

AVNISH SHARMA & ASSOCIATES

CHARTERED ACCOUNTANTS

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To,

The Members

MEGASTAR FOODS PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of M/S Megastar Foods Private Limited ("the Company"), which comprises of the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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 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 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

HEAD OFFICE : PANCHKULA BRANCH : LUDHIANA

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India *subject to note no. (e) of notes to accounts regarding gratuity and note no. (n) regarding non- confirmation of balances* :

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2015; and
- b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the Cash flow of the Company for the year ended on that date.

Report on Other Legal and Regulatory requirements

As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of 164(2) of the Act.
- (e) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - 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 derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

for Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

Place : Chandigarh
Dated : 31.07.2015

Dinesh Manchanda (M.No. 097591)
Partner

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
TO THE MEMBERS OF M/S MEGASTAR FOODS PRIVATE LIMITED
Reports under The Companies (Auditor's Report) Order, 2015 (CARO 2015)**

- 1 In respect to its fixed assets:
 - a) The company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

- 2 In respect of inventories:
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is resonable.
 - b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.

- 3 The company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

- 4 In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with its size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

- 5 According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.

- 6 We informed that maintenance of cost records as prescribed by the Central Government under Section 148(1) of Companies Act, 2013 are not applicable to the company.

- 7 In respect to Statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.

 - b) According to the records of the Company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- 8 The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

- 9 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.
- 10 In our opinion and according to the explanations given the company has not given any guarantee for loans taken by others from banks/financial institutions.
- 11 According to the information and explanation given to us, prima facie, the term loan raised is utilized for designated purposes.
- 12 According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

for Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

Place : Chandigarh
Dated : 31.07.2015

Dinesh Manchanda (M.No. 097591)
Partner

MEGASTAR FOODS PRIVATE LIMITED
Significant Accounting Policies and Notes forming part of the Financial Statements
Year Ending: 31-Mar-2015

1 COMPANY OVERVIEW

Megastar Foods Private Limited was incorporated on 28th November 2011 under the Companies Act, 1956. The company has its Registered Office and Head Office at 807, Industrial Area Phase II, Chandigarh and Plant In Ropar Dist .The company is engaged in the business of Roller Flour Mills manufacturing Wheat Products.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Method of Accounting

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rule, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

b) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

c) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition but net of duty credit availed. All pre-operative expenditure including interest on borrowings, specifically for the acquisition/project or interest on general borrowings to the extent utilized for such project, for the period up to the completion of erection is capitalized as part of the asset cost. Indirect expenditure related to acquisition & erection of machineries for the period up to the completion of such erection is treated as pre-operative expenditure and allocated on pro-rata basis.

d) Depreciation

In respect of fixed assets acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

MEGASTAR FOODS PRIVATE LIMITED

e) **Impairment**

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

f) **Revenue Recognition**

Revenues from the sale of Wheat Flour are recognised upon delivery, which is when title passes to the customer.

g) **Taxation:-**

Provision for income tax is made in accordance with provisions of the Income Tax Act, 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates. Subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid.

