9,430

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

For GV & Co.,

Chartered Accountants



Grandhi Vittal
Proprietor
M.No. 206462
Firm Regn No. 0128755

Place : Hyderabad

Date : 01st September, 2016.

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s Tanvi Foods (India) Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, 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 GV & Co.,

Chartered Accountants



Grandhi Vittal

Proprietor

M.No. 206462

Firm Regn No. 012875S

Place : Hyderabad

Date : 01st September, 2016

Balance Sheet as at 31st March, 2016

Particulars	Note No	As at 31.03.2016 Amount In Rs.	As at 31.03.2015 Amount In Rs.
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	34,447,750	27,500,000
(b) Reserves and surplus	4	35,780,898	16,744,104
Share application money pending allotment	5	-	-
Non-current liabilities			
(a) Long-term borrowings	6	33,592,084	38,192,713
(b) Deferred tax liabilities (net)		3,624,240	1,231,017
(c) Other long-term liabilities	7	70,000	70,000
(d) Long-term provisions	8	141,793	-
Current liabilities			
(a) Short-term borrowings	9	75,548,542	65,460,958
(b) Trade payables	10	8,360,522	6,047,385
(c) Other current liabilities	11	29,474,174	15,492,804
(d) Short-term provisions	12	3,434,320	2,409,900
TOTAL		224,474,325	173,148,881
II. ASSETS			
Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		55,952,088	47,118,097
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		4,448,333	585,000
(iv) Intangible assets under development		-	-
(b) Non-current investments	14	11,811,190	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	15	16,969,214	12,832,754
(e) Other Non-Current Assets	16	-	-
Current Assets			
(a) Current investments		-	-
(b) Inventories	17	108,033,048	81,793,484
(c) Trade receivables	18	13,329,464	27,346,962
(d) Cash and bank balances	19	1,612,176	1,642,563
(e) Short-Term loans and advances	20	11,483,065	1,830,021
(f) Other Current Assets	21	835,748	-
(g) Branch & Divisions		-	-
TOTAL		224,474,325	173,148,881
III. Company Information			
Summary of Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements.	2		
	3 to 47		

As per my report of even date.

For GV & Co.,
Chartered Accountants

Grandhi Vittal
Proprietor

Member Ship No.206462
Firm Regn No. 0128755

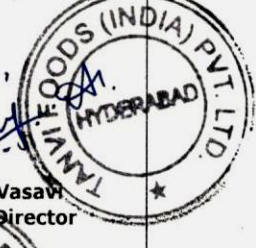
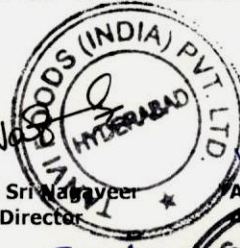
Place : Hyderabad
Date : 01.09.2016

For and on behalf of the Board of Directors

Adusumilli Sri Nagaveer
Managing Director

Adusumilli Vasanth
Additional Director

B.M. Lakshmi
Banda Mahalakshmi
Chief Financial Officer



M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Statement of Profit and Loss for the Year ended 31st March, 2016

Particulars	Note No	For the year ended 31st, March, 2016	For the year ended 31st, March, 2015
I. Revenue from operations	22	481,662,140	343,714,088
II. Other income	23	9,236,083	51,464
III. TOTAL REVENUE (I + II)		490,898,223	343,765,552
IV. Expenses:			
(a) Purchase of Stock -in- Trade & Direct Exp.	24	447,602,153	282,832,708
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(26,239,564)	(17,467,485)
(c) Employee benefit expenses	26	9,861,057	14,798,500
(d) Finance costs	27	17,059,339	12,975,511
(e) Depreciation and amortization expenses	13	7,909,472	4,188,000
(f) Other Expenses	28	23,423,762	36,200,278
TOTAL EXPENSES		479,616,219	333,527,512
V. Profit before exceptional & extraordinary items, prior period items and tax (III - IV)		11,282,004	10,238,040
VI. Exceptional items		4,621,304	-
VII. Prior Period items	29	804,184	(157,112)
VIII. Profit before extraordinary items and tax (V-VI & VII)		16,707,492	10,080,928
IX. Extraordinary items		-	-
X. Profit before tax (VIII - IX)		16,707,492	10,080,928
XI. Tax expense:			
Provision for Income Tax		2,421,083	3,414,501
Current Year		3,406,460	2,409,900
Previous Year		27,860	79,420
Provision for Deferred Tax		2,393,223	925,181
MAT Credit Entitlement		(3,406,460)	-
XII. Profit for the period from continuing operations (X - XI)		14,286,409	6,666,427
Discontinuing Operations			
XIII. Profit / (Loss) from discontinuing operations (before tax)		-	-
XIV. Tax expense of discontinuing operations		-	-
XV. Profit / (Loss) from discontinuing operations (after tax)		14,286,409	6,666,427
XVI. Earnings per equity share:			
EPS before Exceptional, Extraordinary Items & Prior-period;			
Basic (Face Value of Rs.10/- each)		2.92	2.48
Diluted (Face Value of Rs.10/- each)		2.92	2.48
EPS after Exceptional, Extraordinary Items & Prior-period;			
Basic (Face Value of Rs.10/- each)		4.70	2.42
Diluted (Face Value of Rs.10/- each)		4.70	2.42
XVII. Company Information	1		
Summary of Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements.	3 to 47		

As per my report of even date.

For and on behalf of the Board of Directors

For GV & Co.,
Chartered Accountants

Grandhi Vittal
Proprietor
Member Ship No.206462
Firm Regn No. 0128755

Place : Hyderabad
Date : 01.09.2016

Adusumilli Sri Nagaveer
Managing Director

Adusumilli Vasavi
Additional Director

B.M. Lakshmi
Banda Mahalakshmi
Chief Financial Officer

M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Cash Flow Statement

Particulars	As at 31.03.2016 Amount In Rs.	As at 31.03.2015 Amount In Rs.
A. Cash flow from Operating activities		
Profit before exceptional items and tax	16,707,492	10,080,928
Adjustments for :		
Depreciation and Amortisation Expense	7,909,472	4,188,000
(Profit) / Loss on sale of fixed assets (net)	181,950	-
(Profit) / Loss on sale of investments (net)	-	-
Preliminary Expenditure Written Off	-	-
Other Income	9,236,083	51,464
Effect of Exchange Rate change	-	-
Finance Costs	17,059,339	12,975,511
Cash generated from operations before working capital changes	32,622,170	27,192,975
Adjustments for working capital changes		
(Increase)/Decrease in Inventories	26,239,564	17,467,484
(Increase)/Decrease in Trade Receivables	14,017,498	11,734,444
(Increase)/Decrease in Short term Loans & Advances	9,653,044	562,485
(Increase)/Decrease in Long term Loans & Advances	730,000	11,792,754
Increase/(Decrease) in Trade Payables	2,313,137	4,805,085
(Increase)/Decrease in Long term/Short term Provisions	1,311,226	79,420
(Increase)/Decrease in Other current liabilities	13,981,370	7,799,863
(Increase)/Decrease in Other Current Assets	835,748	-
Cash generated from Operations	26,787,047	1,838,664
Direct Taxes paid	3,579,333	883,340
Net Cash from Operating activities	23,207,714	2,722,004
B. Cash flow from Investing Activities		
Purchase of tangible/intangible assets	12,567,163	33,118,385
Sale proceeds of tangible assets	150,000	-
Other Income	9,236,083	51,464
Capital Work-in-progress	3,863,333	585,000
(Purchase) / Sale of Investments (Net)	11,811,190	-
Cash flow before exceptional items	18,855,603	33,651,921
Exceptional Items	4,621,304	-
Net Cash generated from Investment Activities	23,476,907	33,651,921
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	6,947,750	4,200,000
Securities Premium on Equity Share Capital	4,863,440	-
Proceeds / (Repayment) from Long Term Borrowings	4,600,629	15,670,998
Proceeds / (Repayment) from Short Term Borrowings	10,087,584	38,466,796
Finance Costs	17,059,339	12,975,511
Dividends Paid	-	-
Dividend tax paid	-	-
Effect of Exchange Rate change	-	-
Net cash used in financing activities	238,806	36,962,283
Net (Decrease) / Increase in cash and cash equivalents	30,387	588,358
Cash and cash equivalents at the beginning of the year	1,642,563	1,054,205
Cash and Cash equivalents at the end of the year	1,612,176	1,642,563

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013.

2. Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per my report of even date.

For GV & Co.,
Chartered Accountants

Grandhi Vittal
Proprietor

Member Ship No. 200462
Firm Regn No. 012875

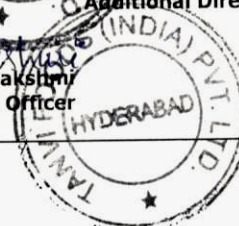
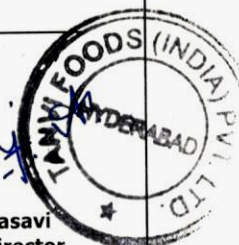
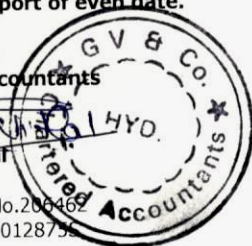
Place : Hyderabad
Date : 01.09.2016

For and on behalf of the Board of Directors

Adusumilli Sri Nagaveer
Managing Director

Adusumilli Vasavi
Additional Director

B.M. Lakshmi
Banda Mahalakshmi
Chief Financial Officer



M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes to the financial statements for the year ended 31st March, 2016

Note Nos.

1 General Information:

M/s. Tanvi Foods (India) Private Limited ("the Company") (CIN:U15433TG2007PTC053406) is engaged in the Processing Activity of Corn Samosa, Spring Roll & Trading of Frozen Foods. The company functioning its business in Vijayawada, Krishna District, Andhra Pradesh and Hyderabad, Telangana. The company running its business in the style of "Frozen Kings" and "Corn Club".

2 Summary of Significant Accounting Policies

2.1 Basis of Accounting ;

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires the change in the accounting policy hitherto in use. Management evaluates all relevant issues or revised accounting standards on an ongoing basis.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with the Generally Accepted Accounting Principles that are followed by the company.

