

ARVIND ENVISOL PRIVATE LIMITED

ANNUAL ACCOUNTS

2015-2016

Arvind Envisol Private Limited

LALBHAI GROUP

Naroda Road, Ahmedabad 380 025, India

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CIN - U37200GJ2011PTC068339

ARVIND

CIN : U37200GJ2011PTC068339

NOTICE

NOTICE is hereby given that the FIFTH Annual General Meeting of the Members of ARVIND ENVISOL PRIVATE LIMITED will be held on Monday, the 26th September, 2016 at 9:00 a.m. at the Registered Office of the Company at Arvind Limited Premises, Naroda Road, Ahmedabad-380 025 to transact the following Business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statements of Accounts for the financial year ended on 31st March, 2016 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Dinesh J. Yadav (holding DIN 05148825), who retires by rotation in terms of the provision of Section 152 of the Companies Act, 2013 and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Registered Office
Arvind Limited Premises,
Naroda Road,
Ahmedabad-380 009
Dated : 9th May, 2016

BY ORDER OF THE BOARD

Punit S. Lalbhai

**Punit S. Lalbhai
(Director)**

DIN : 05125502

CIN : U37200GJ2011PTCo68339

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Fifth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Financial summary or highlights/Performance of the Company :

During the year your Company has incurred a net profit of Rs. 11,44,27,154/- and the same is carried forward to the Balance Sheet.

2. Dividend :

Your Directors do not recommend any dividend on the equity shares for the financial period under review.

3. Share Capital :

The paid up Equity Share Capital as on March 31, 2016 was Rs. 1,00,000. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2016, none of the Directors of the Company hold shares or convertible instruments of the Company.

4. Finance :

The Company has repaid the installments of Loans amounting to Rs. Nil during the current year.

The Company has also made fresh borrowings of Rs. 17,83,505/- for funding capital expenditure and other requirements. Long Term Debt of the Company stands to Rs. 13,56,643/- as on 31st March, 2016.

The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under check through continuous monitoring.

5. Deposits :

The Company has not accepted any Deposits covered under the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

6. Particulars of loans, guarantees or investments under section 186 :

There is no loan, guarantee or investment covered under the provisions of section 186 of the Companies Act, 2013.

7. Subsidiaries and Joint Ventures :

The Company does not have any subsidiaries/joint ventures within the meaning of the Companies Act, 2013.

CIN : U37200GJ2011PTCo68339

8. Directors :

Mr. Dinesh J. Yadav, the Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible for re-appointment, offers himself for re-appointment.

9. Number of meetings of the Board of Directors :

During the year, the Board of Directors met 8 times on 13th April, 2015, 11th May, 2015, 11th August, 2015, 16th September, 2015, 30th October, 2015, 7th November, 2015, 21st January, 2016, 26th February, 2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

10. Directors' Responsibility Statement :

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) we had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31st March, 2016 and of the profit and loss of the company for that period;
- (c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. Related Party Transactions :

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

12. Significant and material orders passed by the regulators or courts :

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations

13. Conservation of energy, technology absorption and foreign exchange earnings and outgo :

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure - A".

CIN : U37200GJ2011PTCo68339

14. Statutory Auditors :

The Auditors, M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad, retires and offer themselves for re-appointment. It is proposed that M/s. G. K. Choksi & Co., Chartered Accountants be reappointed as auditors of the Company. You are requested to appoint Auditors and to fix their remuneration.

15. Extract of the Annual Return :

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure - B".

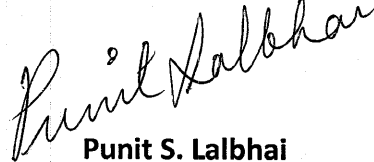
16. Particulars of Employees :

The Company does not have any employee covered under the provisions of Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

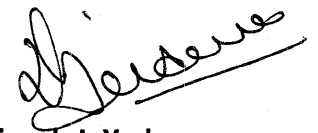
17. Acknowledgements :

The Directors gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



**Punit S. Lalbhai
(Director)
DIN : 05125502**



**Dinesh J. Yadav
(Director)
DIN : 05148825**

Date : 9th May, 2016
Place: Ahmedabad

G. K. Choksi & Co.

Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 30012009, 9925174555-56 Fax : 91 - 79 - 26569929 E-mail : info@gkcco.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
ARVIND ENVISOL PRIVATE LIMITED
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **ARVIND ENVISOL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

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207, Tolstoy House, Tolstoy Marg, Janpath, **NEW DELHI** - 110 001
Dial : 91-11-43717773-74; Email : info@gkcco.com

Branches :

'Surya Bhavan', Station Road, **PETLAD** - 388 450. Dial : 91-2697-224108



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 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

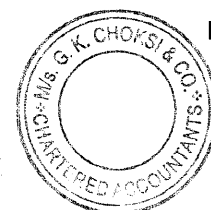
1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
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 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 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 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
 - (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 our 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 derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

Rohit K. Choksi
ROHIT K. CHOKSI
Partner

Mem. No. 31103



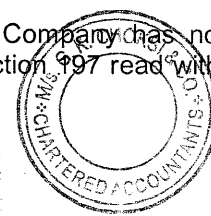
Place : Ahmedabad
Date : 9th May, 2016

Annexure - A to the Independent Auditors' Report of even date on financial statements of Arvind Envisol Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals having regard to size of company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us the company does not possess any immovable properties, accordingly the clause 3(i)(c) of the report is not applicable.
- (ii) According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on such physical verification during the year.
- (iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- (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, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2016 for a period more than six months from the date they became payable *except as stated below* :

| Statutory Due | Amount in ₹ |
|------------------|-------------|
| Excise Duty | 7,41,010 |
| Professional Tax | 82,290 |
| Total : | 8,23,300 |

- (b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2016.
- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.
- (xi) According to the information and explanations give to us, the Company has not paid/provided for managerial remuneration in accordance with the provisions of section 97 read with Schedule V to the Act. Accordingly the clause 3(xi) of the Order is not applicable.



- (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) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly the clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Rohit Choksi

ROHIT K. CHOKSI

Partner

Mem. No. 31103

Place : Ahmedabad
Date : 9th May, 2016



Annexure - B to the Independent Auditors' Report of even date on the Financial Statements of Arvind Envisol Private Limited.

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 **Arvind Envisol Private Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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.