h) **Inventories**

Raw Material, Stores, Consumables & Packing Material: At Cost

Finished Goods: At Cost or market value whichever is lower

Scrap: At Net Realisable Value

i) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

MEGASTAR FOODS PRIVATE LIMITED			
BALANCE SHEET AS AT 31ST MARCH, 2015			
			AMOUNT IN INR
PARTICULARS	Note No.	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	5,97,00,000	5,97,00,000
(b) Reserves And Surplus	4	(30,73,560)	30,469
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	5	3,63,63,187	4,20,31,911
(b) Deferred Tax Liabilities (Net)		55,14,461	15,361
(c) Other Long term liabilities		-	-
(d) Long term provisions	6	52,855	-
4 Current Liabilities			
(a) Short Term borrowings	7	9,27,64,667	1,89,09,469
(b) Trade Payables	8	10,21,049	1,53,869
(c) Other Current Liabilities	9	84,52,899	1,05,44,523
(d) Short Term Provisions		-	-
TOTAL		20,07,95,558	13,13,85,602
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(a) Tangible Assets	10	9,58,06,448	9,74,69,099
(b) Intangible Assets		-	-
(b) Non -Current Investment		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long term loans & advances	11	7,28,985	6,28,985
(e) Other Non-Current Assets		-	-
2 Current assets			
(a) Current Investment		-	-
(b) Inventories	12	4,17,32,126	2,01,70,942
(c) Trade Receivables	13	4,82,15,925	92,78,899
(d) Cash And Cash Equivalents	14	41,45,624	28,90,262
(e) Short Term Loans And Advances	15	97,11,930	3,94,012
(f) Other Current Assets	16	4,54,520	5,53,403
TOTAL		20,07,95,558	13,13,85,602
Significant Accounting Policies	1-2		
Notes on Financial Statements	25		
As per our report of even date attached for Avnish Sharma & Associates Chartered Accountants FRN - 009398N		For & on behalf of the Board MEGASTAR FOODS PRIVATE LIMITED	
Sd/-	Sd/-	Sd/-	
Dinesh Manchanda (M.No. 097591) Partner Place : Chandigarh Dated : 31.07.2015	VIKAS GOEL MG. DIRECTOR DIN: 05122585	VIKAS GUPTA WHOLE TIME DIRECTOR DIN: 05123386	

MEGASTAR FOODS PRIVATE LIMITED

SHARE CAPITAL

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Authorised Share Capital		
a) 60,00,000 (Previous year 60,00,000)Equity Shares of Rs 10/- Each	6,00,00,000	6,00,00,000
	6,00,00,000	6,00,00,000
Issued, Subscribed & Paid up :		
a) 59,70,000 (Previous year 59,70,000)Equity Shares of Rs 10/- Each fully paid	5,97,00,000	5,97,00,000
Total	5,97,00,000	5,97,00,000

The details of Shareholders holding more than 5% shares.

Name of the Share holders	AS AT 31ST MARCH, 2015		AS AT 31ST MARCH, 2014	
	No. of shares	% held	No. of shares	% held
Vikas Gupta	19,10,000	31.99%	19,10,000	31.99%
Vikas Goel	15,83,350	26.52%	15,83,350	2.65%
Pankaj Goyal	11,83,350	19.82%	11,83,350	1.98%
Sanjay Verma	3,96,700	6.64%	3,96,700	0.66%

The Reconciliation of the number of share outstanding is set out below:

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
	No. of shares	No. of shares
Numbers of Shares at the beginning of the year	59,70,000	17,30,000
Add: Numbers of shares issued during the year	-	42,40,000
Equity Shares at the end of the year	Total	59,70,000

RESERVES & SURPLUS

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
(a) Surplus (Deficit)		
As Per last Balance Sheet	28,369	-
Add: Profit/(Loss) for the year	(31,04,029)	28,369
	(30,75,660)	28,369
(b) Other Reserve	2,100	2,100
Total	(30,73,560)	30,469

LONG TERM BORROWINGS

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Secured		
(a) Term loans:		
From Banks		
- # PNB TERM LOAN	2,76,98,268	3,29,91,063
Less: Current Maturities	54,00,000	57,91,000
	2,22,98,268	2,72,00,063
From Others		
## Tata Capital		
- Loan A/c No. 7000200423	11,86,887	15,78,129
Less: Current Maturities	4,36,141	3,89,242
	7,50,746	11,88,887
- Loan A/c No. 7000200425	11,86,887	15,78,129
Less: Current Maturities	4,36,141	3,89,242
	7,50,746	11,88,887
- Loan A/c No. 7000200427	6,37,166	8,47,205
Less: Current Maturities	2,34,139	2,10,038
	4,03,027	6,37,167
- Loan A/c No. 7000200430	5,16,606	6,86,916
Less: Current Maturities	1,89,843	1,70,009
	3,26,763	5,16,907
## <u>HDFC BANK LTD</u>		
Loan A/c	6,72,306	-
Less: Current Maturities	2,48,670	-
	4,23,636	-
	2,49,53,187	3,07,31,911
Unsecured		
(b) Loans and advances from related parties:		
From Directors & relatives		
- Vikas Goyal	-	43,00,000
- Pankaj Goyal	-	10,00,000
- Shivani Gupta	-	15,00,000
- Avinash Goyal	25,00,000	25,00,000
- Smt. Mohani Devi	20,00,000	20,00,000
- Sandeep Verma	18,30,000	-
- Sanjay Verma	15,80,000	-
- Satpal Gupta	20,00,000	-
	99,10,000	1,13,00,000
(c) Loan and advances from others	15,00,000	-
Total	3,63,63,187	4,20,31,911

