

G. K. Choksi & Co.

Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
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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, 2015, 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 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 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 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such control. 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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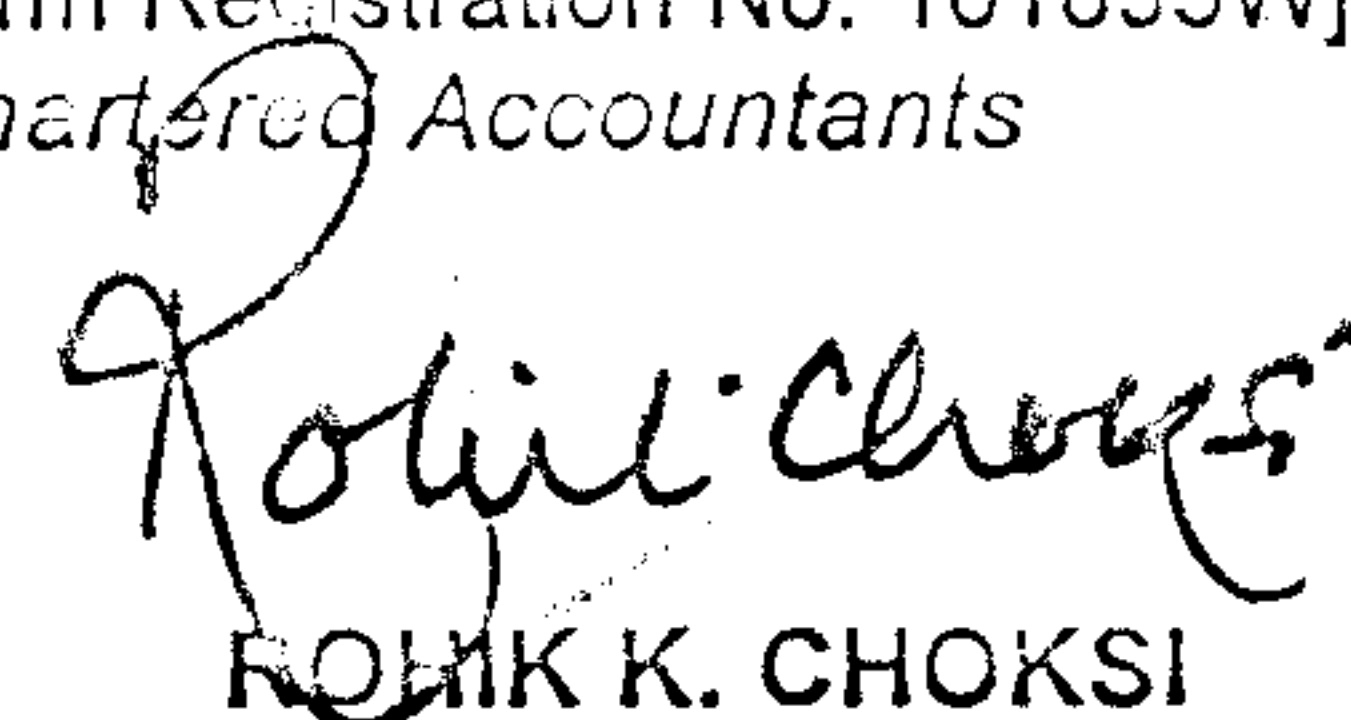
Opinion

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, 2015 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 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 of 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 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) 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 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
Partner