2.2 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 at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Contingencies and events occurring after the balance sheet date (AS 4) ;

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

2.4 Fixed Assets, Depreciation and Intangible Assets (AS 10, 6 & 26);

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they related to the period till such assets are ready to be put to use. The same is in compliance with AS-10 to the extent applicable.

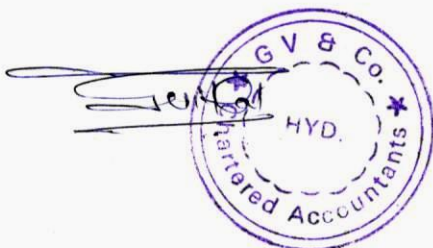
Depreciation on fixed assets is being provided on straight line method at the rates in the manner specified in Schedule II of the companies Act, 2013. Depreciation on assets sold during the year is being provided at their respective rates up to the date on which such assets are sold. Depreciation /Amortisation of Intangibles is in compliance with AS 26 to the extent applicable. The expenditure incurred on Leasehold premises is depreciated over the Lease period.

2.5 Capital Work-In-Progress (AS 10)

Capital Work-In-Progress is carried at cost, comprising direct cost and related Incidental expenses.

2.6 Government Grants (AS 12)

- i) The grants or subsidies received in the nature of promoters contributions are treated as capital receipts and credited to capital reserves.
- ii) The grants or subsidies received relating to specific fixed assets are shown as deduction from the cost of the respective assets concerned in arriving at its book value.
- iii) The grant in the form of revenue subsidy is treated as revenue receipt and credited to "Other Income" in statement of Profit and Loss.



Notes to the financial statements for the year ended 31st March, 2016 [contd.]

2.7 Borrowing Cost (AS 16);

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. The same is in compliance with AS-16 to the extent applicable.

2.8 Investments (AS 13);

- i) Investments are capitalised at actual cost including costs incidental to acquisition.
- ii) Investments are classified as long-term or current at the time of making such investments.
- iii) Long-term investments are individually valued at cost, less provision for diminution that is other than temporary. Investments held in Subsidiary Companies are stated at cost.
- iv) Current investments are valued at the lower of cost and market value.

2.9 Inventories (AS 2);

- i) Inventories are valued at lower of cost or Net Realisable Value.
- ii) Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition
- ii) The basis of determining cost for various categories of inventories is as follows:
 - a) Raw Material : At Cost or Realisable Value, whichever is lower.
 - b) Work In Progress : At Cost or Realisable Value, whichever is lower.
 - c) Traded / Finished Goods : At Cost or Realisable Value, whichever is lower.

2.10 Transactions in Foreign Currency (AS 11);

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated into Indian rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with in Profit and Loss Account. In the case of assets and liabilities covered by Forward contracts, the difference between the exchange rate at the inception of forward exchange contract and the forward rate specified in the contract is amortised and recognized in the statement of profit and loss over the period of the contract. Premium or discount on foreign exchange forward contract are amortised and recognized in the statement of profit and loss over the period of the contract. The same is in compliance with AS-11 to the extent applicable.

2.11 Revenue Recognition (AS 9);

i) Sale of Goods:

Revenue from sale of goods is recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods and is stated net of sales tax, trade discounts and claims etc.

ii) Other revenue:

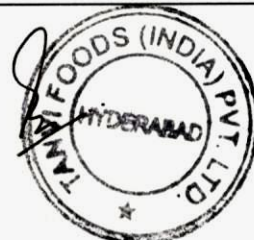
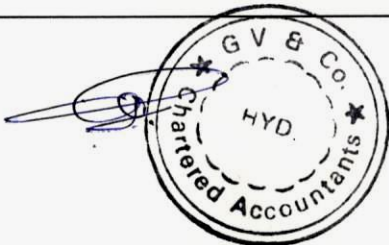
Other revenue is recognized only when it is reasonably certain that the ultimate collection will be made. The same is in compliance with AS-9 to the extent applicable.

2.12 Retirement and other employee benefits (AS 15);

Defined Contribution Plan : The company makes defined contribution to Provident Fund, which are recognized in the Profit and Loss Account on accrual basis.

Defined Benefit Plan : The company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation provisional made at the end of financial year. Provision for leave entitlement accounted on accrual basis at the end of the financial year.

The same is in compliance with AS-15 to the extent applicable.



Notes to the financial statements for the year ended 31st March, 2016 [contd.]

2.13 Provision for Current tax, and Deferred tax (AS 22);

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. The same is in compliance with AS-22 to the extent applicable.

Provision for income tax is made on the basis of estimated taxable income. Advance Tax and Tax Deducted at Source (TDS) are shown in the balance sheet under head Loans and advances during the year and in subsequent years the Advance Tax & TDS are adjusted against Provision for Tax on receipt of intimation u/s 143(1) of Income Tax Act, 1961 or the Assessment completed for the relevant year.

2.14 Cash Flow Statement (AS 3);

The Cash Flow Statement is prepared by indirect method set in Accounting Standard 3 on cash flow statement and presents the cash flows by Operating, Investing and Finance activities of the company. Cash and cash equivalents presented in cash flow consists of cash in hand, cheques in hand, bank balances. The same is in compliance with AS-3 to the extent applicable.

2.15 Provisions, Contingent Liabilities and Contingent Assets (AS 29);

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements. The same is in compliance with AS-29 to the extent applicable.

2.16 Impairment of Assets (AS 28);

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. The same is in compliance with AS-28 to the extent applicable.

2.17 Leases (AS 19);

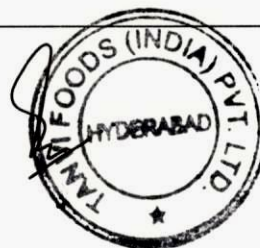
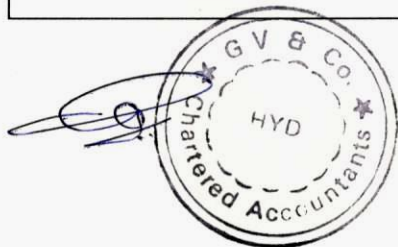
Operating lease payments and finance lease payments are recognized as expenses in the profit and loss account as per the terms of the agreements which is representative of the time pattern of the users' benefit. The same is in compliance with AS-19 to the extent applicable.

2.18 Extra-ordinary and Exceptional items & Changes in Policies (AS 5);

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that it's impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately. The same is in compliance with AS-5 to the extent applicable.

2.19 Earnings Per Share (AS 20) ;

- i) The Basic earning per share is calculated considering the weighted average number of equity shares outstanding during the year.
- ii) The Diluted earning per share is calculated considering the effects of potential equity shares on net profits after tax for the year and weighted average number of equity shares outstanding during the year.



M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes forming part of Financial Statements As At 31.03.2016

Note No: 3 Share Capital

S. No.	Particulars	As at 31.03.2016 Amount In Rs.		As at 31.03.2015 Amount In Rs.	
		Number	Amount	Number	Amount
(i)	Authorised Equity Shares of Rs. 10/- each with Voting Rights	3,750,000	37,500,000	3,000,000	30,000,000
(i)	Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up with Voting Rights	3,444,775	34,447,750	2,750,000	27,500,000
	Total	3,444,775	34,447,750	2,750,000	27,500,000

(a) Reconciliation of number of shares:

S.No.	Particulars	As at 31.03.2016 Amount In Rs.		As at 31.03.2015 Amount In Rs.	
		Number	Amount	Number	Amount
1	Equity Shares outstanding at the beginning of the year	2,750,000	27,500,000	750,000	7,500,000
2	Equity Shares Issued during the year	694,775	6,947,750	2,000,000	20,000,000
3	Equity Shares bought back during the year	-	-	-	-
4	Equity Shares outstanding at the end of the year	3,444,775	34,447,750	2,750,000	27,500,000

(b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by Shareholders holding more than 5 % of the shares in the company:

S.No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	<u>Equity Shares with Voting Rights</u> Adusumilli Sri Nagaveer	2,252,711	65.40%	2,000,000	72.73%
2	Adusumilli Vasavi	452,038	13.12%	450,000	16.36%
3	Adusumilli Sarat Chandra Babu	200,000	5.81%	200,000	7.27%
4	Adusumilli Sarada	100,000	2.90%	100,000	3.64%
5	Paturi Sarada	220,013	6.39%	-	0.00%
6	Mikkilineni Sravanthi	220,013	6.39%	-	0.00%

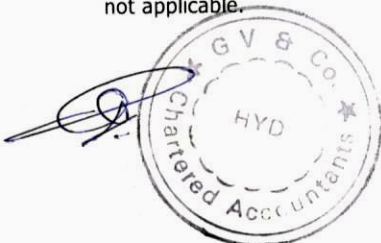
(d) Aggregate number and class of shares allotted as fully paid up for consideration other than cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date

S.No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		No. of Shares issued	Amount	No. of Shares issued	Amount
1	Paturi Sarada*	220,013	2,200,130	-	-
2	Mikkilineni Sravanthi*	220,013	2,200,130	-	-
3	Adusumilli Sri Nagaveer**	252,711	2,527,110	-	-
4	Adusumilli Vasavi**	2,038	20,380	-	-

* 4,40,026/- Equity Shares issued on account of Acquisition of Polarcube Cold Storage Solutions Pvt. Ltd.

** 2,54,749/- Equity Shares issued on account of Acquisition of Squarepeg Distribution Services Pvt. Ltd.

Clause (e), (f), and (h) to (i) (B & C) and (j) to (l) of the Note 6(A) to the Schedule III of the Companies Act, 2013 are not applicable.