Notes:

PNB Term Loan is secured against Fixed Assets of the company as guaranteed by directors of the company

- The Vehicle Term Loan from Tata Capital is for 4 years @10.96% p.a., secured against Hypothecation of Truck Instalment of Rs 45424/- including interest
- The Vehicle Term Loan from Tata Capital is for 4 years @10.96% p.a., secured against Hypothecation of Truck Instalment of Rs 45424/- including interest
- The Vehicle Term Loan from Tata Capital is for 4 years @10.96% p.a., secured against Hypothecation of Truck Instalment of Rs 24385/- including interest
- The Vehicle Term Loan from Tata Capital is for 4 years @10.96% p.a., secured against Hypothecation of Truck Instalment of Rs 19770/- including interest
- The Vehicle Term Loan from HDFC Bank Ltd is for 3 years @10.18% p.a., secured against Hypothecation of Truck Instalment of Rs 25478/- including interest

LONG TERM PROVISIONS
Amount in Rs.

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
(a) Gratuity	52,855	-
Total	52,855	-

SHORT TERM BORROWINGS

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Secured		
(a) Loans repayable on demand		
From Banks		
- PNB Cash credit A/c	9,27,64,667	1,89,09,469
Total	9,27,64,667	1,89,09,469

Notes:

Working Capital facilities are secured by Hyp. of Stock, debtors & Other current assets of company and second charge on block fixed assets as guaranteed by the directors of company.

TRADE PAYABLES

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
(a) Trade Creditors- Raw Material	5,27,035	85,493
(b) Services & others	4,94,014	68,376
Total	10,21,049	1,53,869

OTHER CURRENT LIABILITIES

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
(a) Current maturities of long-term debt		
From Banks		
- PNB Term Loan	54,00,000	57,91,000
From Others		
Tata Capital		
- Loan A/c No. 7000200423	4,36,141	3,89,242
- Loan A/c No. 7000200425	4,36,141	3,89,242
- Loan A/c No. 7000200427	2,34,139	2,10,038
- Loan A/c No. 7000200430	1,89,843	1,70,009
HDFC BANK LTD		
- Loan A/c	2,48,670	
(b) Other payables	15,07,965	35,94,992
Total	84,52,899	1,05,44,523

LONG TERM LOANS & ADVANCES

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Unsecured (Considered Good)		
(a) Security deposits		
- Electricity Security	6,25,985	6,25,985
- Telephone Security	3,000	3,000
- EMD Milkfed Security	1,00,000	-
Total	7,28,985	6,28,985

INVENTORIES

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH ,2014
Inventories :		
(a) Raw materials	2,94,35,152	1,17,55,713
(b) Finished goods	88,40,948	66,58,971
(c) Consumable Stores	1,50,000	2,04,937
(d) Others - Packing Material	33,06,026	15,51,321
Total	4,17,32,126	2,01,70,942

Note:- Mode of Valuation

Finished Goods are valued at Lower of cost and net realisable value.

Raw material is valued at cost or market value whichever is lower and are on FIFO basis

Packing materials and consumables are valued at cost.