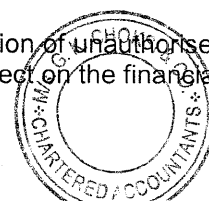
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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 G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI

Partner
Partner

Mem. No. 31103

Place : Ahmedabad
Date : 9th May, 2016



ARVIND ENVISOL PRIVATE LIMITED

Balance Sheet as at 31st March, 2016

[Amount in ₹]

| Particulars | Notes | As at 31st March, 2016 | As at 31st March, 2015 |
|-------------------------------------------|-------|------------------------|------------------------|
| Equity and Liabilities | | | |
| Shareholders' Fund | | | |
| Share Capital | 2 | 1 00 000 | 2 00 000 |
| Reserves and Surplus | 3 | 10 46 83 461 | 34 16 757 |
| | | | <u>36 16 757</u> |
| | | 10 47 83 461 | |
| Non-Current liabilities | | | |
| Long Term Borrowings | 4 | 13 56 643 | 7 04 034 |
| Deferred Tax Liabilities (Net) | 5 | 0 | 31 48 012 |
| Long Term Provisions | 6 | 13 78 326 | 12 64 148 |
| | | | <u>51 16 194</u> |
| | | 27 34 969 | |
| Current liabilities | | | |
| Short Term Borrowings | 7 | 39 16 85 000 | 20 95 00 000 |
| Trade Payables | | | |
| Due to Micro, Small and Medium Enterprise | 36 | 0 | 0 |
| Due to Others | 8 | 17 00 56 011 | 6 07 29 138 |
| Other Current Liabilities | 9 | 18 03 64 498 | 3 90 45 122 |
| Short Term Provisions | 10 | 19 72 56 422 | 2 61 34 484 |
| | | | <u>33 54 08 744</u> |
| | | 93 93 61 931 | |
| Total | | <u>1 04 68 80 361</u> | <u>34 41 41 695</u> |
| Assets | | | |
| Non- Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 11 | 40 51 130 | 28 29 054 |
| Intangible Assets | 12 | 0 | 8 69 73 831 |
| Capital Work In Progress | 13 | 1 02 889 | 0 |
| | | | <u>8 98 02 885</u> |
| | | 41 54 019 | |
| Deferred Tax Assets | 14 | 0 | 0 |
| Long Term Loans and Advances | 15 | 0 | 80 00 000 |
| Current Assets | | | |
| Inventories | 16 | 10 69 74 081 | 14 91 26 218 |
| Trade Receivables | 17 | 27 00 84 738 | 5 48 45 528 |
| Cash and Bank Balances | 18 | 4 01 19 398 | 1 90 39 517 |
| Short Term Loans & Advances | 19 | 62 05 81 653 | 2 32 77 168 |
| Other Current Assets | 20 | 41 64 293 | 50 379 |
| | | | <u>24 63 38 810</u> |
| | | 1 04 19 24 163 | |
| Total : | | <u>1 04 68 80 361</u> | <u>34 41 41 695</u> |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR G. K. CHOKSI & CO.

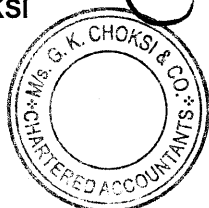
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI

Partner

Mem. No. 31103

Place : Ahmedabad
Date : 9th May, 2016



FOR AND ON BEHALF OF THE BOARD

[Signature]
257
Director

[Signature]
PSL
Director

Place : Ahmedabad
Date : 9th May, 2016

ARVIND ENVISOL PRIVATE LIMITED

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

[Amount in ₹]

| Particulars | Notes | 2015-2016 | 2014-2015 |
|------------------------------------------------------------|-------|----------------------|---------------------|
| Income | | | |
| Revenue from Operations | 21 | 101 82 58 859 | 46 83 11 302 |
| Less : Excise Duty | | 0 | 17 62 152 |
| | | <u>101 82 58 859</u> | <u>46 65 49 150</u> |
| Other Income | 22 | <u>79 65 742</u> | <u>30 80 888</u> |
| Total Revenue | | 102 62 24 601 | <u>46 96 30 038</u> |
| Expenses | | | |
| Cost of Materials Consumed / Sold | 23 | 26 82 72 028 | 9 86 79 949 |
| Purchase of Stock-in-Trade | | 24 23 36 074 | 32 09 77 241 |
| Changes in Inventories | 24 | 8 10 83 710 | (13 80 29 452) |
| Employee Benefits Expenses | 25 | 5 62 51 369 | 6 45 63 816 |
| Finance Cost | 26 | 7 47 412 | 1 73 75 822 |
| Depreciation and Amortization | | 4 42 656 | 1 31 92 976 |
| Other Expenses | 27 | <u>21 94 54 465</u> | <u>5 52 09 957</u> |
| Total Expenses | | <u>86 85 87 714</u> | <u>43 19 70 309</u> |
| Profit / (Loss) before Tax | | 15 76 36 887 | 3 76 59 729 |
| Tax Expenses | | | |
| Current Tax | | 4 70 00 000 | 80 00 000 |
| Tax in respect of earlier years | | (78 40 076) | 0 |
| MAT Credit Entitlement | | 80 00 000 | (80 00 000) |
| Deferred Tax | | <u>(39 50 191)</u> | <u>28 07 058</u> |
| | | 4 32 09 733 | <u>28 07 058</u> |
| Profit/(Loss) for the year carried to Balance sheet | | <u>11 44 27 154</u> | <u>3 48 52 671</u> |
| Earnings per equity share: | | | |
| Basic and diluted | 28 | 11 442.72 | 1 742.63 |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Ronit Choksi
RONIT K. CHOKSI

Partner

Mem. No. 31103



Place : Ahmedabad
 Date : 9th May, 2016

FOR AND ON BEHALF OF THE BOARD

D.J.T.
D.J.T. Director

Pratik Dalbani
Pratik Dalbani Director

Place : Ahmedabad
 Date : 9th May, 2016

ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

1 Significant Accounting Policies

(i) Basis of preparation of financial statements

- (a) The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply, in all material respects, with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- (b) The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (c) The Ministry of Company Affairs (MCA) vide its notification no. G.S.R 364 (E) dated 30th March, 2016 has issued the Companies (Accounting Standards) Amendments Rules, 2016 amending and replacing certain accounting standards. However, in view of clarification issued by MCA with regard to its applicability, such amended accounting standards are to be used for preparation of accounts for accounting periods commencing on or after the date of notification. Therefore, the effects has not been considered in this financial statements.

(ii) Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/determined.