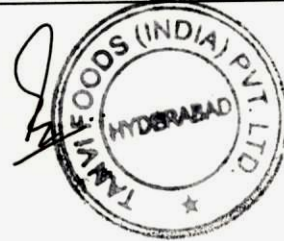


M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes forming part of Financial Statements As At 31.03.2016

Note No.	Particulars	As at 31.03.2016 Amount In Rs.	As at 31.03.2015 Amount In Rs.
4	Note: Reserves & Surplus		
	Securities Premium Account		
	Opening Balance	-	-
	Add: Premium on shares issued during the year	4,863,440	-
	Less : Utilised during the year	-	-
	Closing Balance	4,863,440	-
	Profit and Loss Account		
	As per last Balance Sheet	16,744,104	10,077,677
	(+) Net Profit for the current year	14,286,409	6,666,427
	(+) Transfer from Reserves*	(113,055)	-
	(-) Net Loss for the current year	-	-
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	-
	Closing Balance	30,917,458	16,744,104
	Total	35,780,898	16,744,104
	* Pursuant to the enactment of companies Act, 2013, company has applied the estimated useful lives as specified in Schedule-II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortized carrying value is being depreciated / amortized over the revised / remaining useful lives. The Written Down Value of Fixed Assets whose lives has expired have been adjusted, in the opening balance of Profit and Loss Account amounting to Rs.1,13,055/-.		
5	Note: Share Application money pending allotment	-	-



6 Note: Long Term Borrowings

Secured

a) Term Loans *

i) From Banks

The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"

7,836,122 9,809,692

2,488,354 2,259,805

5,347,768 7,549,887

ii) From NBFC's

The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"

- -

b) Vehicle Loans **

i) From Banks

The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"

17,808,904 12,821,795

5,880,845 3,425,693

11,928,059 9,396,102

ii) From NBFC's

The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"

7,744,644 7,500,007

3,983,917 2,523,968

3,760,727 4,976,039

21,036,554 21,922,028

Total Secured Loans

Unsecured

Business Loans ***

i) From Banks

The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"

2,231,161 229,649

738,154 229,649

1,493,007 -

ii) From NBFC's

The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"

22,828,150 19,615,046

11,765,627 3,344,360

11,062,523 16,270,686

Loans from Others

Total Un-Secured Loans

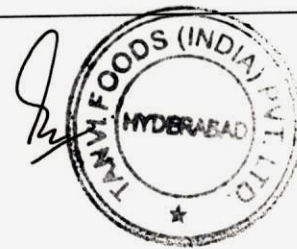
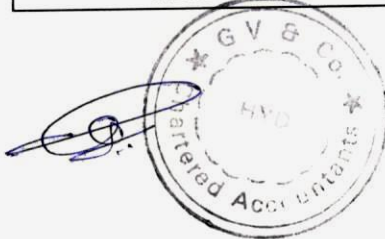
12,555,530 16,270,686

33,592,084 38,192,713

*Term Loans are secured against Fixed Assets of the company, both present and future.
(For details Refer Note No 38)

** Vehicles loans are secured by hypothecation of vehicles financed by respective banks.
(For details Refer Note No. 38)

*** The Company availed Unsecured Business Loans from Banking & Non Banking Financial Institutions (for Details Refer Note No. 38)



7 Note: Other Long Term Liabilities

Other Liabilities	70,000	70,000
	70,000	70,000

8 Note: Long Term Provisions

Provision for Gratuity *	141,793	-
Provision for Taxes	-	-
Provisions - Others	-	-
	141,793	-

* Provision made as per the actuarial valuation dt. 18.08.2016 (For details Refer Note No.40)

9 Note: Short Term Borrowings

Secured		
Loans repayable on demand from Banks *	73,422,126	65,460,958
Loans repayable on demand from NBFC's	-	-
Loans repayable on demand from Others	-	-
Unsecured		
Loans from Related Parties	-	-
Other Loans and Advances	2,126,416	-
	75,548,542	65,460,958

* Working Capital loans are secured by hypothecation of Stocks & Receivables (present & future) of the Company (For details Refer Note No. 38)

The Company has borrowed Un-secured loans on the following terms & conditions:

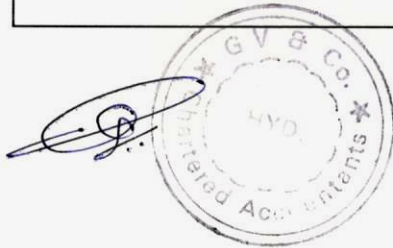
Terms & Conditions	Particulars
Rate of Interest	18%
Security	Nil
Terms of Repayment	Repayable on Demand

10 Note: Trade Payables

Dues to Micro, Small and Medium Enterprises *	-	-
Dues to Others	8,360,522	6,047,385
	8,360,522	6,047,385

* The details of amounts outstanding to Micro, Small and Medium Enterprises based on available Principal amount due and remaining unpaid - -
Interest due on above and the unpaid interest - -
Interest paid - -
Payment made beyond the appointed day during the year - -
Interest due and payable for the period of delay - -
Interest accrued and remaining unpaid - -
Amount of further interest remaining due and payable in succeeding years - -

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.



M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes forming part of Financial Statements As At 31.03.2016

Note No	Particulars	As at 31.03.2016 Amount In Rs.	As at 31.03.2015 Amount In Rs.
11	Note: Other Current Liabilities		
	<u>Current Maturities of Long Term Debt (Secured) (Refer Note No.6)</u>		
a)	Term Loans		-
	From Banks	2,488,354	2,259,805
	From NBFC's	-	-
b)	Business Loans		
	From Banks	738,154	229,649
	From NBFC's	11,765,627	3,344,360
c)	Vehicle Loans		
	From Banks	5,880,845	3,425,693
	From NBFC's	3,983,917	2,523,968
	Interest Accrued and Due on Borrowings **	-	67,500
	Interest Accrued But not Due on Borrowings ***	485,950	-
	Advances received from Customers	-	
	Other Payables****	4,131,327	3,641,828
		29,474,174	15,492,804
<p>Term Loans are secured against Fixed Assets of the company, both present and future (For details Refer Note No 38)</p> <p>Vehicles loans are secured by hypothecation of vehicles financed by respective Financials Institutions. (For details Refer Note No. 38)</p> <p>The Company availed Unsecured Business Loans from Banking & Non Banking Financial Institutions (for Details Refer Note No. 38)</p>			
	** Interest Accrued and Due on Borrowings Consists of:		
	On Business Loans	-	67,500
	*** <u>Interest Accrued & But not Due on Borrowings consists of:</u>		
	On Term Loans	10,949	-
	On Business Loans	302,125	-
	On Vehicle Loans	172,876	-
	**** <u>Other Payables include</u>		
	Statutory Liabilities	2,359,752	2,214,138
	Rent Creditors	177,182	38,385
	Expenses Payable	1,594,392	1,389,305
	Unclaimed Dividend	-	-



12 Note: Short Term Provisions

Provisions for Employee Benefits	-	-
Provision for Gratuity	-	-
Provisions - Others:		
Provision for Taxes - Current Year	3,406,460	2,409,900
Provision for Taxes - Previous Year	27,860	-
Provision for proposed dividend	-	-
Provision for tax on proposed dividends	-	-
	3,434,320	2,409,900

14 Note : Non-current investments

Long Term Investments - at cost		
(a) Trade Investments	-	-
(b) Other Investments		
Quoted	-	-
Unquoted		
Investments in equity instruments of subsidiaries		
4,45,000 Equity Shares of Polarcube Cold Storage Solutions (P) Ltd. of Rs.10/- each.	7,480,450	-
2,67,000 Equity Shares of Sqarepeg Distributon Services (P) Ltd. of Rs.10/- each.	4,330,740	-
	11,811,190	-

15 Note: Long Term Loans & Advances

(a) Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	12,849,254	10,180,254
Doubtful	-	-
(b) Security Deposits		
Rent Deposit	713,500	1,152,500
Other Deposits	-	-
(c) Loans & Advances to related parties	-	-
(d) Loans & Advances to Employees	-	-
(e) Prepaid Expenses	-	-
(f) Advance Income Tax (Unsecured, Considered good)	-	-
(g) MAT Credit Entitlement *	3,406,460	-
(h) Balances with Government Authorities	-	-
(i) Other Loans & Advances		
Secured, considered good	-	-
Unsecured, considered good	-	1,500,000
(j) Doubtful	-	-
	16,969,214	12,832,754
Less: Provision for other doubtful loans & advances	-	-
	16,969,214	12,832,754

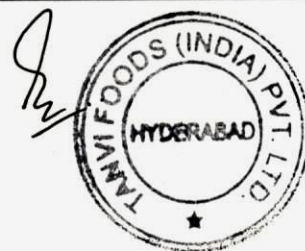
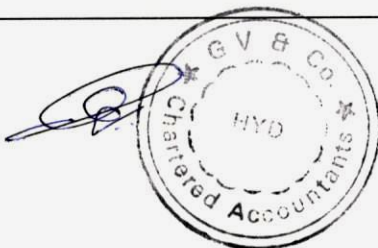
* MAT Credit entitlement has been brought in to books and it represents previous years.

Note: Long Term Loans & Advances include amounts due from

Directors - (Rent Deposit)	30,000	-
Other Officers of company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	1,000,000

16 Note: Other Non-Current Assets

(a) Long-term trade receivables	-	-
(b) Unamortised expenses (to the extent not written off or not adj.)	-	-
(c) Accruals	-	-
(d) Other Non-current Assets	-	-



17 Note: Inventories:

(a) Raw materials	1,154,289	3,647,416
Goods-in-transit		
(b) Work-in-progress	183,816	9,856,377
Goods-in-transit		
(c) Finished goods (other than those acquired for trading)	3,079,919	1,322,538
Goods-in-transit		
(d) Stock-in-trade (acquired for trading) *	102,388,665	66,967,153
Goods-in-transit	1,226,359	
(e) Stores and spares	-	-
Goods-in-transit		
(f) Loose tools	-	-
Goods-in-transit		
(g) Others (Specify nature)	-	-
Goods-in-transit		
	108,033,048	81,793,484

*** Mode of valuation:**

As per Accounting Policy Ref. No. 2.90

18 Note: Trade Receivables

Trade receivables outstanding for a period exceeding six months from the date they were due for payment

Secured, considered good	-	-
Unsecured, considered good	4,426,915	22,846,806
Doubtful	-	-

Trade receivables outstanding for a period less than six months from the date they were due for payment

Secured, considered good	-	-
Unsecured, considered good *	8,902,549	4,500,156
Doubtful	-	-
	13,329,464	27,346,962

Less: Provision for doubtful trade receivables

	13,329,464	27,346,962
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Trade receivables include debts due from:

Directors	-	-
Firms in which any director is interested (M/s Sri Sai Agencies, Proprietorship)	5,322,981	5,994,150
Other officers of the Company	-	-
Private companies in which any director is a director or member (give details per company)	-	-