TRADE RECEIVABLES

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Considered Good,less than six months		
ii. Unsecured	4,82,15,925	92,78,899
Total	4,82,15,925	92,78,899

CASH AND CASH EQUIVALENT

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
(a) Balances with banks		
(i) In Current Accounts		
- ING Vysya Bank	-	941
- PNB	71,671	70,567
(ii) In Deposit Account		
- FDR (13717)	23,64,162	21,91,659
- FDR (14956)	5,90,138	5,47,077
(b) Cash In hand	11,13,390	80,018
(c) Card BP Imprest	6,263	-
Total	41,45,624	28,90,262

SHORT TERM LOANS & ADVANCES

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Unsecured (Considered Good)		
(a) Advances recoverable in cash or in kind	92,32,939	3,61,374
(b) Balances with Revenue authorities	4,78,991	32,638
Total	97,11,930	3,94,012

OTHER CURRENT ASSETS

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Unsecured (Considered Good)		
(a) Prepaid Expenses	4,54,520	3,53,170
(b) Insurance Claim Recoverable	-	2,00,233
Total	4,54,520	5,53,403

Particulars	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Other Payables:		
(i) Statutory remittances		
- TDS Payable	43,140	5,015
- CST Payable	-	1,332
- Service Tax Payable	-	12,775
(ii) Advance From Customers (As per list)	2,35,416	15,53,649
(iii) Payables on Purchase of Fixed Assets (As per list)	-	10,89,449
(iv) Expenses Payable (As per List)	12,29,409	9,32,772
	15,07,965	35,94,992
Short Term Loans & Advances:		
Advances recoverable in cash or in kind		
Other Advacne (As per list)	88,67,921	69,797
Electricity Duty Recoverable	2,91,579	2,91,577
TDS recoverable TATA Capital	73,439	-
	92,32,939	3,61,374
Balance with Revenue authorities		
Advance Income Tax /Tds	13,653	-
MAT Recoverable	8,330	8,330
MAT Recoverable (14-15)	4,57,008	
Advance Income Tax Net of Provision	-	24,308
	-	-
	4,78,991	32,638

MEGASTAR FOODS PRIVATE LIMITED
FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31.03.2015

NOTE NO -10

TANGIBLE ASSETS

PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON	ADDITION	SALE/ ADJUST.	AS ON	UPTO THE END OF PREVIOUS YR.	FOR THE YEAR	WRITTEN BACK	TOTAL	AS ON	As on
		01.04.2014			31.03.2014					31.03.2015	31.03.2014
Land		53,88,150	-	-	53,88,150	-	-	-	-	53,88,150	53,88,150
Building	1.58%	2,80,46,197	-	-	2,80,46,197	2,96,285	4,41,563	-	7,37,848	2,73,08,349	2,77,49,912
Building under construction		-	3,46,446	-	3,46,446	-	-	-	-	3,46,446	-
Plant & Machinery	6.33%	5,81,38,456	10,47,053	-	5,91,85,509	10,53,343	37,48,123	-	48,01,466	5,43,84,043	5,70,85,113
Laboratory Equipments	9.50%	5,79,614	35,000	-	6,14,614	8,506	59,083	-	67,589	5,47,025	5,71,108
Office Equipments	19.00%	38,000	87,700	-	1,25,700	590	21,509	-	22,099	1,03,601	37,410
Computer	31.67%	1,60,300	37,600	-	1,97,900	8,650	62,252	-	70,902	1,26,998	1,51,650
Furniture & Fixture	9.50%	4,67,321	34,731	-	5,02,052	9,910	46,653	-	56,563	4,45,489	4,57,411
Truck	11.88%	63,26,309	18,49,572	-	81,75,881	2,97,964	7,21,570	-	10,19,534	71,56,347	60,28,345
		9,91,44,347	34,38,102	-	10,25,82,449	16,75,248	51,00,753	-	67,76,001	9,58,06,448	9,74,69,099
<i>Previous Year Figures</i>		<i>1,75,89,041</i>	<i>8,15,55,307</i>	-	<i>9,91,44,348</i>	-	<i>1,67,250</i>	-	<i>1,67,250</i>	<i>9,74,69,097</i>	<i>1,75,89,041</i>