(iii) Fixed Assets

Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

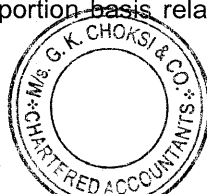
(iv) Depreciation

Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013 read with the relevant notifications issued by the Department of Company affairs.

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

(v) Recognition of Revenue

- (i) Revenue in respect of sale of goods is recognized when the property in goods as well as significant risks and rewards of ownership are transferred to the buyer under the term of contract. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discount, if any.
- (ii) Revenue from services is recognized upon services rendered.
- (iii) Interest is recognized on time proportion basis relating to the amount outstanding and the rate applicable.



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

(vi) Inventories

Inventories comprising of Raw Materials (including goods in transit) and finished goods are valued at the lower of cost or net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks if any.

Cost of Inventory comprises of Purchase price, cost of conversion and other cost incurred in bringing the inventories to their respective present location and condition. Cost of inventories is computed on FIFO basis.

(vii) Foreign Currency Transactions

- (i) Transactions in foreign currencies are recorded at the exchange rate prevailing on date of the transaction.
- (ii) In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognized in the Profit and Loss Account, other than exchange differences on acquisition of fixed assets, which are adjusted in the carrying amount of fixed assets.

(viii) Retirement Benefits

- (a) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
- (b) Retirement Benefits being Gratuity are accounted for based on actuarial valuation by the independent value.

(ix) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(x) Taxation

Provision for income tax is based on the assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising from unabsorbed depreciation or carry forward losses under tax laws are recognised only to the extent that there is virtual certainty of realisation. Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty of realisation.



ARVIND ENVISOL PRIVATE LIMITED

Statement of Cash Flows for the year ended March 31, 2016

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|------------------------------------------------------------------|------------------------------|----------------------|
| A Cash flow from operating activities | | |
| Profit/(Loss) for the year before taxation and exceptional items | 15 76 36 887 | 3 76 59 729 |
| Adjustments for | | |
| Adjustment pursuant to scheme of merger | 3 79 85 314 | 0 |
| Interest Income | (60 83 788) | (13 20 505) |
| Profit on Sale of Fixed Assets | 0 | (17 775) |
| Finance Cost | 74 59 414 | 1 73 53 467 |
| Depreciation | 1 36 78 553 | 1 31 92 976 |
| Trade Receivables & Other Current Assets | (92 98 91 572) | (5 31 08 512) |
| Inventories | 3 37 81 678 | (13 80 83 517) |
| Current Liabilities and long term provisions | 39 87 32 837 | 7 03 85 000 |
| Cash generated from operations | (28 67 00 677) | (5 39 39 137) |
| Direct taxes Refund/(paid) | (12 33 798) | (7 80 217) |
| Net Cash from Operating Activities | [A] (28 79 34 475) | (5 47 19 354) |
| B Cash flow from Investing activities | | |
| Purchase of Fixed Assets | (34 47 111) | (12 00 140) |
| Sale of Fixed Assets | 0 | 30 000 |
| Interest on Fixed Deposit & Employee's Loan | 19 69 874 | 13 58 222 |
| Net cash flow from Investing activities | [B] (14 77 237) | 1 88 082 |
| C Cash flow from financing activities | | |
| Proceeds From Short Term borrowings | 28 66 85 000 | 18 98 52 934 |
| Proceeds From LongTerm borrowings | 11 95 953 | 0 |
| Interest Paid | (1 08 51 234) | (18 35 628) |
| Net cash flow from financial activities | [C] 27 70 29 720 | 18 80 17 306 |
| Net Increase/(Decrease) in cash and cash equivalents | [A+B+C] (1 23 81 993) | 13 34 86 034 |
| Cash and cash equivalents opening | 1 90 39 517 | (11 44 46 517) |
| Cash and cash equivalents closing | 66 57 524 | 1 90 39 517 |
| Components of Cash and cash equivalent | | |
| Balances with scheduled banks | 0 | 61 50 314 |
| Cash in hand | 18 835 | 37 378 |
| Fixed Deposit | 4 10 09 394 | 1 28 51 825 |
| Book Overdraft - State Bank of India | (3 43 70 705) | 0 |
| | 66 57 524 | 1 90 39 517 |

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Accounting Standard 3 as prescribed by The Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our attached report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI
Partner

Mem. No. 31103

Place: Ahmedabad
Date : 9th May, 2016

FOR AND ON BEHALF OF THE BOARD

D. J. Doshi
D.J. Director

Punit Halbhari
P.S.L. Director

Place: Ahmedabad
Date : 9th May, 2016

ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

2 Share Capital

[Amount in ₹]

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|----------------------------------------------------------------|---------------------------|---------------------------|
| (a) Authorised | | |
| 10,00,000 (P.Y.10,00,000) Equity Shares of ₹ 10/- each | 1 00 00 000 | 1 00 00 000 |
| (b) Issued, Subscribed and fully Paidup | | |
| 10,000 (P.Y.20,000) Equity Shares of ₹ 10/- each fully paid up | 1 00 000 | 2 00 000 |
| [Refer Note 30] | | |

Note :

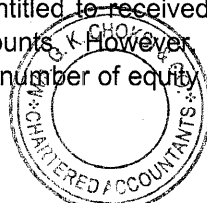
- (a) During the period of five financial years immediately preceeding the Balance Sheet date, the company has not:
- (i) allotted any fully paidup equity shares by way of bonus shares;
 - (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
 - (iii) brought back any equity shares

(c) Reconciliation of number of shares

| Particulars | Number of Equity Shares | |
|---------------------------------------------------------------|-------------------------|-----------|
| | 2015-2016 | 2014-2015 |
| As at April 1, 2015 | 20 000 | 20 000 |
| Add | | |
| Shares issued for Cash or Right Issue or Bonus | 0 | 0 |
| Exercise of Share Option under ESOS / ESOP | 0 | 0 |
| Shares issued in Business Combination (Merger) | 0 | 0 |
| | 20 000 | 20 000 |
| Less | | |
| Adjustment Pursuant to Scheme of Demerger (refer note no. 30) | 10 000 | 0 |
| Shares bought back / Redemption etc. | 0 | 0 |
| As at March 31, 2016 | 10 000 | 20 000 |

(d) Rights, Preferences and Restrictions

- (i) The company has only one class of shares referred to as equity shares having a par value of ₹ 10/- Each holder of equity shares is entitled to one vote per share. However no equity shareholder shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien. Further a member paying the whole or part of amount remaining unpaid on any shares held by him although no part of that amount has been called up shall not be entitled to vote.
- (ii) The holders of equity shares are entitled to receive dividends as declared from time to time. No dividend shall be payable except out of profits of the Company arrived at in the manner provided for in Section 123 of the Companies Act, 2013.
- (iii) All shares rank equally with regard to Company's residual assets, except that preference shareholders participate only to the extent of the face value of shares. Accordingly in the event of liquidation of the company the holders of the equity shares will be entitled to received any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