19 Note: Cash and Bank Balances

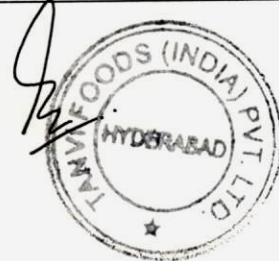
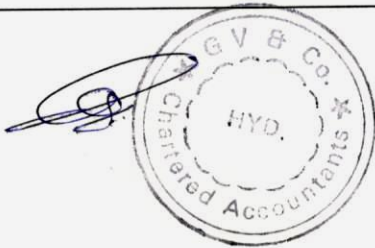
(a) Cash and Cash Equivalents

(i) Balances with banks;		
- In Current Accounts	368,409	1,077,148
(ii) Cheques, drafts on hand		
(iii) Cash on hand	1,243,768	565,415

(b) Other Bank balances

- In Deposit Accounts

	1,612,176	1,642,563
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20 Note: Short Term Loans & Advances

(a) Loans & Advances to related parties	-	-
(b) Security deposits	-	-
(c) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	3,786,220	297,323
Doubtful	-	-
(d) Prepaid expenses - Unsecured, considered good *	944,493	354,779
(e) Balances with government authorities		
Unsecured, considered good		
Advance Tax and TDS **	1,169,433	1,713
VAT / EPF	40,156	1,122,124
IT Refund Due	-	-
(f) Inter-corporate deposits	-	-
(g) MAT Credit entitlement - Unsecured, considered good ***	-	-
(h) Other Loans & Advances ****		
Secured, considered good	-	-
Unsecured, considered good	5,542,763	54,082
Doubtful	-	-
	<u>11,483,065</u>	<u>1,830,021</u>

Less: Provision for other doubtful loans and advances

11,483,065 **1,830,021**

* "Prepaid Expenses" pertains to Insurance, Annual Maintenance Contracts.

** includes Refunds pertaining to earlier years.

*** MAT Credit entitlement has been brought in to books and it represents current year.

**** **Other Loans & Advances includes**

Advances to Suppliers	2,297,736	-
Advance for Expenses	-	-
Other Advances	3,245,027	54,082

Note: Short Term Loans & Advances include amounts due from

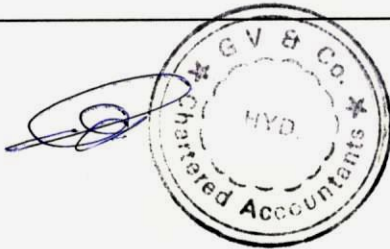
Directors	-	-
Other Officers of company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-

21 Note: Other Current Assets

(a) Unbilled revenue	-	-
(b) Unamortised expenses	-	-
(c) Accruals	51,196	-
(d) Other Current Assets	784,552	-
	<u>835,748</u>	<u>-</u>

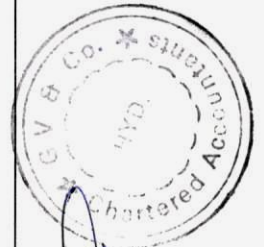
Note: Other Current Assets include amounts due from

Directors	-	-
Other Officers of company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-
Wholly Owned Subsidiaries	784,552	-



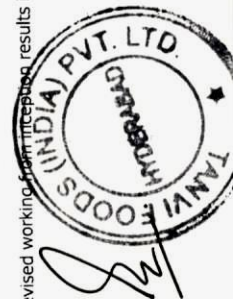
M/s Tanvi Foods (India) Private Limited
D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018
Notes forming part of Financial Statements As At 31.03.2016

13 Fixed Assets		Gross Block									
		Balance As At 01.04.2015	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign exchange differences	Borrowing cost capitalised	Other Adj.	Balance As At 31.03.2016
S. No.	Particulars	1	2	3	4	5	6	7	8	9	10 = 1+2-3+4-5 +6-7+8-9
A Tangible assets :											
(a)	Computers & Software										
	Owned	1,113,843	340,325	-	-	-	-	-	-	-	1,454,168
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(b)	Furniture and Fixtures										
	Owned	1,510,882	527,732	-	-	-	-	-	-	-	2,038,614
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(c)	Plant & Machinery										
	Owned	23,337,672	858,217	-	-	-	-	-	-	-	24,195,889
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(d)	Office Equipment										
	Owned	499,100	101,664	-	-	-	-	-	-	-	600,764
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(e)	Vehicles										
	Owned	4,706,127	7,086,568	1,045,000	-	-	-	-	-	-	10,747,695
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	31,515,315	3,652,657	-	-	-	-	-	-	-	35,167,972
(f)	Land										
	Owned	-	-	-	-	-	-	-	-	-	-
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
	Total (A)	62,682,939	12,567,163	1,045,000	-	-	-	-	-	-	74,205,102
	Previous Year	(29,564,554)	(33,118,385)	-	-	-	-	-	-	-	(62,682,939)
B Intangible assets											
	Total (B)	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
	Grand Total (A + B)	62,682,939	12,567,163	1,045,000	-	-	-	-	-	-	74,205,102



S. No.	Particulars	Accumulated depreciation and impairment										Net block									
		Balance As At 01.04.2015	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Adj. due to Change of Accounting policy (i.e from WDV to SLM)	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and	Other adjustments	Balance As At 31.03.2016	Balance As At 31.03.2016	Balance As At 31.03.2015										
11		12	13	14	15	16	17	18=sum(11:17)	19=(10-18)	20=(1-11)											
A	Tangible assets :																				
(a)	Computers & Software																				
	Owned	888,760	-	-	13,486	-	-	-	-	-	-	113,055	1,131,094	323,074	-	-	-	-	-	225,083	
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Furniture and fixtures																				
	Owned	712,739	-	-	255,133	-	-	-	-	-	-	-	660,282	1,378,332	-	-	-	-	-	798,143	
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Plant & Machinery																				
	Owned	9,632,152	-	-	4,490,477	-	-	-	-	-	-	-	6,768,776	17,427,113	-	-	-	-	-	13,705,520	
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Office Equipment																				
	Owned	55,167	-	-	2,498	-	-	-	-	-	-	-	159,061	441,703	-	-	-	-	-	443,933	
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Vehicles																				
	Owned	1,582,176	-	713,050	113,318	-	-	-	-	-	-	-	1,850,800	8,896,895	-	-	-	-	-	3,123,951	
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Given under operating lease	2,693,848	-	-	-	-	-	-	-	-	-	-	7,683,001	27,484,971	-	-	-	-	-	28,821,467	
(f)	Land																				
	Owned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total (A)	15,564,842	7,909,472	713,050	4,621,304	-	-	-	-	-	-	113,055	18,253,014	55,952,088	-	-	-	-	-	47,118,097	
	Previous Year																				
		(11,376,842)	(4,188,000)	-	-	-	-	-	-	-	-	-	(15,564,842)	(47,118,097)	-	-	-	-	-	(18,187,712)	
B	Intangible assets																				
	Total (B)																				
	Previous Year																				
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Capital Work in Progress																				
	Total (C)																				
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Grand Total (A + B + C)	15,564,842	7,909,472	713,050	4,621,304	-	-	-	-	-	-	113,055	18,253,014	60,400,421	-	-	-	-	-	47,703,097	

Note :
1 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule-II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives have expired have been adjusted, in the opening balance of Profit and Loss Account amounting to Rs.1,13,055/-.
2 The company has changed Method of Calculation of Depreciation Method from Written Down Value to Straight Line Method. The revised working capital results increase in WDV of Fixed Assets of Rs.47,34,359/- The impact on Depreciation negatively for FY 2015-16 Rs.4,66,156/- (PY Rs.14,36,483/-).

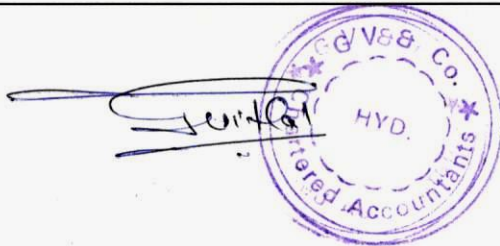


M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes forming part of Financial Statements As At 31.03.2016

Note	Particulars	For the year ended 31st, March, 2016	For the year ended 31st, March, 2015
22	Note: Revenue from operations		
	Sales - Trading	470,998,820	335,434,571
	VAT Sales @ 5%	11,794,269	7,078,891
	VAT Sales @ 14.5%	32,484,030	8,121,798
	VAT Sales @ exempted (incl. CST Sales)	426,720,521	320,233,882
	Sales - Processing Activity	10,663,320	8,279,517
	VAT Sales @ 5%	5,513,166	3,724,537
	VAT Sales @ 14.5%	5,150,154	4,554,980
		481,662,140	343,714,088
	Sale of Goods under broad heads;		
	- Frozen Products	461,025,022	335,096,530
	- Dairy and Other Misc.	9,973,798	338,041
	- Corn Samosa	3,552,303	3,328,339
	- Corn Spring Roll	1,597,851	1,226,641
	- Corn Kernals and Other Misc.	5,513,166	3,724,537
		481,662,140	343,714,088
23	Note: Other income		
	Corp. Office Sub-Let Income	210,000	-
	Income through hiring of Vehicles	8,142,645	-
	Other Income	392,350	51,464
	Discount Received	491,088	-
		9,236,083	51,464
24	Note: Purchase of Stock -in- Trade		
	Purchases		
	VAT Purchases @ 5%	6,883,455	3,994,204
	VAT Purchases @ 14.5%	23,450,394	8,237,462
	VAT Purchases @ Exempted	415,807,607	249,483,729
	Direct Expenses at Factory	1,460,697	21,117,314
		447,602,153	282,832,708
	Purchase of Goods under broad heads;		
	- Frozen Products & Corn Kernals	425,622,954	258,032,948
	- Dairy Products	14,254,708	1,056,943
	- Other Misc.	6,263,794	2,625,503
		446,141,456	261,715,394



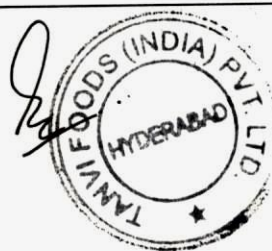
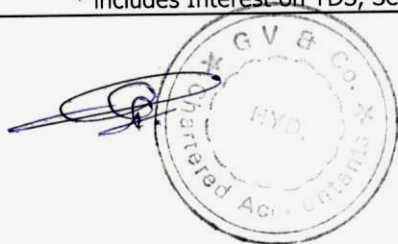
M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes forming part of Financial Statements As At 31.03.2016

Note	Particulars	For the year ended 31st, March, 2016	For the year ended 31st, March, 2015
25	Note: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	<u>Inventories at the end of the year:</u>		
	Raw Material	1,154,289	3,647,416
	Work-in-progress	183,816	9,856,377
	Finished goods	106,694,943	68,289,691
		108,033,048	81,793,484
	<u>Inventories at the beginning of the year:</u>		
	Raw Material	3,647,416	2,772,000
	Work-in-progress	9,856,377	7,655,000
	Finished goods	68,289,691	53,899,000
		81,793,484	64,326,000
	Net increase / (decrease)	26,239,564	17,467,485
26	Note: Employee benefit expenses		
	Salaries and Wages	5,966,251	11,886,197
	Directors Remuneration	2,060,833	1,320,000
	Contribution / Provison to provident and other funds *	726,583	539,913
	Staff Welfare Expenses	1,107,390	1,052,390
		9,861,057	14,798,500
27	Note: Finance costs		
	Interest Expense		
	Interest	15,253,385	12,482,919
	Interest on others *	151,074	36,087
	Other Borrowing Costs:		
	Loan Processing Charges	1,473,612	223,347
	Other Finance Expenses:		
	Bank charges	181,268	233,158
		17,059,339	12,975,511

* includes Interest on TDS, Service Tax & VAT.