Mem. No. 31103

Place : Ahmedabad

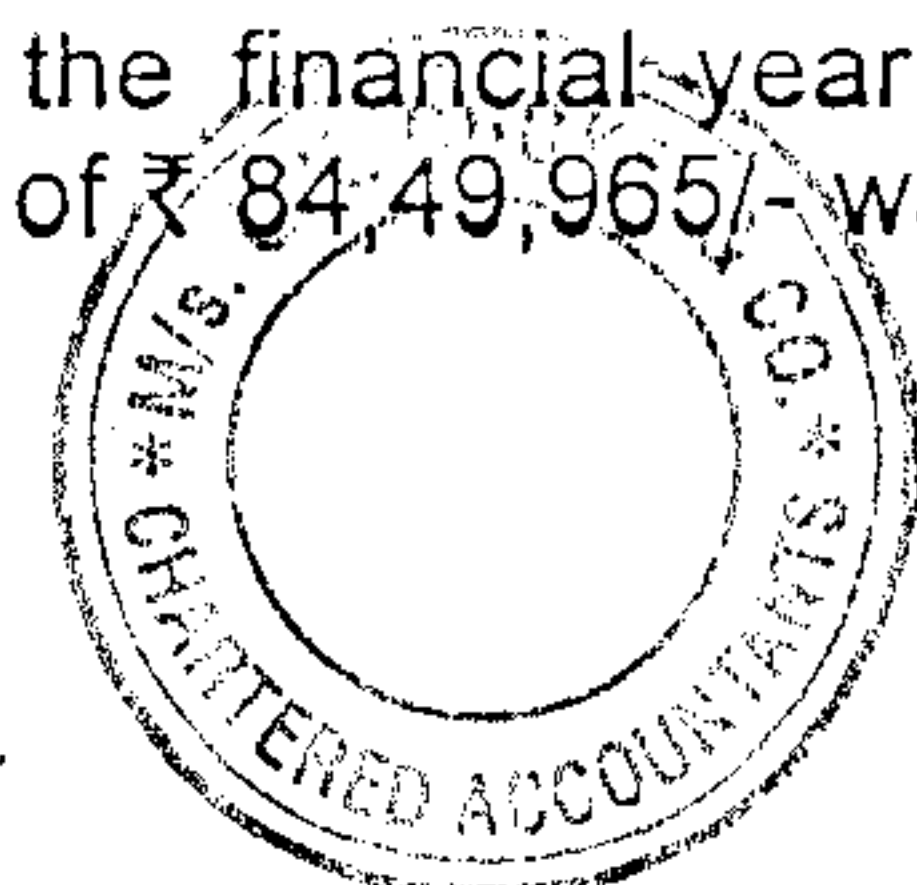
Date : 11 MAY 2015



Annexure to the Auditors' Report

(Referred to in our Report of even date to the members 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) Fixed assets have been physically verified by the management during the year at reasonable intervals which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The Management of Company has conducted physical verification of inventory at reasonable intervals.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management of Company are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of inventories records, in our opinion, the Company is maintaining the proper records of inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) (i) The Company has taken interest bearing unsecured loans from one party covered in the Register maintained u/s.189 of the Companies Act, 2013. The balance outstanding on account of this loans as at the end of the year was ₹ 13,00,000 /- and the maximum balance outstanding during the year were ₹ 30,00,000/-.
 - (ii) In our opinion, the other terms and conditions of such loan are not, *prima facie*, prejudicial to the interest of the company.
 - (iii) As per the information and explanations given to us, principal amount and interest thereon has been repaid whenever they fall due for payment.
- (iv) In our opinion and according to information and explanation given to us; there is adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods. Further on the basis of our examination of books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) 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, 2015 for a period more than six months from the date they became payable except professional tax payable amounting to ₹ 27,600/-.
 - (b) According to the information and explanations given to us, the Company has no disputed outstanding statutory dues as at to 31st March, 2015.
 - (c) According to the information and explanations given to us, there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year end however a cash loss of ₹ 84,49,965/- was incurred in the immediately preceding financial year.



- (ix) According to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders during the year.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) According to the information and explanation given to us, the Company has not obtained any term loans during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under review.

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

Rohit Choksi
ROHIT K. CHOKSI
Partner

Mem. No. 31103

Place : Ahmedabad

Date : 11 MAY 2015



ARVIND ENVISOL PRIVATE LIMITED

Balance Sheet as at 31st March, 2015

[Amount in ₹]

Particulars	Notes	As at 31st March, 2015	As at 31st March, 2014
Equity and Liabilities			
Shareholders' Fund			
Share Capital	2	2 00 000	2 00 000
Reserves and Surplus	3	34 16 757	(3 14 35 914)
		36 16 757	(3 12 35 914)
Non-Current liabilities			
Deferred Tax Liabilities (Net)	4	31 48 012	3 40 954
Long Term Borrowings	5	7 04 034	0
Long Term Provisions	6	12 64 148	7 15 308
		51 16 194	10 56 262
Current liabilities			
Short Term Borrowings	7	20 95 00 000	2 05 00 000
Trade Payables	8	8 06 74 138	2 31 33 585
Other Current Liabilities	9	3 90 45 122	12 61 10 121
Short Term Provisions	10	61 89 484	2 56 754
		33 54 08 744	17 00 00 460
Total		34 41 41 695	13 98 20 808
Assets			
Non- Current Assets			
Fixed Assets			
Tangible Assets	11	28 29 054	24 14 141
Intangible Assets	12	8 69 73 831	9 93 93 806
		8 98 02 885	10 18 07 947
Long Term Loans and Advances	13	80 00 000	10 47 444
Current Assets			
Inventories	14	14 91 26 218	1 10 42 701
Trade Receivables	15	5 48 45 528	1 92 40 346
Cash & Cash Equivalents	16	1 90 39 517	8 20 437
Short Term Loans & Advances	17	2 16 41 100	50 23 837
Other Current Assets	18	16 86 447	8 38 096
		24 63 38 810	3 69 65 417
Total :		34 41 41 695	13 98 20 808
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