MEGASTAR FOODS PRIVATE LIMITED

AMOUNT IN INR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

PARTICULARS		Note No.	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Income:				
I	Revenue from operations	17	44,47,64,736	7,84,03,094
II	Other income	18	2,40,488	1,32,599
III.	Total Revenue		44,50,05,224	7,85,35,693
IV. Expenses:				
	Cost of materials consumed	19	39,77,06,393	7,56,95,099
	Purchases of goods		-	-
	Changes in inventories of Finished Goods,WIP/Stock in Trade	20	-21,81,977	(66,58,971)
	Employee Benefits Expense	21	52,67,080	8,69,381
	Financial Cost	22	1,26,04,158	33,83,435
	Depreciation And Amortization Expense	23	51,00,753	16,75,250
	Other Expenses	24	2,41,10,455	35,27,770
	Total Expenses		44,26,06,861	7,84,91,963
V.	Profit Before tax		23,98,362	43,730
VI Tax Expense:				
	Current Tax		4,60,299	8,330
	Deferred Tax Expense/(Income)		54,99,100	15,361
	MAT Reverse		4,57,008	8,330
VII	Profit After Tax		(31,04,029)	28,369
VIII Earnings Per Equity Share:				
	(1) Basic		(0.52)	0.005
	(2) Diluted		(0.52)	0.005
	Significant Accounting Policies	1-2		
	Notes on Financial Statements	25		

As per our report of even date attached

for Avnish Sharma & Associates

Chartered Accountants

FRN -009398N

Sd/-

Dinesh Manchanda (M.No. 097591)

Partner

Place : Chandigarh

Dated : 31.07.2015

For & on behalf of the Board

MEGASTAR FOODS PRIVATE LIMITED

Sd/-

VIKAS GOEL

MG. DIRECTOR

DIN: 05122585

Sd/-

VIKAS GUPTA

WHOLE TIME DIRECTOR

DIN: 05123386

MEGASTAR FOODS PRIVATE LIMITED

17 REVENUE FORM OPERATIONS

Particulars	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Sale of Products	44,47,64,736	7,84,03,094
Total	44,47,64,736	7,84,03,094

18 OTHER INCOME

Particulars	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Interest	2,39,516	1,32,599
Interest on Income Tax Refund	972	-
Total	2,40,488	1,32,599

19 COST OF MATERIAL CONSUMED

Particulars	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Opening Stock		
Raw Material of Wheat	1,17,55,713	-
Packing Material	15,51,321	-
Add : Purchases		
- Wheat	40,38,45,531	8,59,78,217
- Packing Material	54,05,472	15,60,179
Add: Freight inward	72,86,090	14,63,737
Packing Charges	6,03,444	-
	43,04,47,571	8,90,02,133
Less Closing Stock		
Raw Material of Wheat	2,94,35,152	1,17,55,713
Packing Material	33,06,026	15,51,321
Total	39,77,06,393	7,56,95,099

20 CHANGE IN INVENTORY OF GOODS

Particulars	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Opening Balance	66,58,971	-
Less:- Closing Balance	88,40,948	66,58,971
Net Increase/ Decrease in Goods	(21,81,977)	(66,58,971)

21 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Salaries	5,04,911	1,53,355
Wages	20,32,121	3,78,289
Labour Charges	20,47,802	1,35,450
Staff Welfare Expenses	1,58,901	8,837
PF	98,234	
Security Service	3,68,377	1,90,306
Staff Insurance	3,879	3,144
Gratuity	52,855	-
Total	52,67,080	8,69,381

22 FINANCIAL COST

Particulars	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Bank Charges	4,09,641	9,851
Bank Interest TL	36,15,657	14,88,369
Bank Interest CC	80,83,980	16,60,087
Interest on Truck Loan	4,94,880	2,25,128
Total	1,26,04,158	33,83,435