(e) Details of Shareholdings

Number of Shares held by Holding Enterprise

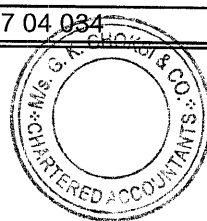
| Particulars | Number of Equity Shares | | % of Holding | |
|----------------------------------------------------|-------------------------|-----------|--------------|-----------|
| | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| Number of Shares held by Holding Enterprise | | | | |
| Holding Company (With Nominees) | 10 000 | 20 000 | 100.00 | 100.00 |
| Shareholders holding more than 5% shares | | | | |
| Arvind Accel Limited (With Nominees) | 10 000 | 20 000 | 100.00 | 100.00 |

3 Reserves and surplus

| Particulars | [Amount in ₹] | |
|-------------------------------------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 |
| Capital Reserve | | |
| Balance as per previous financial statements | 0 | 0 |
| Add : Adjustments pursuant to Scheme of Merger [Refer Note 30] | 2 48 24 864 | 0 |
| Closing Balance | <u>2 48 24 864</u> | <u>0</u> |
| Surplus / (Deficit) in Statement of Profit & Loss | | |
| Balance as per previous financial statements | 34 16 757 | (3 14 35 914) |
| Add : Profit/(Loss) for the year | 11 44 27 154 | 3 48 52 671 |
| Less : Adjustments pursuant to Scheme of Demerger [Refer Note 30] | (3 79 85 314) | 0 |
| Balance available for appropriation | <u>7 98 58 597</u> | <u>34 16 757</u> |
| Less: Appropriations | 0 | 0 |
| Net Surplus / (Deficit) | <u>7 98 58 597</u> | <u>34 16 757</u> |
| | <u>10 46 83 461</u> | <u>34 16 757</u> |

4 Long Term Borrowings

| Particulars | Non-current portion | | Current maturities | |
|----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 | As at 31st March, 2016 | As at 31st March, 2015 |
| Secured Loans | | | | |
| Vehicle Loan from HDFC Bank Ltd. | | | | |
| Account no. - 30095497 | 0 | 7 04 034 | 0 | 1 48 900 |
| Account no. - 33349781 | 7 02 335 | 0 | 1 68 143 | 0 |
| Account no. - 38175853 | 6 54 308 | 0 | 1 45 234 | 0 |
| | <u>13 56 643</u> | <u>7 04 034</u> | <u>3 13 377</u> | <u>1 48 900</u> |



... Continued..

ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

4 Long Term Borrowings ... Continued..

Nature of Security

The Vehicle loan amounting to ₹ 16,70,020 (P.Y. ₹ 8,52,934/-) is secured by Vehicles.

Terms of Repayment of Loans

Secured Loan

HDFC Bank Limited

Account no. - 30095497

Loan is repayable in monthly installments of ₹ 18,965/- commencing from January, 2015 and last installment falls due on December, 2019.

Account no. - 33349781

Loan is repayable in monthly installments of ₹ 20,804/- commencing from August, 2015 and last installment falls due on July,2020.

Account no. - 38175853

Loan is repayable in monthly installments of ₹ 17,074/- commencing from March, 2016 and last installment falls due on February,2021.

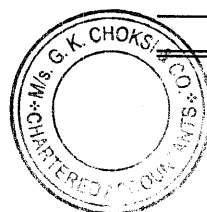
5 Deferred Tax Liabilities (Net)

The Company estimates deferred tax/(charge) which comprises as follows :

| Particulars | [Amount in ₹] | |
|------------------------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 |
| Deferred Tax Liabilities | | |
| Difference of book depreciation and tax depreciation | 0 | 1 14 07 834 |
| Deferred Tax Assets | | |
| Disallowance u/s. 43(b) under income tax act, 1961 | 0 | 78 44 106 |
| Unabsorbed Depreciaton | 0 | 4 15 716 |
| Disallowance U/s 35DD | 0 | 0 |
| Net Deferred Tax Liability | 0 | 31 48 012 |

6 Long Term Provisions

| Particulars | [Amount in ₹] | |
|-----------------------|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 |
| For Employee Benefits | | |
| Gratuity | 11 02 794 | 10 52 383 |
| Leave Encashment | 2 75 532 | 2 11 765 |
| | 13 78 326 | 12 64 148 |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

7 Short Term Borrowings

[Amount in ₹]

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|------------------------------------------|---------------------------|---------------------------|
| Unsecured Loans | | |
| From Related Party - Repayable on demand | | |
| Inter Corporate Deposits | 39 16 85 000 | 20 95 00 000 |
| | <u>39 16 85 000</u> | <u>20 95 00 000</u> |

8 Trade Payables - Due to Others

[Amount in ₹]

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|------------------------|---------------------------|---------------------------|
| For Goods and Services | | |
| Related Parties | 98 53 854 | 1 09 90 491 |
| Others | 16 02 02 157 | 4 97 38 647 |
| | <u>17 00 56 011</u> | <u>6 07 29 138</u> |

9 Other Current Liabilities

[Amount in ₹]

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|------------------------------|---------------------------|---------------------------|
| Current Maturities | 3 13 377 | 1 48 900 |
| Advances from Customers | | |
| Related party | 13 27 702 | 37 01 819 |
| Others | 13 54 87 624 | 82 60 711 |
| Book Overdraft | 3 43 70 705 | 0 |
| Interest Accrued and due | | |
| Related party | 27 53 469 | 1 67 85 722 |
| Interest Accrued but not Due | 11 298 | 6 113 |
| Other Payables | | |
| Related party | 0 | 64 71 835 |
| Employees and others | 40 085 | 23 240 |
| Statutory dues | 60 60 238 | 36 46 782 |
| | <u>18 03 64 498</u> | <u>3 90 45 122</u> |

10 Short Term Provisions

[Amount in ₹]

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|--------------------------------------------|---------------------------|---------------------------|
| For Taxation(Net of advance tax) | 4 40 35 749 | 61 72 339 |
| For Employee Benefits | | |
| Gratuity Payable | 9 704 | 8 547 |
| Leave Encashment | 10 969 | 8 598 |
| For Contractual site expenses / Warranties | 15 32 00 000 | 1 99 45 000 |
| | <u>19 72 56 422</u> | <u>2 61 34 484</u> |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