ROHIT K. CHOKSI
Partner

Mem. No. 31103

Place : Ahmedabad

Date : 11 MAY 2015



FOR AND ON BEHALF OF THE BOARD

[Signature]

Director

[Signature]

Director

PSL

Place : Ahmedabad

Date : 11 MAY 2015

ARVIND ENVISOL PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2015

[Amount in ₹]

Particulars	Notes	2014-2015	2013-2014
Income			
Revenue from Operations	19	46 83 11 302	14 16 55 931
Less : Excise Duty		17 62 152	27 56 777
		<u>46 65 49 150</u>	<u>13 88 99 154</u>
Other Income	20	<u>30 80 888</u>	<u>3 89 356</u>
Total Revenue		46 96 30 038	<u>13 92 88 510</u>
Expenses			
Cost of Materials Consumed / Sold	21	9 86 79 949	3 63 05 024
Purchase of Stock-in-Trade		32 09 77 241	2 60 80 616
Changes in Inventories	22	(13 80 29 452)	(5 05 810)
Employee Benefits Expenses	23	6 45 63 816	4 44 50 825
Finance Cost	24	1 73 53 467	14 15 891
Depreciation and Amortization		1 31 92 976	1 26 16 116
Other Expenses	25	<u>5 52 32 312</u>	<u>4 02 91 929</u>
Total Expenses		43 19 70 309	<u>16 06 54 591</u>
Profit / (Loss) before Tax		3 76 59 729	(2 13 66 081)
Tax Expenses			
Current Tax		80 00 000	0
MAT Credit Entitlement		(80 00 000)	0
Deferred Tax		28 07 058	4 59 629
Tax in respect of earlier years [Including provision no longer required ₹ 47,50,000/- (P.Y. ₹ NIL)]		0	(47 50 000)
		<u>28 07 058</u>	<u>(42 90 371)</u>
Profit/(Loss) for the year carried to Balance sheet		<u>3 48 52 671</u>	<u>(1 70 75 710)</u>
Earnings per equity share: Basic and diluted	26	1 742.63	(1 487.56)

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

As per our report of even date

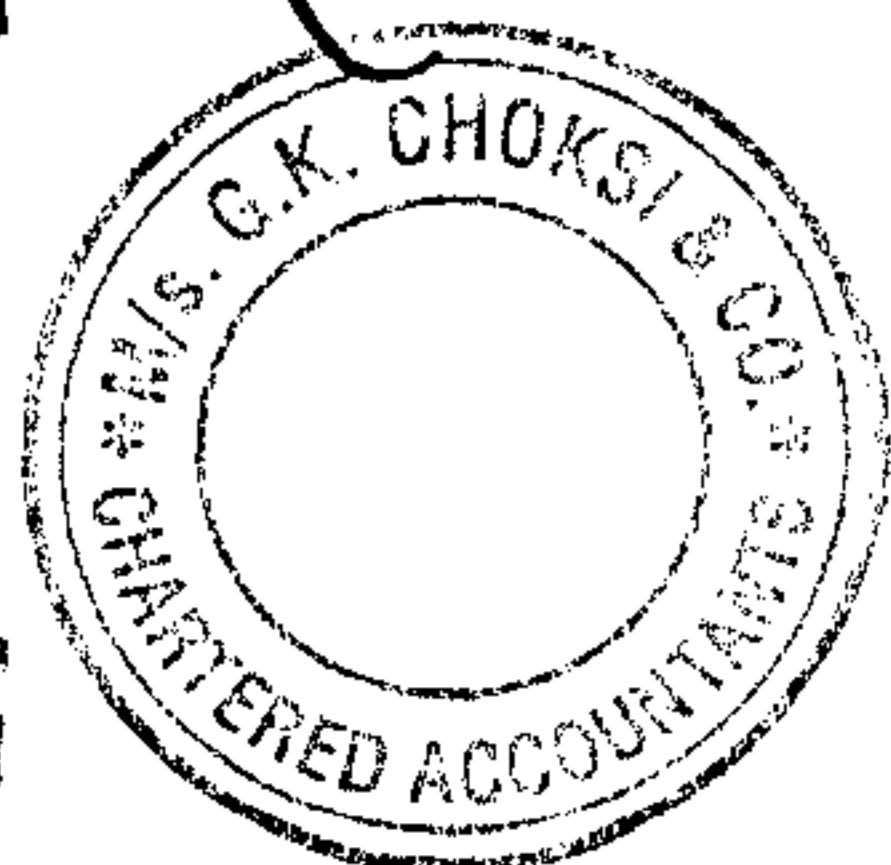
FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI
Partner