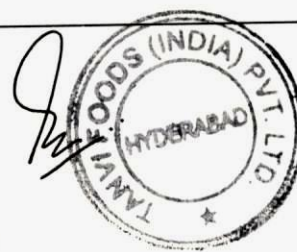
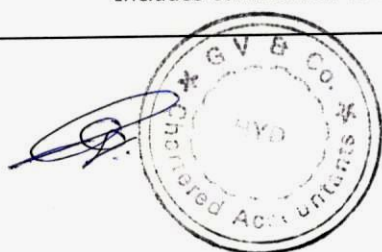
M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes forming part of Financial Statements As At 31.03.2016

Note	Particulars	For the year ended 31st, March, 2016	For the year ended 31st, March, 2015
28	Note: Other Expenses		
	Administrative Expenses:		
	Administrative Expenses	7,682,583	9,388,262
	Annual Maintenance Charges	3,716	30,600
	Audit Fee	229,000	228,000
	Consultancy Fee	83,825	41,002
	Credit Rating Fee	45,800	-
	Donations	18,000	-
	Electricity Charges	2,053,952	1,546,006
	Fuel Expenses	627,212	4,238,921
	Insurance Against Loans	77,591	77,167
	Professional Charges	-	1,012,380
	Loss on sale of asset	181,950	-
	Miscellaneous Expenses	395,604	346,881
	Net, Cable & News Paper Bill	59,441	69,000
	Office Maintenance	438,180	926,853
	Postage & Telegrams	14,902	75,423
	Printing & Stationery	156,259	166,292
	Rent Expenses	1,708,360	1,961,790
	Repairs & Maintenance	942,682	642,569
	Royalty Expenses	240,000	-
	ROC Filing Fees	11,800	70,725
	Security Service Charges	-	326,836
	Stock Insurance	52,057	18,767
	Subscriptions & Donations	37,014	-
	Taxes & Licences	311,570	224,518
	Telephone Charges	380,191	484,670
	Travelling & Conveyance	268,280	583,505
	Vehicle Insurance	675,491	13,011
	Vehicle Maintenance	879,454	1,360,731
	Website Design Charges	16,068	31,011
	Selling & Distribution Expenses		
	Advertising & Marketing Expenses	1,503,798	7,032,511
	Baddebts	4,754	119,445
	Business Promotion	396,105	238,328
	Commission	35,103	121,350
	Counter Expenses	104,162	65,646
	Discount Allowed	61,258	168,182
	Transportation Charges	3,727,599	4,589,900
		23,423,762	36,200,278
29	Prior Period Items		
	Contribution / Provision to provident and other funds *	95,869	157,112
	VAT Paid	159,773	
	Rent Paid	94,898	
	Interest on Term Loan	-1,154,724	
		(804,184)	157,112

* Includes contribution to Employee Provident fund, Employee State Insurance Scheme and Gratuity.

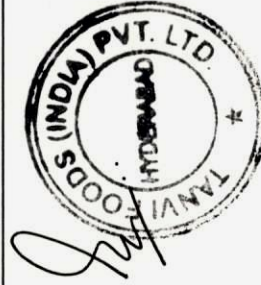
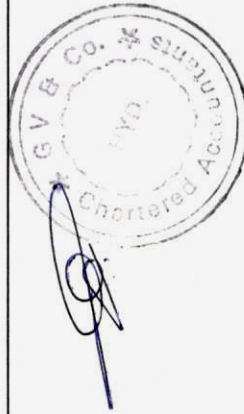


M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes forming part of Financial Statements As At 31.03.2016

Note No:	Particulars	As at 31.03.2016 Amount In Rs.	As at 31.03.2015 Amount In Rs.
30	Note: Auditors Remuneration		
	Payments to Auditors comprises:		
	As Auditors - Statutory Audit	229,000	228,000
	For taxation matters	-	-
	For company law matters	-	-
	For management services	-	-
	For other services	-	-
	Reimbursement of Expenses	-	-
31	Note: Deferred Tax Liability / (Deferred Tax Asset) (Net)		
	Deferred Tax Liability on account of		
	i) Depreciation and Amortisation	2,453,476	925,181
	Total	2,453,476	925,181
	Deferred Tax Assets on account of		
	i) Gratuity	43,814	-
	ii) Professional Tax	16,439	-
	Total	60,253	-
	Net Deferred Tax Liability	2,393,223	925,181



32 Note: Related Party Disclosures

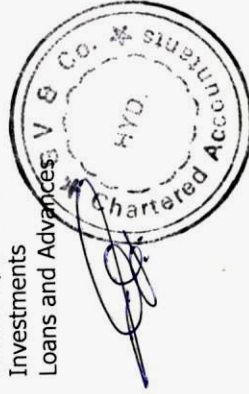
S.No.	Name of the Related Party	Nature of Relationship
1	Sri. A. Sri Nagaveer	Key Managerial Personnel
2	Smt. A. Vasavi	Key Managerial Personnel
3	Sri. A. Sarat Chandra Babu	Key Managerial Personnel
4	Smt. A. Sarada	Key Managerial Personnel
5	M/s. Sqaurepeg Distribution Services Private Limited	Wholly Owned Subsidiary
6	M/s. Sri Sai Agencies (Prop. A Sri Nagaveer)	Enterprise over which Directors having Significant Influence (EDS)
7	M/s Pearl Translines Private Limited	Enterprise over which Directors having Significant Influence (EDS)
8	M/s Polar Cube Cold Storage Solutions Private Limited	Wholly Owned Subsidiary

Transactions with Related Parties:

S.No.	Nature of Transaction	FY 2015-16			FY 2014-15				
		KMP	EDS	Subsidiary	Total	KMP	EDS	Subsidiary	Total
1	Remuneration	2,060,833	-	-	2,060,833	1,320,000	-	-	1,320,000
2	Salary	804,167	-	-	804,167	1,500,000	-	-	1,500,000
3	Rent (Expenses)	180,000	-	-	180,000	144,000	-	-	144,000
4	Royalty (Expenses)	240,000	-	-	240,000	-	-	-	-
5	Freezer Placing Expenses	-	-	342,430	342,430	-	-	-	-
6	Vehicle Hire Charges (Income)	-	-	8,549,777	8,549,777	-	-	-	-
7	Purchases	-	-	-	-	-	-	-	-
8	Sales	-	1,811,099	-	1,811,099	-	-	-	2,239,149
9	Trasort Charges	-	938,775	2,338,500	3,277,275	-	-	-	-
10	Rent Deposit	30,000	-	-	30,000	30,000	-	-	30,000
11	Acquisition of Equity Shares of M/s Sqaurepeg Distribution Services (P) Ltd.	4,330,740	-	-	4,330,740	-	-	-	-

Balances with Related Parties As At 31.03.2016 :

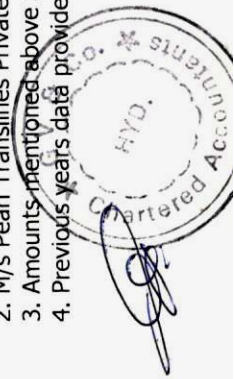
S.No.	Nature of Transaction	FY 2015-16			FY 2014-15				
		KMP	EDS	Subsidiary	Total	KMP	EDS	Subsidiary	Total
1	Rent Deposit	30,000	-	-	30,000	30,000	-	-	30,000
2	Remuneration Payable	232,055	-	-	232,055	197,333	-	-	197,333
3	Rent Payable	60,000	-	-	60,000	-	-	-	-
4	Other Current Assets	-	-	784,552	784,552	-	-	-	920,000
5	Trade Receivables	-	5,322,981	-	5,322,981	-	-	-	5,994,150
6	Trade Payables	-	-	-	-	-	-	-	65,446
7	Investments	-	-	11,811,190	11,811,190	-	-	-	1,000,000
8	Loans and Advances	-	-	-	-	-	-	-	-



Disclosure in respect of material transactions during the year:

S.No.	Particulars	FY 2015-16	FY 2014-15
1	<u>Directors Remuneration</u>		
	Sri. A. Sri Nagaveer	695,833	900,000
	Smt. A. Vasavi	900,000	240,000
	Sri. A. Sarat Chandra Babu	240,000	180,000
	Smt. A. Sarada	225,000	
2	<u>Salary</u>		
	Sri. A. Sri Nagaveer	804,167	1,500,000
3	<u>Rent (Expenses)</u>		
	Smt. A. Vasavi	180,000	144,000
4	<u>Freezer Placing Expenses</u>		
	M/s. Sqaurepeg Distribution Services Private Limited	286,250	-
	M/s. Polar Cube Cold Storage Solutions Private Limited	56,180	-
5	<u>Transport Charges</u>		
	M/s. Sqaurepeg Distribution Services Private Limited	2,338,500	-
	M/s. Pearl Translines Private Limited	938,775	-
6	<u>Royalty (Expenses)</u>		
	Sri. A. Sri Nagaveer	240,000	-
7	<u>Rent (Income)</u>		
	M/s. Sqaurepeg Distribution Services Private Limited	8,549,777	-
8	<u>Sales</u>		
	M/s. Sri Sai Agencies (Prop. A Sri Nagaveer)	1,811,099	2,239,149
9	<u>Rent Deposits</u>		
	Smt. A. Vasavi	30,000	30,000
10	<u>Investments (Wholly Owned Subsidiary)</u>		
	M/s. Sqaurepeg Distribution Services Private Limited	4,330,740	-
	M/s. Polar Cube Cold Storage Solutions Private Limited	7,480,450	-

- Note:**
1. Related Party relationships as given above is as identified by the Company and relied upon by the Auditors.
 2. M/s Pearl Translines Private Limited is not a Related Party (EDS) from 2nd January, 2016.
 3. Amounts mentioned above inclusive of applicable taxes.
 4. Previous year's data provided based on the status in current year.