11 Tangible Assets

| Sr. No. | Particulars | Gross Block (At cost) | | | Depreciation | | | Net Block | | | |
|---------|------------------------|-----------------------|-----------|-----------------------------------------|------------------|------------------|--------------|-----------------------------------------|------------------|------------------|------------------|
| | | As at 01/04/2015 | Additions | Deduction / Adjustments (Refer note 30) | As at 31/03/2016 | Up to 01/04/2015 | For the year | Deduction / Adjustments (Refer note 30) | Up to 31/03/2016 | As at 31/03/2016 | As at 31/03/2015 |
| 1 | Computers | 15 09 600 | 12 450 | 12 60 750 | 2 61 300 | 7 07 398 | 76 504 | 5 47 999 | 2 35 903 | 25 397 | 8 02 202 |
| 2 | Furniture & Fixtures | 8 16 593 | 6 10 374 | 0 | 14 26 967 | 1 14 838 | 1 06 530 | 0 | 2 21 368 | 12 05 599 | 7 01 755 |
| 3 | Office Equipments | 4 57 216 | 4 79 034 | 0 | 9 36 250 | 98 858 | 1 48 130 | 0 | 2 46 988 | 6 89 262 | 3 58 358 |
| 4 | Vehicles | 8 87 375 | 17 85 505 | 8 87 375 | 17 85 505 | 42 150 | 88 086 | 42 150 | 88 086 | 16 97 419 | 8 45 225 |
| 5 | Plant & Machinery | 1 24 995 | 2 43 660 | 1 24 995 | 2 43 660 | 3 481 | 12 281 | 3 481 | 12 281 | 2 31 379 | 1 21 514 |
| 6 | Electrical Equipments | 0 | 2 13 199 | 0 | 2 13 199 | 0 | 11 125 | 0 | 11 125 | 2 02 074 | 0 |
| | Total : | 37 95 779 | 33 44 222 | 22 73 120 | 48 66 881 | 9 66 725 | 4 42 656 | 5 93 630 | 8 15 751 | 40 51 130 | 28 29 054 |
| | Previous Year : | 26 31 439 | 12 00 140 | 35 800 | 37 95 779 | 2 17 298 | 7 73 001 | 23 574 | 9 66 725 | 28 29 054 | |



[Amount in ₹]

ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

12 Intangible Assets

| Sr. No. | Particulars | Gross Block (At cost) | | | | Depreciation / Amortization | | | Net Block | |
|---------|------------------------|-----------------------|-----------|---------------------------|------------------|-----------------------------|--------------|------------------|------------------|------------------|
| | | As at 01/04/2015 | Additions | Deduction (Refer note 30) | As at 31/03/2016 | Up to 01/04/2015 | For the year | Up to 31/03/2016 | As at 31/03/2016 | As at 31/03/2015 |
| 1 | Patents | 12 42 42 254 | 0 | 12 42 42 254 | 0 | 0 | 3 72 68 423 | 0 | 0 | 8 69 73 831 |
| | Total : | 12 42 42 254 | 0 | 12 42 42 254 | 0 | 0 | 3 72 68 423 | 0 | 0 | 8 69 73 831 |
| | Previous Year : | 12 42 42 254 | 0 | 0 | 12 42 42 254 | 2 48 48 448 | 1 24 19 975 | 0 | 3 72 68 423 | 8 69 73 831 |

[Amount in ₹]



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

13 Intangible Asset under process

[Amount in ₹]

| Sr. No. | Particulars | Gross Block (At cost) | | | Depreciation / Amortization | | | Net Block | | |
|---------|------------------------|-----------------------|-----------|-----------|-----------------------------|------------------|--------------|------------------|------------------|------------------|
| | | As at 01/04/2015 | Additions | Deduction | As at 31/03/2016 | Up to 01/04/2015 | For the year | Up to 31/03/2016 | As at 31/03/2016 | As at 31/03/2015 |
| 1 | Patent | 0 | 1 02 889 | 0 | 1 02 889 | 0 | 0 | 0 | 1 02 889 | 0 |
| | Total : | 0 | 1 02 889 | 0 | 1 02 889 | 0 | 0 | 0 | 1 02 889 | 0 |
| | Previous Year : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

14 Deferred Tax Asset (Net)

The Company estimates deferred tax/(charge) which comprises as follows :

| | [Amount in ₹] | |
|------------------------------------------------------|---------------------------|---------------------------|
| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
| Deferred Tax Assets | | |
| Disallowance u/s. 43(b) under income tax act, 1961 | 4 86 327 | 0 |
| Unabsorbed Depreciaton | 41 281 | 0 |
| Disallowance U/s 35DD | 3 32 180 | 0 |
| | 8 59 788 | 0 |
| Deferred Tax Liabilities | | |
| Difference of book depreciation and tax depreciation | 57 609 | 0 |
| Net Deferred Tax Asset | 8 02 179 | 0 |

15 Long Term Loans and Advances

| | [Amount in ₹] | |
|------------------------|---------------------------|---------------------------|
| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
| MAT Credit Entitlement | 0 | 80 00 000 |
| | 0 | 80 00 000 |

16 Inventories

(As taken, valued and certified by the Management)

| | [Amount in ₹] | |
|---------------------|---------------------------|---------------------------|
| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
| Raw Materials | 0 | 96 91 107 |
| Stock-in-trade | 5 74 51 552 | 13 85 35 262 |
| Boughtout Materials | 4 95 22 529 | 8 99 849 |
| | 10 69 74 081 | 14 91 26 218 |

17 Trade Receivable

(Unsecured, considered good, unless otherwise stated)

| | [Amount in ₹] | |
|--------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
| Debt outstanding for the period exceeding six months | 2 40 97 331 | 1 25 28 145 |
| Others debts | 24 59 87 407 | 4 23 17 383 |
| | 27 00 84 738 | 5 48 45 528 |
| The amount dues by : | | |
| Directors | NIL | NIL |
| Officers either severally or jointly with other persons | NIL | NIL |
| Firms or private companies in which any director is partner or director or a member. | NIL | NIL |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

18 Cash and Bank Balances

[Amount in ₹]

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|----------------------------------------------------------------------------------|---------------------------|---------------------------|
| Balances with scheduled banks | | |
| Current / Cash Credit accounts | 0 | 61 50 314 |
| Fixed Deposit having maturity period less than three months | 4 01 00 563 | 1 20 00 000 |
| Cash in hand | 18 835 | 37 378 |
| Other Bank balances | | |
| Fixed deposits (With maturity for more than 3 months but less than 12 months) | 0 | 8 51 825 |
| | <u>4 01 19 398</u> | <u>1 90 39 517</u> |

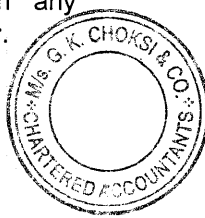
Note: The Fixed Deposit includes ₹ 4,01,00,563 (P.Y ₹ 1,20,00,000) deposit placed as Margin Money.