Mem. No. 31103



Place : Ahmedabad

Date : 11 MAY 2015

FOR AND ON BEHALF OF THE BOARD

Abhinav
Director

Punit Malhotra
Director

Place : Ahmedabad

Date : 11 MAY 2015

ARVIND ENVISOL PRIVATE LIMITED

Statement of Cash Flows for the year ended March 31, 2015

[Amount in ₹]

Particulars	2014-2015	2013-2014
A. Cash flow from operating activities		
Profit/(Loss) for the year before taxation and exceptional items	3 76 59 729	(2 13 66 081)
Adjustments for		
Interest Income	(13 20 505)	(61 378)
Profit on Sale of Fixed Assets	(17 775)	0
Goodwill written off	0	1 00 000
Finance Cost	1 73 53 467	14 15 891
Depreciation	1 31 92 976	1 26 16 116
Trade Receivables & Other Current Assets	(5 31 03 512)	3 78 98 254
Inventories	(13 80 83 517)	(40 99 747)
Current Liabilities and long term provisions	7 03 85 000	(4 44 08 947)
Cash generated from operations	(5 39 39 137)	(1 79 05 892)
Direct taxes Refund/(paid)	(7 80 217)	(10 43 101)
Net Cash from Operating Activities	[A]	(1 89 48 993)
B Cash flow from Investing activities		
Purchase of Fixed Assets	(12 00 140)	(21 85 666)
Sale of Fixed Assets	30 000	0
Interest on Fixed Deposit & Employee's Loan	13 53 222	12 360
Net cash flow from Investing activities	[C]	(21 73 306)
C Cash flow from financing activities		
Proceeds From Short Term borrowings	18 98 52 934	(9 53 18 030)
Interest Paid	(18 35 628)	(2 16 582)
Net cash flow from financial activities	[C]	(9 55 34 612)
Net Increase/(Decrease) in cash and cash equivalents	[A+B+C]	(11 66 56 911)
Cash and cash equivalents opening	(11 44 46 517)	22 10 394
Cash and cash equivalents closing	1 90 39 517	(11 44 46 517)
Components of Cash and cash equivalent		
Balances with scheduled banks	61 50 314	0
Cash in hand	37 378	90 437
Fixed Deposit	1 28 51 825	7 30 000
Book Overdraft - State Bank of India	0	(11 52 66 954)
	1 90 39 517	(11 44 46 517)

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.

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 : 11 MAY 2015



FOR AND ON BEHALF OF THE BOARD

Pratik Dalbhar
Director

Pratik Dalbhar
Director

Place: Ahmedabad

Date : 11 MAY 2015

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 and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- (b) The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(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.

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the company for its use. The management estimates useful life for intangible asset comprising of computer software as follows:

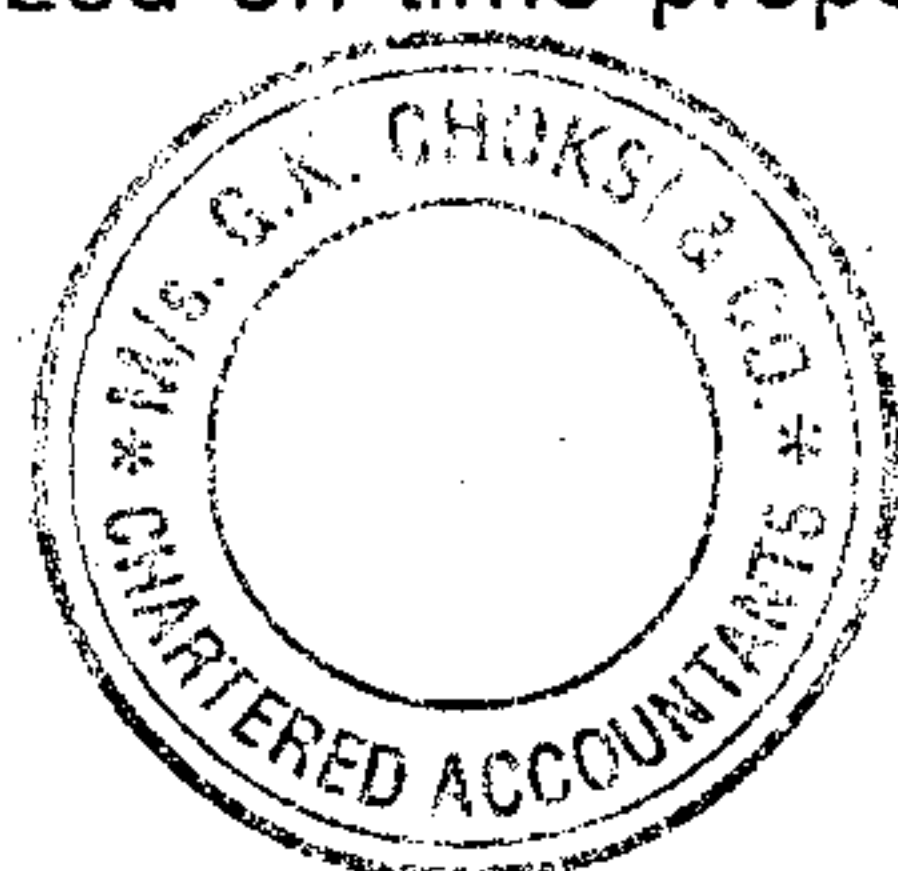
Patents : Over a period of Ten years

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

- (iii) Goodwill generated on merger has been written off in the year in which it is generated.

(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

2 Share Capital

[Amount in ₹]

Particulars	As at 31st March, 2015	As at 31st March, 2014
(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 20,000 (P.Y.10,000) Equity Shares of ₹ 10/- each fully paid up	2 00 000	2 00 000

Note :

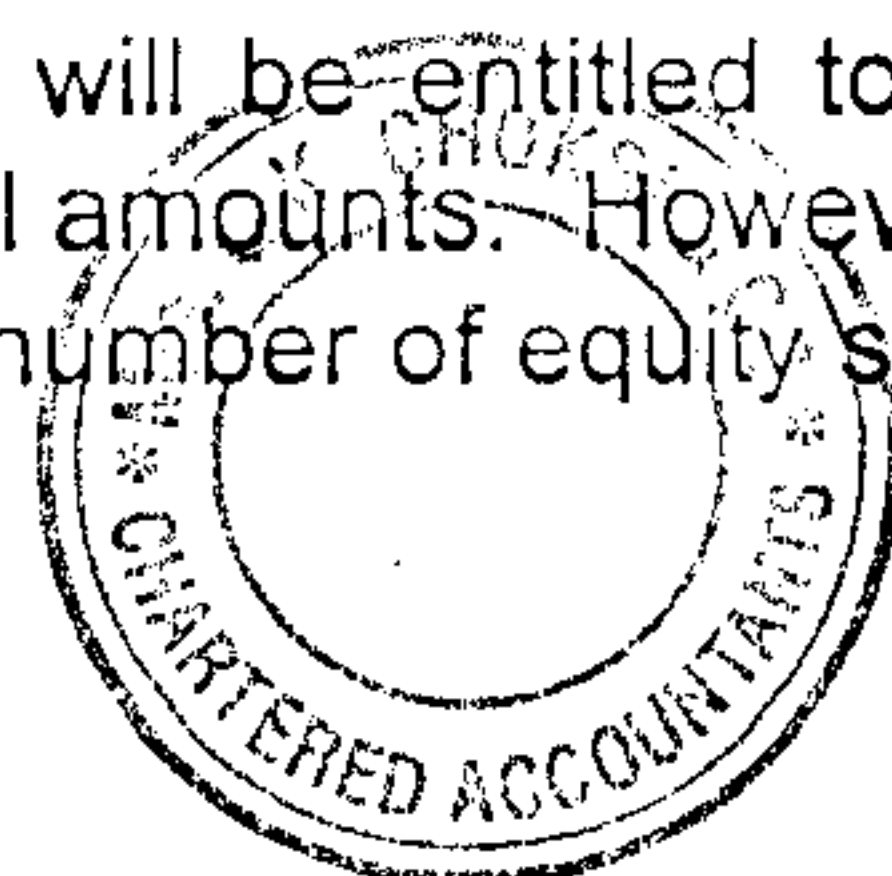
- (a) Of the above, 10000 (P.Y. 10000) equity shares have been issued pursuant to scheme of merger otherwise than in cash.
- (b) During the period of five financial years immediately preceeding the Balance Sheet date, the company has not:
- (i) allotted any fully paidup equity shares by way of bonus 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	
	2014-2015	2013-2014
As at April 1, 2014	20 000	10 000
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	10 000
	20 000	20 000
Less		
Shares bought back / Redemption etc.	0	0
As at March 31, 2015	20 000	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 205 of the Companies Act.
- (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	
	2014-2015	2013-2014	2014-2015	2013-2014
Number of Shares held by Holding Enterprise				
Holding Company (With Nominees)	20 000	20 000	100.00	100.00
Shareholders holding more than 5% shares				
Arvind Accel Limited (With Nominees)	20 000	20 000	100.00	100.00