23 DEPRECIATION & AMORTISATION

Particulars	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Depreciation	51,00,753	16,75,250
Total	51,00,753	16,75,250

24 OTHER EXPENSES

Particulars	For the year ended on 31st March, 2015	For the year ended on 31st March, 2014
Manufacturing		
<u>Consumable Stores</u>		
Opening Balance	2,04,937	-
Purchases	1,40,315	3,41,562
Closing Balance	1,50,000	2,04,937
Consumed	1,95,252	1,36,625
Electricity & Water Charges	97,31,250	18,17,393
Factory Expenses	-	10,264
Genset Running & Maintenance	75,993	-
Insurance Plant & Mach.	2,27,135	21,338
Insurance Stock	81,261	-
Lab Testing Expenses	1,24,706	27,115
Repairs Plant & Machinery	1,06,092	
	1,03,46,437	18,76,110
	1,05,41,689	20,12,735

<u>Administrative Expenses</u>		
Audit Fees	30,000	20,000
Directors Travelling Expenses	97,559	48,125
Donations	52,100	-
Fire Extinguishers refilling	36,244	-
Garbage Collection Charges	48,000	-
Insurance Building	68,661	-
Insurance Truck	68,000	-
Interest on Taxes	406	5,982
ISO Charges	-	1,00,658
Legal & Professional Expenses	1,06,550	10,000
Newspaper & Periodicals	1,450	-
Office Expenses	63,306	-
Office Rent	60,000	25,000
Pest Control	1,78,215	34,000
Postage & Telegram	7,348	410
Printing & Stationery	49,609	12,200
Rate, Fees & Taxes	5,77,185	70,407
Repair & Maintenance Expenses	2,45,195	49,619
Service Tax	19,362	50,386
Telephone Expenses	82,426	16,774
Toll and Other expenses	3,76,241	-
Travelling & Conveyance	2,28,226	6,744
Truck Running & Maintenance	46,59,002	7,38,777
	70,55,085	11,89,082
<u>Selling & Distribution Expenses</u>		
Advertisement & Publicity	15,000	-
Business Promotion	19,500	5,413
Cash Discount	3,182	-
Commission & Brokerage	7,96,573	23,512
Freight Outward	30,55,414	19,444
Quality Discount	14,24,039	93,739
Rebate & Discount	11,98,879	1,83,830
Round off	1,095	15
Sales Tax /Cst	-	-
	65,13,681	3,25,953
Total	2,41,10,455	35,27,770

MEGASTAR FOODS PRIVATE LIMITED

25 NOTES TO ACCOUNTS

a) Contingent Liabilities Not Provided for in respect of:

	As at 31-03-15	As at 31-03-14
i) Bank Guarantee outstanding.	25,80,000	25,80,000
ii) Claim against the Company not acknowledged as debts	Rs. NIL	Rs. NIL
iii) Estimated amount of contracts remaining to be executed on capital account net after advance	Rs. NIL	Rs. NIL
iv) Unexpired letter of credit	Rs. NIL	Rs. NIL

b) Information on Transactions in Foreign Exchange

Value of Imports Calculated on C.I.F Basis:	Rs. NIL	Rs. NIL
Foreign currency expenditure	Rs. NIL	Rs. NIL
Foreign currency income	Rs. NIL	Rs. NIL

c) Consumption of Raw Materials and Stores etc.