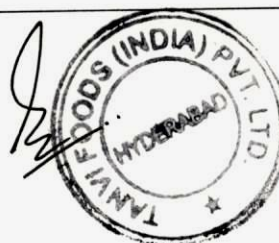
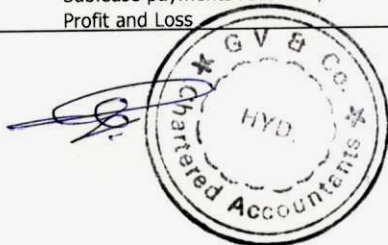


M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

Notes forming part of Financial Statements As At 31.03.2016

Note No.	Particulars	As at 31.03.2016 Amount In Rs.	As at 31.03.2015 Amount In Rs.
33	Note: Earnings Per Share		
	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR)	14,286,409	6,666,427
	Profit before Exceptional, Extraordinary Items & Prior-period;	8,860,920	6,823,539
	No of Equity shares	3,444,775	2,750,000
	Face value per share (INR)	10.00	10.00
	Weighted average No of Equity shares	3,036,642	2,750,000
	EPS before Exceptional, Extraordinary Items & Prior-period;		
	Basic Earnings per share (INR)	2.92	2.48
	Diluted Earnings per share (INR)	2.92	2.48
	EPS after Exceptional, Extraordinary Items & Prior-period;		
	Basic Earnings per share (INR)	4.70	2.42
	Diluted Earnings per share (INR)	4.70	2.42
	The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.		
34	Note: Earnings in foreign currency		
	Export of Goods calculated on FOB basis	-	-
35	Note: Expenditure in foreign currency		
36	Note: Tax Expense		
	The Tax Expenses for the year comprises of;		
	Income Tax	27,860	2,489,320
	Current Year	3,406,460	2,409,900
	Less : MAT Credit	(3,406,460)	-
	Previous Year	27,860	79,420
	Deferred Tax	2,393,223	925,181
37	Note: Obligations towards operating leases		
	The company has entered into operating lease arrangements for its premises at various locations.		
	Future minimum lease payments		
	not later than one year	1,265,120	1,693,606
	later than one year and not later than five years	2,199,734	2,936,494
	later than five years	3,207,600	3,735,960
	The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is on account of lock-in period and notice period in some of the lease agreements entered by the company for operating of offices:		
	On account of Lock-in Period	-	-
	On account of Notice Period	382,780	364,650
	Lease payments recognized in the Statement of Profit and Loss	1,708,360	1,961,790
	Sublease payments received / receivable recognized in the Statement of Profit and Loss	210,000	-



38 Note: Working Capital Loan / Term Loan/ Vehicle Loans:

Working Capital Loan from Andhra Bank:

Cash Credit Limits:

Rate of Interest:

Cash Credit from Andhra Bank: Interest at the rate of 2.25% margin above the base rate which is presently 9.75% P.A. Present effective rate 12.00% P.A.

Margin:

25% on Stock & 30% on receivables not older than 90 days

Primary Security:

Hypothecation of stock of Raw Material, Consumables, Work in Progress, Finished Goods & Assignment of receivables.

Collateral Security:

- a) Hypothecation of Plant and Machinery and other fixed assets with value of Rs.151.73 Lakhs after reducing the Vehicles value of Rs.319.45 Lakhs from total WDV of Assets of Rs.471.18 Lakhs, Standing in the name of M/s Tanvi Foods India Private Limited valued as per ABS on 31.03.2015 (since the company has taken vehicle loans from other banks. the same is excluded from WDV of Fixed Assets.
- b) Vacant land situated at R.S.No.3571/2008, L.R.S.No.3571/2008, Plot No.980, Near door No.2-94, Tadigadapa Donka Road, Janchaitanya layout, poranki village & Grampanchayat, Penamaluru mandal with appurtenant site of 209.00 Sq. yards or 174.81 sq.mts. standing in the name of Tamma Reddy Venkataratnam, Valued at 31.35 Lakhs as per valuation dt.08.01.2016.
- c) Vacant House site situated at R S No.302 to 310, 320, 321, 322, 324 to 361, 363 to 365, 384, 385, 387 to 391, 399, Plot No.295 LIG Nallagandla HUDA Residential complex, Nallagandla Village, Serilingampally, GHML & Mandal, Ranga Reddy District, Telangana with an extent of 331.89 sq.yds standing in the name of Adusumilli Vasavi, Valued at 83.00 Lakhs dt.08.01.2016
- d) Residential Flat (Two Bed Room) situated at R S No.8, MW No.30, Asst. No.263992, Flat No.PH-5, 4th Floor, Kakathiya Apartments, No.5 Bus route, Ashok Nagar, Ramachandra Nagar Patamata, Vijayawada, Krishna District, with an extent of 1526.00 Sq. Yards or 1276.39 Sq. Mts. standing in the name of Adusumilli Vasavi, Valued at 46.72 Lakhs dt.08.01.2016
- e) Vacant site and GI Sheet shed under construction situated at R S No.262/1, 263, 273/3B, L P No.33/2013 Plot No.151, 152, Back side of Airport area, Kesarapalli Village, Gannavaram Mandal, Krishna District, with an appurtenant site of 721.00 Sq.Yards of 603.06 Sq. Mts. standing in the name of Adusumilli Vasavi, Valued at 121.50 Lakhs dt.08.01.2016
- f) Flat No. S-4, with a plinth area of 744 Sft, 2nd Floor, Sai Kakathiya Apartments, Ramachandra Nagar, Ashok Nagar, Vijayawada, standing in the name of Adusumilli Sarath Chandra Babu, Valued at 30.76 Lakhs dt.16.06.2014
- g) Residential House Falt No.171, Measuring 200 Sq. Yards situated at Road No.278/3, Kesarapalli Village, Gannavaram Mandal, Krishna District, standing in the name of Adusumilli Sri Nagaveer, Valued at 24.00 Lakhs dt.12.12.2015

Personal Guarantee of

1. Sri. A. Sri Nagaveer, Director, S/o. A. Sarath Chandra Babu
2. Smt. A. Vasavi, Director, W/o. Sri A. Sri Nagaveer
3. Sri. A. Sarath Chandra Babu, Director, S/o. Sri A. Thirumala Rao
4. Smt. A. Sarada, Director, W/o. Sri A. Sarat Chandra Babu
5. Sri. T. Venkata Ratnam, S/o. Sri. T. Seetaramayya

Terms of Repayment:

Working Capital Loans repayable on demand.

Term Loan from Andhra Bank:

Rate of Interest:

Term Loan from Andhra Bank: Interest at the rate of 3.00% margin above the base rate which is presently 9.75% P.A. Present effective rate 12.75% P.A.

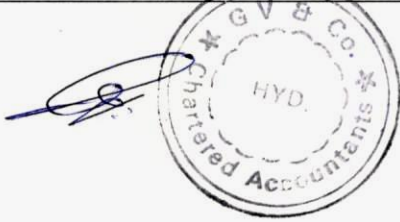
Purpose of Loan: To meet cost of Civil Works and cost of acquisition of machinery / equipment estimated at a cost of Rs.164.00 Lakhs

Primary Security:

Hypothecation of all the equipment procured and fixed assets acquired from the term loan.

Terms of Repayment:

This Term Loan repayable in 24 Quarterly installments of Rs.5,12,500/- each, Commencing from September, 2014 Status as on 31.03.2016: Balance No. of Installments - 17



Vehicle Loans from Banks:

Rate of Interest:

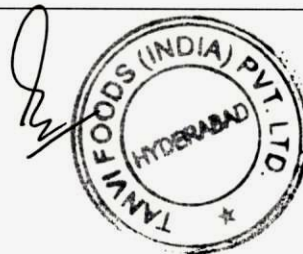
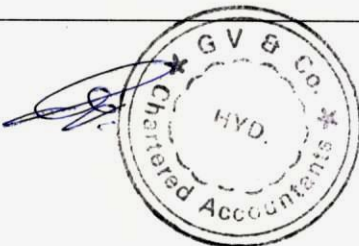
- 1 Axis Bank Vehicle Loan-ISUZU DMAAX_1: @ 13.00% per annum
- 2 Axis Bank Vehicle Loan-ISUZU DMAAX_2: @ 13.00% per annum
- 3 Axis Bank Vehicle Loan-ISUZU DMAAX_3: @ 13.00% per annum
- 4 Axis Bank Vehicle Loan-ISUZU DMAAX_4: @ 13.00% per annum
- 5 Axis Bank Vehicle Loan-ISUZU DMAAX_5: @ 13.00% per annum
- 6 Axis Bank Vehicle Loan-ISUZU DMAAX_6: @ 13.00% per annum
- 7 Axis Bank Vehicle Loan-Honda Zazz: @ 9.90% per annum
- 8 Axis Bank Vehicle Loan-ISUZU DMAAX_7: @ 13.10% per annum
- 9 Axis Bank Vehicle Loan-ISUZU DMAAX_8: @ 13.10% per annum
- 10 Axis Bank Vehicle Loan-Ashok Leyland Dost_1: @ 13.80% per annum
- 11 Axis Bank Vehicle Loan-Ashok Leyland Dost_2: @ 13.80% per annum
- 12 HDFC Bank Vehicle Loan-TATA 2518 Body_1: @ 11.00% per annum
- 13 HDFC Bank Vehicle Loan-TATA 2518 Body_2: @ 11.00% per annum
- 14 HDFC Bank Vehicle Loan-TATA 2518 Vehicle_1: @ 11.00% per annum
- 15 HDFC Bank Vehicle Loan-TATA 407 SFC Vehicle_1: @ 11.00% per annum
- 16 HDFC Bank Vehicle Loan-TATA 2518 Vehicle_2: @ 11.00% per annum
- 17 ING Vysya Bank Vehicle Loan-TATA 2518 Vehicle_3: @ 12.01 % per annum
- 18 ING Vysya Bank Vehicle Loan-TATA 2518 Vehicle_4: @ 12.01 % per annum
- 19 Kotak Mahindra Bank Vehicle Loan-TATA 1109 Vehicle_1: @ 11.97% per annum
- 20 Kotak Mahindra Bank Vehicle Loan-TATA 407 Pickup Body_1: @ 11.59% per annum
- 21 Kotak Mahindra Bank Vehicle Loan-TATA 407 Pickup Vehicle_1: @ 11.97% per annum
- 22 Kotak Mahindra Prime Vehicle Loan-Skoda Car: @ 20.16% per annum
- 23 Kotak Mahindra Prime Vehicle Loan-Honda Mobilio Car: @ 20.16% per annum
- 24 Kotak Mahindra Bank Vehicle Loan-TATA 1109 Body_1: @ 11.59% per annum
- 25 TATA Capital F S L Vehcile Loan-TATA 2518 Body_3: @ 12.93% per annum
- 26 TATA Capital F S L Vehcile Loan-TATA 2518 Body_4: @ 12.73% per annum
- 27 TATA Capital F S L Vehcile Loan-TATA 2518 Body_5: @ 12.50% per annum
- 28 TATA Capital F S L Vehcile Loan-TATA 2518 Vehicle_5: @ 12.40% per annum
- 29 TATA Capital F S L Vehcile Loan-TATA 2518 Vehicle_6: @ 12.40% per annum
- 30 TATA Capital F S L Vehcile Loan-TATA 1109 Vehicle_2: @ 12.97% per annum