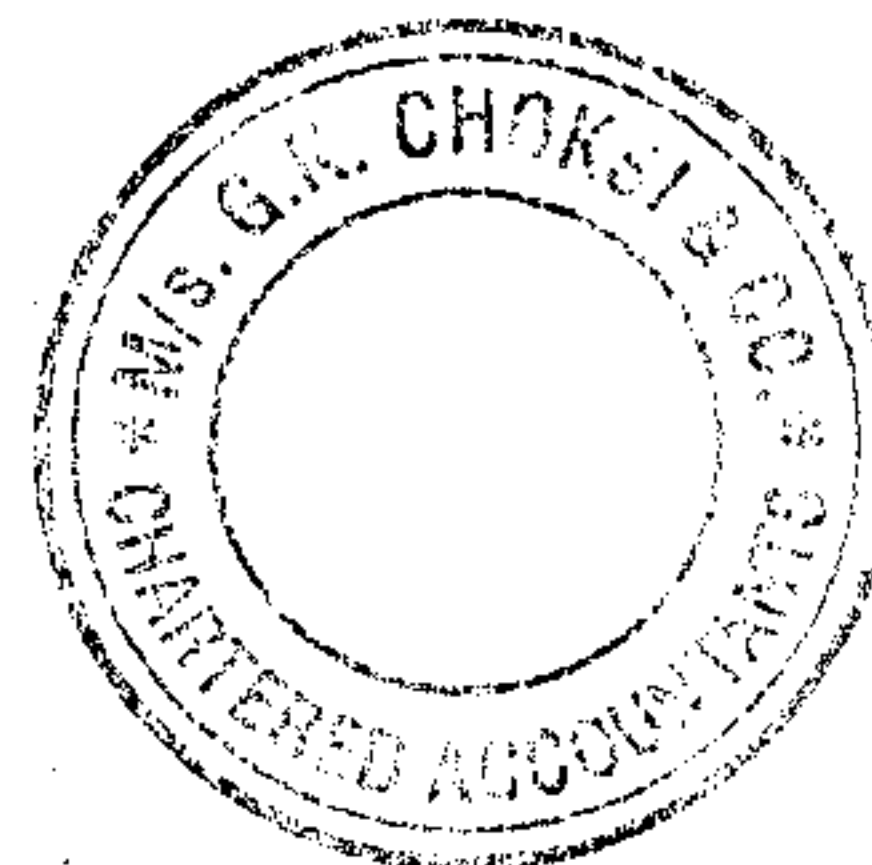
3 Reserves and surplus

Particulars	[Amount in ₹]	
	As at 31st March, 2015	As at 31st March, 2014
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as per previous financial statements	(3 14 35 914)	96 13 544
Add : Profit/(Loss) for the year	3 48 52 671	(1 70 75 710)
Less : Adjustments pursuant to Scheme of Merger	0	(2 39 73 748)
Balance available for appropriation	34 16 757	(3 14 35 914)
Less: Appropriations	0	0
Net Surplus / (Deficit)	<u>34 16 757</u>	<u>(3 14 35 914)</u>

4 Deferred Tax Liabilities (Net)

The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between book depreciation and Income tax depreciation for the current year.