Raw Material Consumed:		
- Imported	Rs. NIL	Rs. NIL
- Indigenous	39,77,06,393	7,56,95,099
Spare Parts and Components Consumed:		
- Imported	Rs. NIL	Rs. NIL
- Indigenous	1,95,252	1,36,625

d) Auditor's Remuneration

Audit fees	30,000	20,000
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e) Retirement Benefits

The company has estimated the liability towards gratuity, without actuarial valuer report as prescribed in AS 15

f) Deferred Tax Calculation

Deferred tax is calculated as per AS-22 issued by ICAI as under:

WDV as per Companies Act (A)	95806448
WDV as per Income Tax Act (B)	78757259
Timing Difference (A-B)	17049189
Timing Difference For Gratuity	52855
Timing Difference	16996334
Closing Deferred Tax Liability	5251867
Opening Deferred Tax Liability	15361
Deferred Tax Expense	5236506

g) Earning Per Share

As per AS 20 of ICAI the EPS is worked out as under:

	Current Year	Previous Year
Net Profit available to shareholders as per	(3104029)	28369
Weighted average number of shares	5970000	5970000
EPS	(0.52)	0.005
EPS (Diluted)	(0.52)	0.005

h) Related party disclosure

As per AS-18 'Related Party Disclosures' issued by ICAI the disclosures of transactions with related concerns are as follow:-

Particulars	Name
Directors	Mr. Vikas Goel, Mr. Aniket Verma, Mr. Vikas Gupta
Relatives	Mr. Pankaj Goyal, Mr. Avinash Goyal, Ms. Mohani Devi, Ms. Shivani Gupta
Associate Concern	Kuber Roller Flour Mills, Ganesh Flour Mills

Name	Relation	Nature of Transaction	Amount (Rs.)
PANKAJ GOEL	DIRECTOR	LOAN TAKEN	40,00,000
		LOAN REPAYMENT	50,00,000
VIKAS GOEL	DIRECTOR	LOAN TAKEN	91,75,000
		LOAN REPAYMENT	1,34,75,000
VIKAS GUPTA	DIRECTOR	LOAN TAKEN	52,00,000
		LOAN REPAYMENT	52,00,000
KUBER FLOUR MILL	ASSOCIATE CONCERN	SALES	59,72,075
		PURCHASES	1,32,33,475
SATPAL GUPTA	RELATIVE	LOAN	20,00,000
SHIVANI GUPTA	RELATIVE	LOAN REPAYMENT	15,00,000
	DIRECTORS	DIRECTORS TRAVELLING EXPENSES	97,559

- i) In the opinion of the management and best of their knowledge and belief the value on realization of loans & advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in Balance Sheet and provisions for all known liabilities have been made.
- j) At year end the management verified & valued the stocks & is relied upon and is appended, forming part of Auditor's Report.
- k) There was no employee during the previous year who was in receipt of remuneration in aggregate to Rs. 60,00,000/- or more per annum if employed throughout the period or Rs. 5,00,000/- per month if employed for part of the period.
- l) Sales, purchases and stocks are Inclusive of Sales tax and VAT and are net of returns.
- m) As per information & explanation given to us, Sundry Creditors do not include any outstanding due to SSI undertaking.
- n) *About 25% outstanding balances as at 31st March 2015 in respect of Unsecured Loans, Sundry Debtors, Creditors, Loans and Advances, Deposits and Advance from Customers are subject to confirmation and reconciliation.*
- o) Wherever balance confirmation is not available from the parties, the balances as appearing in the books of account have been confirmed by the management.
- p) Max. balance due towards directors at any time during the year is Rs. 23,675,000/-Cr. (PY- Rs. 5,300,000/-Cr.)
- q) The financial statement for the year has been prepared by Rounding off to Rs. in compliance with Schedule III of the Companies Act, 2013.
- r) The previous year's figures have been reworked, regrouped, rearranged and reclassified, where-ever deemed necessary, in order to make them comparable with the current year's figures.
- s) Note 1 to 25 forms an integral part of Balance Sheet.

for Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

For & on behalf of the Board of
MEGASTAR FOODS PRIVATE LIMITED

Dinesh Manchanda (M.No. 097591)
Partner
Place : Chandigarh
Dated : 31.07.2015

VIKAS GOEL VIKAS GUPTA
MG. DIRECTOR WHOLE TIME DIRECTOR
DIN: 05122585 DIN: 05123386