Security:

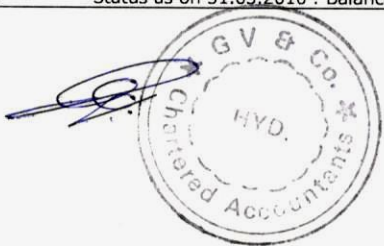
Vehicles loans are secured by hypothecation of vehicles financed by respective banks.

Terms of Repayment:

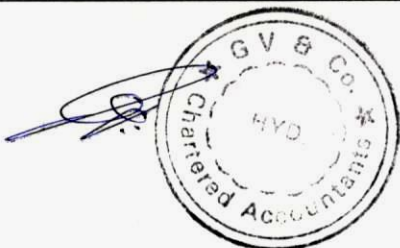
- 1 **Axis Bank Vehicle Loan-ISUZU DMAAX 1:**
This Loan is repayable in 47 monthly installments of Rs.29,995/- each commencing from March, 2016
Status as on 31.03.2016 : Balance No. of Installments -46
- 2 **Axis Bank Vehicle Loan-ISUZU DMAAX 2:**
This Loan is repayable in 47 monthly installments of Rs.31,086/- each commencing from March, 2016
Status as on 31.03.2016 : Balance No. of Installments -46
- 3 **Axis Bank Vehicle Loan-ISUZU DMAAX 3:**
This Loan is repayable in 47 monthly installments of Rs.31,086/- each commencing from March, 2016
Status as on 31.03.2016 : Balance No. of Installments -46



- 4 **Axis Bank Vehicle Loan-ISUZU DMAAX 4:**
This Loan is repayable in 47 monthly installments of Rs.31,086/- each commencing from March, 2016
Status as on 31.03.2016 : Balance No. of Installments -46
- 5 **Axis Bank Vehicle Loan-ISUZU DMAAX 5:**
This Loan is repayable in 47 monthly installments of Rs.31,086/- each commencing from March, 2016
Status as on 31.03.2016 : Balance No. of Installments -46
- 6 **Axis Bank Vehicle Loan-ISUZU DMAAX 6:**
This Loan is repayable in 47 monthly installments of Rs.29,995/- each commencing from March, 2016
Status as on 31.03.2016 : Balance No. of Installments -46
- 7 **Axis Bank Vehicle Loan-Honda Zazz :**
This Loan is repayable in 60 monthly installments of Rs.17,128/- each commencing from March, 2016
Status as on 31.03.2016 : Balance No. of Installments -59
- 8 **Axis Bank Vehicle Loan-ISUZU DMAAX 7:**
This Loan is repayable in 47 monthly installments of Rs.30,434/- each commencing from August, 2015
Status as on 31.03.2016 : Balance No. of Installments -39
- 9 **Axis Bank Vehicle Loan-ISUZU DMAAX 8:**
This Loan is repayable in 47 monthly installments of Rs.30,434/- each commencing from August, 2015
Status as on 31.03.2016 : Balance No. of Installments -39
- 10 **Axis Bank Vehicle Loan-Ashok Leyland Dost 1:**
This Loan is repayable in 47 monthly installments of Rs.12,640/- each commencing from April, 2015
Status as on 31.03.2016 : Balance No. of Installments -35
- 11 **Axis Bank Vehicle Loan-Ashok Leyland Dost 2:**
This Loan is repayable in 47 monthly installments of Rs.12,640/- each commencing from April, 2015
Status as on 31.03.2016 : Balance No. of Installments -35
- 12 **HDFC Bank Vehicle Loan-TATA 2518 Body 1:**
This Loan is repayable in 35 monthly installments of Rs.20,120/- each commencing from August, 2014
Status as on 31.03.2016 : Balance No. of Installments -15
- 13 **HDFC Bank Vehicle Loan-TATA 2518 Body 2:**
This Loan is repayable in 35 monthly installments of Rs.20,120/- each commencing from August, 2014
Status as on 31.03.2016 : Balance No. of Installments -15
- 14 **HDFC Bank Vehicle Loan-TATA 2518 Vehicle 1:**
This Loan is repayable in 46 monthly installments of Rs.49,650/- each commencing from July, 2014
Status as on 31.03.2016 : Balance No. of Installments -25
- 15 **HDFC Bank Vehicle Loan-TATA 407 SFC Vehicle 1:**
This Loan is repayable in 47 monthly installments of Rs.21,270/- each commencing from July, 2014
Status as on 31.03.2016 : Balance No. of Installments -26
- 16 **HDFC Bank Vehicle Loan-TATA 2518 Vehicle 2:**
This Loan is repayable in 46 monthly installments of Rs.49,650/- each commencing from July, 2014
Status as on 31.03.2016 : Balance No. of Installments -25
- 17 **ING Vysya Bank Vehicle Loan-TATA 2518 Vehicle 3:**
This Loan is repayable in 48 monthly installments of Rs.59,137/- each commencing from July, 2014
Status as on 31.03.2016 : Balance No. of Installments -27



- 18 **ING Vysya Bank Vehicle Loan-TATA 2518 Vehicle 4:**
This Loan is repayable in 48 monthly installments of Rs.59,137/- each commencing from July, 2014
Status as on 31.03.2016 : Balance No. of Installments -27
- 19 **Kotak Mahindra Bank Vehicle Loan-TATA 1109 Vehicle 1:**
This Loan is repayable in 47 monthly installments of Rs.32,360/- each commencing from January, 2014
Status as on 31.03.2016 : Balance No. of Installments -20
- 20 **Kotak Mahindra Bank Vehicle Loan-TATA 407 Pickup Body 1:**
This Loan is repayable in 47 monthly installments of Rs.10,990/- each commencing from November, 2014
Status as on 31.03.2016 : Balance No. of Installments -30
- 21 **Kotak Mahindra Bank Vehicle Loan-TATA 407 Pickup Vehicle 1:**
This Loan is repayable in 47 monthly installments of Rs.16,740/- each commencing from January, 2014
Status as on 31.03.2016 : Balance No. of Installments -20
- 22 **Kotak Mahindra Prime Vehicle Loan-Skoda Car:**
This Loan is repayable in 12 monthly installments of Rs.1,27,500/-, 12 monthly installments of Rs.75,000/- & 12 monthly installments of 61,000/- each commencing from October, 2015
Status as on 31.03.2016 : Balance No. of Installments -30
- 23 **Kotak Mahindra Prime Vehicle Loan-Honda Mobilio Car:**
This Loan is repayable in 12 monthly installments of Rs.76,500/-, 12 monthly installments of Rs.45,000/- & 12 monthly installments of 36,600/- each commencing from October, 2015
Status as on 31.03.2016 : Balance No. of Installments -30
- 24 **Kotak Mahindra Bank Vehicle Loan-TATA 1109 Body 1:**
This Loan is repayable in 47 monthly installments of Rs.19,460/- each commencing from November, 2014
Status as on 31.03.2016 : Balance No. of Installments -30
- 25 **TATA Capital F S L Vehcile Loan-TATA 2518 Body 3:**
This Loan is repayable in 35 monthly installments of Rs.31,520/- each commencing from October, 2014
Status as on 31.03.2016 : Balance No. of Installments -17
- 26 **TATA Capital F S L Vehcile Loan-TATA 2518 Body 4:**
This Loan is repayable in 35 monthly installments of Rs.37,610/- each commencing from September, 2014
Status as on 31.03.2016 : Balance No. of Installments -16
- 27 **TATA Capital F S L Vehcile Loan-TATA 2518 Body 5:**
This Loan is repayable in 35 monthly installments of Rs.37,610/- each commencing from September, 2014
Status as on 31.03.2016 : Balance No. of Installments -16
- 28 **TATA Capital F S L Vehcile Loan-TATA 2518 Vehicle 5:**
This Loan is repayable in 45 monthly installments of Rs.52,230/- each commencing from August, 2014
Status as on 31.03.2016 : Balance No. of Installments -25
- 29 **TATA Capital F S L Vehcile Loan-TATA 2518 Vehicle 6:**
This Loan is repayable in 45 monthly installments of Rs.52,230/- each commencing from August, 2014
Status as on 31.03.2016 : Balance No. of Installments -25
- 30 **TATA Capital F S L Vehcile Loan-TATA 1109 Vehicle 2:**
This Loan is repayable in 45 monthly installments of Rs.34,718/- each commencing from August, 2014
Status as on 31.03.2016 : Balance No. of Installments -25



