Indo-Asian Foods & Commodities Limited

Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian rupees except share data and unless otherwise stated)

Company Information

The Company was incorporated on March 29, 1995to carry on the business in the manufacturing, trading in agro based commodities.

19. Significant accounting policies& Notes

a. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with all material respects with the accounting standards notified under section 133 of the Companies act 2013 read with rule 7 of the companies (Accounts) Rules, 2014. The accounting policies adopted in preparation of the financial statements are consistent with those followed in previous year unless otherwise stated below.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results 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.

c. Revenue recognition

Revenue is recognized only when there is no significant uncertainty as to the measurability / collectability of the amounts. Export Revenue in foreign currency is accounted for at the exchange rate prevailing at the time of sale or service. Gain/Loss arising out of variances in the exchange rates is recognized as income / expenditure of the year.

d. Fixed assets and capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

e. Depreciation

The Company provides depreciation for tangible assets on straight line method over the useful lives of assets specified in Schedule II of Companies act, 2013. Depreciation for assets purchased and sold during are period proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing form the date the asset is available to the company for its use.

f. Impairment

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g. Inventories

Inventories are valued as under:

Components and consumables are valued at lower of cost. Work-in-progress and finished goods are valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Retirement and other employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

i. Income taxes

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by balance sheet date.

j. Foreign currency transaction

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of monetary items which are covered by foreign exchange contracts, the difference between the original entry dates to forward contract date is recognized as an exchange difference.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv. Foreign currency Transactions.

(?)

Particulars	Current Year	Previous Year
Earnings in Foreign exchange	NIL	NIL
Expenditure in Foreign exchange	NIL	NIL

k. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus Issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Earnings per share are calculated by dividing the net profit after tax for the year attributable to equity shareholders by the number of equity shares outstanding on the balance sheet date.

l. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

m. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence of non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.
The contingent liability is Rs. NIL during the financial year.

n. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o. Related parties

i) Key management personnel

Name of the personnel	Nature of relationship
RambabuKopparapu VeeranjaneyuluChirumamilla	CEO &Managing Director Company Secretary

ii) Name of the related party

Name of the entity	Nature of relation ship
Golden Earth Infracon Projects Pvt Ltd	Entity in which KMP has significant influence

iii) Particulars of transactions with related party

Particulars	As at March 31, 2017	As at March 31, 2016
Long term Borrowings		
Golden Earth Infracon Projects Pvt Ltd	-	-
RamababuKopparapu	-	27,50,000
LohitKamarajugadda	-	11,96,381
PrabhakarSettyGrandhi	-	-

iv) The Company has the following amounts due from / to related parties:

Due to related parties.

Particulars	As at March 31, 2017	As at March 31, 2016
Short term Borrowings		
Golden Earth Infracon Projects Pvt Ltd	29,85,014	29,85,014
RamababuKopparapu	31,58,000	31,58,000
LohitKamarajugadda	14,66,381	14,66,381

p. Segment Reporting (AS-17):

The Company is in the business ofmanufacturing, trading in agro based commodities .As such, there are no such separate reportable business segments as per Accounting Standards -17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

q. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below**.**

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	-	1,865	1,865
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30-12-2016	-	1,865	1,865

r. Previous year's figures are regrouped/ reclassified wherever considered necessary to confirm to Current year's classifications.

As per our report of even date

For L N P & Co	For and behalf of Board of Directors for	
Chartered Accountants	INDO-ASIAN FOODS & COMMODITIES LIMITED	
FRN: 008918S		
Sd/-	**Sd/-**	**Sd/-**
Venkata Rao P	RamababuKopparapu	LohithKamarajugadda
Partner	Managing Director	Director
M. No. 230081DIN: 01165601DIN: 05156603		

Place: Hyderabad
Date: May 30, 2017