19 Short Term Loans and Advances

(Considered good, unsecured unless otherwise stated)

[Amount in ₹]

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|--------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Short Term Loans | | |
| Intercorporate | 55 00 00 000 | 0 |
| Advances | | |
| Contractors & Suppliers | 1 30 92 354 | 60 59 706 |
| Employees | 18 90 203 | 4 27 665 |
| Advance recoverable in cash or in kind | | |
| Related party | 2 18 18 497 | 0 |
| Deposits | | |
| Rent Deposit | 3 29 000 | 8 29 000 |
| Security Deposit | 0 | 14 040 |
| EMD Tender Deposit | 13 05 960 | 7 93 028 |
| Others | | |
| Prepaid Expenses | 22 99 362 | 6 41 956 |
| Balances with revenue authorities | 2 98 46 277 | 1 45 11 773 |
| | <u>62 05 81 653</u> | <u>2 32 77 168</u> |
| The amount dues by : | | |
| Directors | NIL | NIL |
| Officers either severally or jointly with other persons | NIL | NIL |
| Firms or private companies in which any director is partner or director or a member. | NIL | NIL |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

20 Other Current Assets

[Amount in ₹]

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|--------------------------------|---------------------------|---------------------------|
| Interest on Loans and Advances | 41 64 293 | 50 379 |
| | <u>41 64 293</u> | <u>50 379</u> |

21 Revenue from Operations

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|-----------------------------------------------|----------------------|---------------------|
| Sale of Products | | |
| Manufactured Goods (Inclusive of Excise duty) | 0 | 2 05 43 038 |
| Components and Equipments | 61 33 63 552 | 20 35 93 069 |
| Traded Goods | 35 46 38 329 | 21 00 15 512 |
| Sale of Services | 4 24 91 729 | 3 32 43 604 |
| Other Operating Revenue | | |
| Export Incentive | 77 65 249 | 9 16 079 |
| | <u>101 82 58 859</u> | <u>46 83 11 302</u> |

22 Other Income

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|--------------------------------|------------------|------------------|
| Interest Income | 60 20 584 | 13 20 505 |
| Rent income | 14 79 600 | 0 |
| Profit on sale of fixed assets | 0 | 17 775 |
| Provisions No Longer Required | 0 | 8 10 000 |
| Other non operating income | 4 65 558 | 9 32 608 |
| | <u>79 65 742</u> | <u>30 80 888</u> |

23 Cost of Materials Consumed / Sold

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|-------------------------------------------------|---------------------|--------------------|
| Raw Materials | 0 | 40 89 456 |
| Boughtout Materials - Components and Equipments | 26 82 72 028 | 9 45 90 493 |
| | <u>26 82 72 028</u> | <u>9 86 79 949</u> |

24 Changes in Inventories

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|----------------|--------------------|-----------------------|
| Closing Stock | | |
| Stock-in-Trade | 5 74 51 552 | 13 85 35 262 |
| Opening Stock | | |
| Stock-in-Trade | 13 85 35 262 | 5 05 810 |
| | <u>8 10 83 710</u> | <u>(13 80 29 452)</u> |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

25 Employees Benefits Expenses

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|-------------------------------------------|--------------------|--------------------|
| Salary, Wages and Bonus | 5 26 02 750 | 6 04 18 576 |
| Contribution to Provident and other funds | 36 48 619 | 26 56 198 |
| Staff Welfare Expenses | 0 | 14 89 042 |
| | <u>5 62 51 369</u> | <u>6 45 63 816</u> |

26 Finance Cost

| Particulars | 2015-2016 | 2014-2015 |
|-----------------|-----------------|--------------------|
| Interest on: | | |
| Unsecured Loans | 6 66 092 | 1 72 35 252 |
| Secured Loans | 81 320 | 1 40 570 |
| | <u>7 47 412</u> | <u>1 73 75 822</u> |

27 Other Expenses

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|------------------------------------------------------|---------------------|--------------------|
| Site and Other Expenses | | |
| Site Expenses | 2 17 82 227 | 1 52 47 274 |
| Patent renewal charges | 0 | 14 62 008 |
| Provision for Other Construction cost | 15 32 00 000 | 0 |
| Other Direct Costs | <u>68 47 529</u> | <u>88 21 501</u> |
| | 18 18 29 756 | 2 55 30 783 |
| Auditor's Remuneration | 1 43 125 | 1 12 360 |
| Demerger Related Expense | 11 94 464 | 1 000 |
| Foreign Exchange Fluctuation | 49 22 382 | 0 |
| Bank Gaurantee Charges and other Charges | 52 57 607 | 6 72 161 |
| Admin. & Other Expenses | | |
| Repairs & Maintenance | 11 38 302 | 4 87 613 |
| Insurance Expense | 13 00 929 | 8 43 809 |
| Rates & Taxes | 3 45 386 | 68 792 |
| Fees and Legal | 45 304 | 17 864 |
| Travelling Expense | 95 36 721 | 69 20 497 |
| Miscellaneous Expenditure | <u>16 68 523</u> | <u>12 50 664</u> |
| | 1 40 35 165 | 95 89 239 |
| Selling and Distribution Expenses | | |
| Transportation charges | 1 00 24 247 | 27 40 042 |
| Advertisement & Business Promotion | 18 96 082 | 8 22 377 |
| Entertainment Expenses | <u>1 51 637</u> | <u>96 995</u> |
| | 1 20 71 966 | 36 59 414 |
| Provision for Product Warranties / Guarantees | 0 | 1 56 45 000 |
| | <u>21 94 54 465</u> | <u>5 52 09 957</u> |
| Auditor, Remuneration is made of : | | |
| Statutory Audit Fees | 1 43 125 | 1 12 360 |
| | <u>1 43 125</u> | <u>1 12 360</u> |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