Unsecured Business Loans from Banks & Financial Institutions:

From Banks:

1 RBL Bank Limited

Rate of Interest: @ 17.50% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 37 monthly installments of Rs. 91,641/- each commencing from October, 2015

Status as on 31.03.2016 : Balance No. of Installments -31

From Financial Institutions:

2 Bajaj Finserv Limited

Rate of Interest: @ 19.50% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 36 monthly installments of Rs.97,994/- each commencing from October, 2015

Status as on 31.03.2016 : Balance No. of Installments -30

3 Capital First Limited

Rate of Interest: @ 19.25% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 36 monthly installments of Rs. 1,48,602/- each commencing from October, 2015

Status as on 31.03.2016 : Balance No. of Installments -30

4 Capital First Limited

Rate of Interest: @ 19.00% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 36 monthly installments of Rs. 73,313/- each commencing from January, 2014

Status as on 31.03.2016 : Balance No. of Installments -9

5 Edelweiss Retail Finance Limited

Rate of Interest: @ 19.00% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 61 monthly installments of Rs. 78,508/- each commencing from October, 2015

Status as on 31.03.2016 : Balance No. of Installments -55

6 Fullerton India Credit Company Limited

Rate of Interest: @ 19.50% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 37 monthly installments of Rs. 94,279/- each commencing from October, 2015

Status as on 31.03.2016 : Balance No. of Installments -31

7 HDB Financial Services Limited

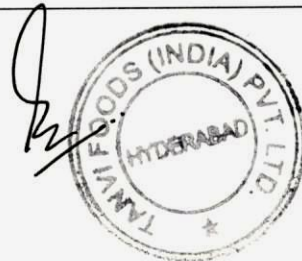
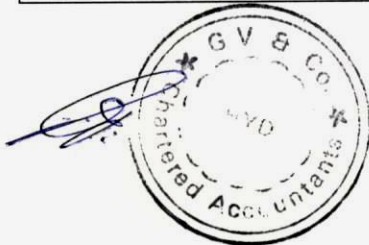
Rate of Interest: @ 21.00% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 36 monthly installments of Rs. 56,513/- each commencing from November, 2013

Status as on 31.03.2016 : Balance No. of Installments -7



8 Religare Finevest Limited

Rate of Interest: @ 18.30% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 36 monthly installments of Rs. 111,619/- each commencing from November, 2015

Status as on 31.03.2016 : Balance No. of Installments -31

9 Religare Finevest Limited

Rate of Interest: @ 19.30% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 36 monthly installments of Rs. 86,195/- each commencing from February, 2015

Status as on 31.03.2016 : Balance No. of Installments -22

10 Shriram City Union Finance Limited

Rate of Interest: @ 18.50% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 25 monthly installments of Rs. 102,772/- each commencing from October, 2015

Status as on 31.03.2016 : Balance No. of Installments -19

11 Religare Finevest Limited

Rate of Interest: @ 16.00% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 1 monthly installment of Rs. 25,66,667/- each commencing from May, 2016

Status as on 31.03.2016 : Balance No. of Installments -1

12 Religare Finevest Limited

Rate of Interest: @ 16.00% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 1 monthly installment of Rs. 10,26,667/- each commencing from May, 2016

Status as on 31.03.2016 : Balance No. of Installments -1

13 Religare Finevest Limited

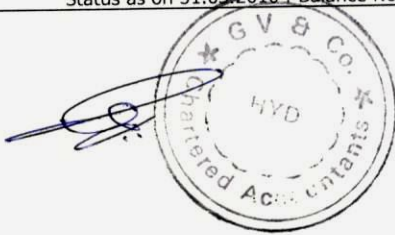
Rate of Interest: @ 16.00% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 1 monthly installment of Rs. 14,83,635/- each commencing from May, 2016

Status as on 31.03.2016 : Balance No. of Installments -1



M/s Tanvi Foods (India) Private Limited
D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018
Notes forming part of Financial Statements As At 31.03.2016

39 Note: Contingent Liabilities:

Sl. No.	Name of the Statute	Nature of Dues	Disputed Amount	Period	Forum, where the dispute is pending	Amount deposited towards disputed demand amount	Remarks
1	Income Tax Act, 1961	Income Tax	2335802	2012-13	The Commissioner of Income Tax (Appeals)	1,000,000	Rs.5 lakhs paid on 17.06.2016
2	Income Tax Act, 1961	Interest on Income Tax	1169502	2012-13			Rs.5 lakhs paid on 02.08.2016
3	Income Tax Act, 1961	Penalty		2012-13	ITO, Ward 2(4), Hyderabad		Penalty proceedings initiated u/s 271 (1) (C) but the issue is stand before The commissioner of Income Tax (Appeals). Hence amount cannot be quantified
4	Income Tax Act, 1961	Income Tax		2013-14	ITO, Ward 2(4), Hyderabad		Notice received u/s 143 (2), dated 26.07.2016. Assessment not yet completed. Hence amount cannot be quantified.
5	Income Tax Act, 1961	Income Tax		2014-15	ITO, Ward 2(4), Hyderabad		Notice received u/s 143 (2), dated 26.07.2016. Assessment not yet completed. Hence amount cannot be quantified.
6	APVAT Act, 2005	VAT		02.04.2014 to 30.06.2016	CTO, Autonagar, Vijayawada		Notice served under VAT 310, dated 15.07.2016. Assessment not yet completed. Hence amount cannot be quantified.
7	VAT Act, 2005	VAT		2012-13 to 2015-16	AC-Audit, Punjagutta		Notice served under VAT 304, dated 17.08.2016. Assessment not yet completed. Hence amount cannot be quantified.
8	EPF & MP Act, 1952	PF		01.01.2009 to 31.10.2013	Asst PF Commissioner (PD Cell - I)		Notice served u/s 14B, dated 28.07.2016. Assessment not yet completed. Hence amount cannot be quantified.



M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018

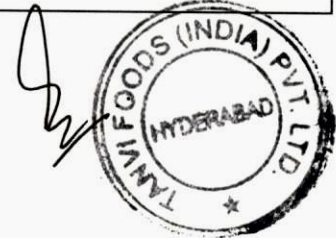
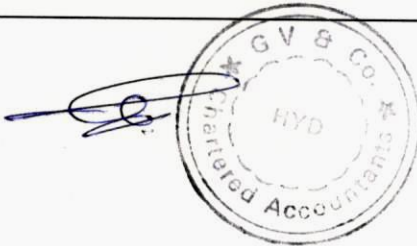
Notes forming part of Financial Statements As At 31.03.2016

40 Note: Retirement Benefits :

The Gratuity liability is recognised in the books of accounts based on Actuarial Valuation in accordance with the Revised AS-15.

The Process and Assumptions taken for the purpose calculation of Gratuity is as follows :

Particulars	As at 31.03.2016 Amount In Rs.	As at 31.03.2015 Amount In Rs.
Opening defined benefit obligation	75,819	40,570
Interest cost	6,066	3,246
Current services cost	48,495	16,879
Benefits paid	-	-
Actuarial (gains)/losses on obligation	11,413	15,124
Closing defined benefit obligation	141,793	75,819
Assumptions :		
Date of Valuation	31.03.2016	31.03.2015
Retirement age	60 years	60 years
Future Salary Rise	6.70%	5.20%
Rate of Discounting	8.00%	8.00%
Attrition Rate	14.00%	8.60%
Mortality Table	LIC (2006-08)	LIC (2006-08)
Av Balance Services	23.96 Years	26.70 Years
GRATUITY LIABILITY		
Short Term Liability	-	-
Long Term Liability	141,793	75,819
TOTAL NET LIABILITY	141,793	75,819



M/s Tanvi Foods (India) Private Limited

D.No. 7-2-4/D, Old Canteen building, Sanathanagar Industrial Estate, Sanath Nagar, Hyderabad - 500018
Notes forming part of Financial Statements As At 31.03.2016

41 Note: Capital Commitments	As at 31.03.2016 Amount In Rs.	As at 31.03.2015 Amount In Rs.
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	602,413	5,034,746
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature)	-	-

42 a) Sri Nagaveer Adusumilli, holds 5 Equity Shares in Polarcube Cold Storage Solutions (P) Ltd., Wholly Owned Subsidiary, in compliance of Sec.3 of Companies Act, 2013 and the beneficial ownership lies with the company.

b) Sri Nagaveer Adusumilli, holds 5 Equity Shares in Squarepeg Distribution Services (P) Ltd., Wholly Owned Subsidiary, in compliance of Sec.3 of Companies Act, 2013 and the beneficial ownership lies with the company.

43 In the opinion of the Board, current assets, loans and advances are stated at a value, which could be realized in the ordinary course of business. The provision for all known liabilities made is adequate and not in excess of the amount reasonably necessary.

44 Some of the balances in Sundry Debtors, Sundry Creditors, Advances and Deposits are subject to confirmation, reconciliations and adjustments, if any, which in the opinion of the management will not be significant.

45 The company has filed Revised Income Tax Returns pertaining to FY 2013-14 and FY 2014-15 claiming Exemption 80IB (11A) of Income Tax Act, 1961 and for FY 2012-13, submitted during the Assessment. During the Assessment for FY 2012-13, AO not considered the 80IB (11A) claim, hence company filed Appeal before CIT, Appeals.

The details of MAT Credit Entitlement and IT Refund Due are as follows;

<u>Financial Year</u>	<u>MAT Credit Entitlement</u>	<u>IT Refund Due</u>
FY 2012-13	1,152,164	888,934
FY 2013-14	503,719	368,242
FY 2014-15	1,988,858	261,673
	3,644,741	1,518,849

However, these were not credited to Profit & Loss Statement on prudent basis.

46 These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013.

47 The figures of the previous year are re-grouped / re-classified wherever necessary to make them comparable with that of the current year classification.

As per my report of even date
For GV & Co.,
Chartered Accountants

Grandhi Vittal
Proprietor
Member Ship No. 206462
Firm Regn No. 0128755

Place : Hyderabad
Date : 01.09.2016

For and on behalf of the Board of Directors

Adusumilli Sri Nagaveer
Managing Director

Adusumilli Vasanth
Additional Director

B.M. Lakshmi
Banda Mahalakshmi
Chief Financial Officer