28 Earning per Share

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|----------------------------------------------|--------------|-------------|
| Net Profit/(Loss) for the year (Amount in ₹) | 11 44 27 154 | 3 48 52 671 |
| Number of equity shares (Weighted Average) | 10 000 | 20 000 |
| Nominal value of the share | 10 | 10 |
| Basic and diluted Earning per Share (₹) | 11442.72 | 1742.63 |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

29. Contingent Liabilities and Capital commitments

[Amount in ₹]

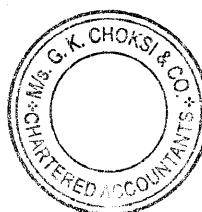
| Particulars | 2015-2016 | 2014-2015 |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------|
| Contingent Liabilities Bank Guarantee | 39,73,51,020 | NIL |
| Capital Commitments / Other Commitment Estimated amount of contracts remaining to be executed on capital account and not provided for | NIL | NIL |

30. The Board of Directors of the company in their meeting approved the scheme of arrangement between Arvind Envisol Private Limited (Demerged Company) and Arvind Accel Limited (Resulting Company) for Demerger and transfer of Mechanical Vapor Recompression Evaporation undertaking (Demerged Undertaking) and Restructure the Share Capital of Arvind Envisol Private Limited with effect from 1st April, 2014 as per the scheme tabled at the meeting.

The figures for the current year exclude the figures of the Demerged Undertaking which has been merged with the Arvind Accel Limited (Resultant Company) with effect from 1st April, 2014, and therefore, the figures for the current year are not comparable with those of the previous year.

Demerger of MVRE Division of the company:

- (a) In terms of the Scheme of Arrangement (Scheme) sanctioned by order dated 20th August, 2015 (notified on 24th September, 2015) of the Hon'ble High Court of Gujarat, the MVRE Division of the company has been merged with the Arvind Accel Limited with effect from 1st April, 2014 (that being the appointed date as per the Scheme). Accordingly, the assets and liabilities related to the Demerged Undertaking have been transferred to and vested in the Resulting Company with effect from 1st April, 2014.
- (b) In accordance with the Scheme
- (i) All the assets, liabilities, rights and obligations of the MVRE Division has vested in Arvind Accel Limited with effect from 1st April, 2014 and have been recorded at their respective book values.
 - (ii) Arvind Envisol Private Limited being the wholly owned subsidiary of Arvind Accel Limited, no consideration has been paid for the transfer of MVRE Division.
 - (iii) The amount of difference between the value of assets and the value of liabilities as on 1st April, 2014 transferred pursuant to the scheme has been taken to Capital Reserve.
 - (iv) The Share Capital of the Company has been reduced by 50%, which resulted to ₹ 1,00,000, being 10,000 equity shares of ₹ 10/- each, as against ₹ 2,00,000, being 20,000 equity shares of ₹ 10/- each and such reduction being in the nature of Capital Reduction has been taken to Capital Reserve.
 - (v) The amount of profit generated through transactions of revenue nature related to demerged undertaking (i.e. MVRE Division) executed by the company during the period from 1st April, 2014 to 31st March, 2015 has been carried to and adjusted against balance of 'Surplus/Deficit in the Statement of Profit & Loss' and disclosed under the head 'Reserve & Surplus'.



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

31. The Board of Directors of the Company, vide resolution passed in Board Meeting held on 21st January, 2016, has proposed the scheme of arrangement in the nature of amalgamation between Arvind Accel Ltd. (Transferee Company) and Arvind Envisol Pvt. Ltd. (Transferor Company) for Amalgamation of Arvind Envisol Pvt. Ltd. with Arvind Accel Ltd. pursuant to Sections 391 to 394 of the Companies Act, 2013 and filed the same with the Hon'ble High Court of Gujarat for approval. In accordance with the scheme, with effect from appointed date i.e. 1st April, 2015 and upon scheme becoming effective, the whole undertaking of Transferor Company with all its assets and liabilities shall be transferred to and vested in the Transferee Company. All rights, title and interest pertaining to the transferor company shall be transferred to Transferee Company. Upon this scheme become effective, the name of the Transferee Company (Arvind Accel Limited) shall be changed to Arvind Envisol Limited. The final order in respect of aforesaid scheme is yet to be passed by Hon'ble High Court of Gujarat.

32. Employee Benefits

Liability for gratuity

The company has provided for employee gratuity benefits liability based on the actuarial valuation done Life Insurance Corporation of India.

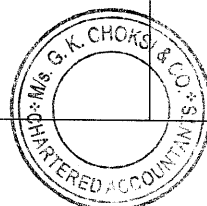
Disclosures for defined benefit plans based on actuarial reports as on March 31, 2016:

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|-------------------------------------------------------------|------------|-----------|
| Changes in Present Value of Obligations | | |
| Present Value of Obligation as at the beginning of the year | 10,60,930 | 7,20,750 |
| Interest Cost | NIL | NIL |
| Current Service Cost | 2,04,278 | 3,40,180 |
| Actuarial (gain) / Loss on obligations | NIL | NIL |
| Benefits paid | (1,52,710) | NIL |
| Present value of Obligation as at the end of the year | 11,12,498 | 10,60,930 |
| Changes in fair value of plan assets | NIL | NIL |
| Amount recognized in balance sheet | | |
| Present Value of Obligations as at the end of the year | 11,12,498 | 10,60,930 |
| Fair value of plan Assets as at the end of the year | NIL | NIL |
| Net Liability / (Asset) recognized in Balance sheet | 11,12,498 | 10,60,930 |
| Expenses recognized in the Profit and loss account | | |
| Current Service Cost | 2,04,278 | 3,40,180 |
| Interest Cost | NIL | NIL |
| Expected Return on Plan Assets | NIL | NIL |
| Net actuarial (gain) / loss recognized in the year | NIL | NIL |
| Expenses Recognized in the statement of Profit & Loss | 2,04,278 | 3,40,180 |
| Assumptions | | |
| Discount rate | 7.96% | 8.08% |
| Rate of increase in compensation levels | 4% | 4% |
| Rate of return on plan assets | NIL | NIL |
| Age of Retirement | 58 Years | 58 Years |

33 Segment Reporting

During the year under review, the Company operates within a solitary business segment i.e. Trading in goods and Bought Material, the disclosure requirements of Accounting Standard – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

34. Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

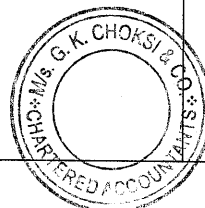
(a) List of related parties with whom transactions have taken place during the year and relationship:

| Sr. No. | Name of related party | Relationship |
|---------|--------------------------------|---------------------------------------------------------------------------|
| 1 | Shri Dinesh Yadav | Key Managerial Personnel |
| 2 | Arvind Limited | Ultimate Holding Company |
| 3 | Arvind Accel Limited | Holding Company |
| 4 | Dholka Textile Private Limited | Fellow subsidiary of Holding Company |
| 5 | Arvind Infrastructure Limited | Fellow Subsidiary of Holding Company (Up to 31 st March, 2015) |

(b) Transactions with related parties

[Amount in ₹]

| Sr. No. | Particulars | 2015-2016 | 2014-2015 |
|---------|----------------------------------------|--------------|--------------|
| (i) | Reimbursement of Expenses | | |
| | - Holding Company | 1,14,49,664 | 79,62,008 |
| | - Ultimate Holding Company | 10,75,644 | 16,87,948 |
| (ii) | Purchase of Goods | | |
| | - Holding Company | 2,71,805 | -- |
| | - Ultimate Holding Company | 71,58,047 | -- |
| (iii) | Sale of Component, Equipment and goods | | |
| | - Ultimate Holding Company | 97,46,960 | 9,02,38,936 |
| | - Holding Company | 37,332 | 36,10,368 |
| (iv) | Sale of Services | | |
| | - Ultimate Holding Company | 1,27,22,159 | 1,42,66,141 |
| (v) | Loan taken during the year | | |
| | - Ultimate Holding Company | 51,24,48,738 | 23,84,35,792 |
| | - Holding Company | -- | 79,99,460 |
| (vi) | Loan Repaid during the year | | |
| | - Ultimate Holding Company | 29,70,46,477 | 3,26,73,580 |
| | - Holding Company | 17,49,514 | 92,00,000 |
| (vii) | Loan given during the year | | |
| | - Fellow subsidiary of Holding Company | 40,01,12,329 | -- |
| (viii) | Loan refunded during the year | | |
| | - Fellow subsidiary of Holding Company | 11,233 | -- |
| (ix) | Interest Expense | | |
| | - Ultimate Holding Company | 2,96,141 | 1,67,35,792 |
| | - Holding Company | -- | 4,99,460 |
| (x) | Interest Income | | |
| | - Fellow subsidiary of Holding Company | 1,12,329 | -- |
| (xi) | Rent Expenses | | |
| | - Fellow Subsidiary of Holding Company | -- | 82,500 |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

(c) Outstanding Balances as at March, 31st 2016

[Amount in ₹]

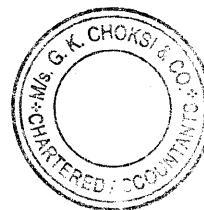
| Sr. No. | Particulars | 2015-2016 | 2014-2015 |
|---------|--------------------------------------------------|--------------|--------------|
| (i) | Balance Payable to Holding Company | | |
| | - Trade Payable | -- | 86,16,540 |
| | - Unsecured Loan | -- | 17,49,514 |
| | - Other Payable | -- | 64,71,835 |
| (ii) | Balance Payable to Ultimate Holding Company | | |
| | - Advance from Customer | 13,27,702 | 37,01,819 |
| | - Trade Payables | 98,53,854 | 23,73,951 |
| | - Unsecured Loan (Including Interest) | 39,44,38,469 | 22,45,36,208 |
| (iii) | Balance Receivable from Ultimate Holding Company | | |
| | - Trade Receivables | 1,70,23,246 | 1,04,79,341 |
| (iv) | Balance Receivable from Holding Company | | |
| | - Trade Receivables | -- | 2,81,190 |
| | - Other Receivables | 2,18,18,497 | -- |
| (v) | Investment by Holding Company | 1,00,000 | 2,00,000 |

35. Pursuant to Accounting Standard-29, Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2016 is as follows :

Provisions

[Amount in ₹]

| Particulars | Provision for Contractual Obligations |
|-----------------------------------------------------------|---------------------------------------|
| Opening Balance | 1,99,45,000 |
| Additions | 15,32,00,000 |
| Payments | -- |
| Reversals / Transferred pursuant to scheme of arrangement | 1,99,45,000 |
| Closing Balance | 15,32,00,000 |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

36. Due to Micro, Small and Medium Enterprise

| Sr. No. | Particulars | 2015-2016 | 2014-2015 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| 1 | Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | NIL | NIL |
| 2 | The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | NIL | NIL |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | NIL | NIL |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year; and | NIL | NIL |
| 5 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | NIL | NIL |

37. The additional information as required under paragraphs 5 (viii) (c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013 is stated below.

A. Composition of Raw Materials Consumption:

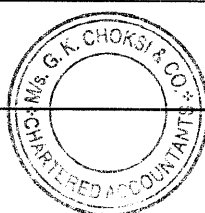
[Amount in ₹]

| Particulars | 2015-2016 | | 2014-2015 | |
|-------------|-----------|----------------|-----------|----------------|
| | Value (₹) | Percentage (%) | Value (₹) | Percentage (%) |
| Imported | -- | -- | 30,00,269 | 73.37 |
| Indigenous | -- | -- | 10,89,187 | 26.63 |
| Total : | -- | -- | 40,89,456 | 100.00 |

B Value of Imports on CIF Basis:

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|---------------|--------------|--------------|
| Capital Goods | 34,425 | 1,24,995 |
| Traded Goods | 26,23,95,591 | 31,03,71,044 |



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

C Earning in Foreign Currency:

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|------------------------|--------------|-------------|
| F.O.B. Value of Export | 48,82,29,298 | 5,07,14,787 |

D Expenditure in Foreign Currency (on payment basis):

[Amount in ₹]

| Particulars | 2015-2016 | 2014-2015 |
|-----------------------------------------|-----------|-----------|
| Travelling Expenses | 20,50,426 | 3,39,281 |
| Patent Registration and Renewal Charges | -- | 14,62,008 |
| Consultancy Charges | 29,20,732 | 54,30,797 |
| Guest house rent | 89,300 | -- |

38. Statement of Management

In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet. Provision for all known liabilities has been made and is not in excess of amount reasonably necessary.

39. The previous year's figures have been reworked, regrouped and reclassified wherever necessary.

As per our attached report of even date.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

Rohit Choksi
ROHIT K CHOKSI
Partner
Mem. No. 31103



Place : Ahmedabad
Date : 9th May, 2016

FOR AND ON BEHALF OF THE BOARD

[Signature]
Director
[Signature]
Director

Place : Ahmedabad
Date : 9th May, 2016