Particulars	[Amount in ₹]	
	As at 31st March, 2015	As at 31st March, 2014
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	1 14 07 834	1 00 18 867
Deferred Tax Assets		
Disallowance u/s. 43(b) under income tax act, 1961	78 44 106	2 44 983
Unabsorbed Depreciation	4 15 716	94 32 930
Net Deferred Tax Liability / (Asset)	<u>31 48 012</u>	<u>3 40 954</u>



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

5 Long Term Borrowings

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Secured Loans				
Vehicle Loan				
HDFC Bank Limited	7 04 034	0	1 48 900	0
	<u>7 04 034</u>	<u>0</u>	<u>1 48 900</u>	<u>0</u>

Nature of Security

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

Terms of Repayment of Loans

Secured Loan

HDFC Bank Limited

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

6 Long Term Provisions

Particulars	[Amount in ₹]	
	As at 31st March, 2015	As at 31st March, 2014
For Employee Benefits		
Gratuity	10 52 383	7 15 308
Leave Encashment	2 11 765	0
	<u>12 64 148</u>	<u>7 15 308</u>

7 Short Term Borrowings

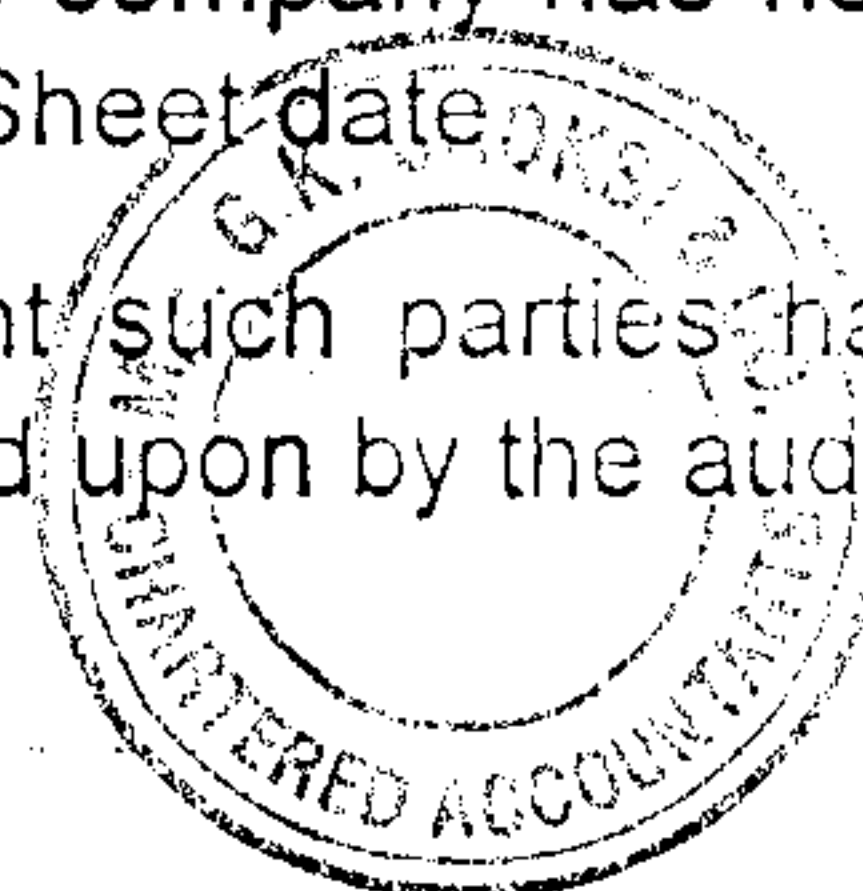
Particulars	[Amount in ₹]	
	As at 31st March, 2015	As at 31st March, 2014
Unsecured Loans		
From Related Party - Repayable on demand		
Inter Corporate Deposits	20 95 00 000	2 05 00 000
	<u>20 95 00 000</u>	<u>2 05 00 000</u>

8 Trade Payables

Particulars	[Amount in ₹]	
	As at 31st March, 2015	As at 31st March, 2014
For Goods and Services		
Related Parties (Refer note no.29)	1 09 90 491	6 86 003
Others	6 96 83 647	2 24 47 582
	<u>8 06 74 138</u>	<u>2 31 33 585</u>

There are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at Balance Sheet date. Further the company has neither apid or payable any interest to any Micro, Small, and Medium Enterprises on the Balance Sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditor.



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

9 Other Current Liabilities

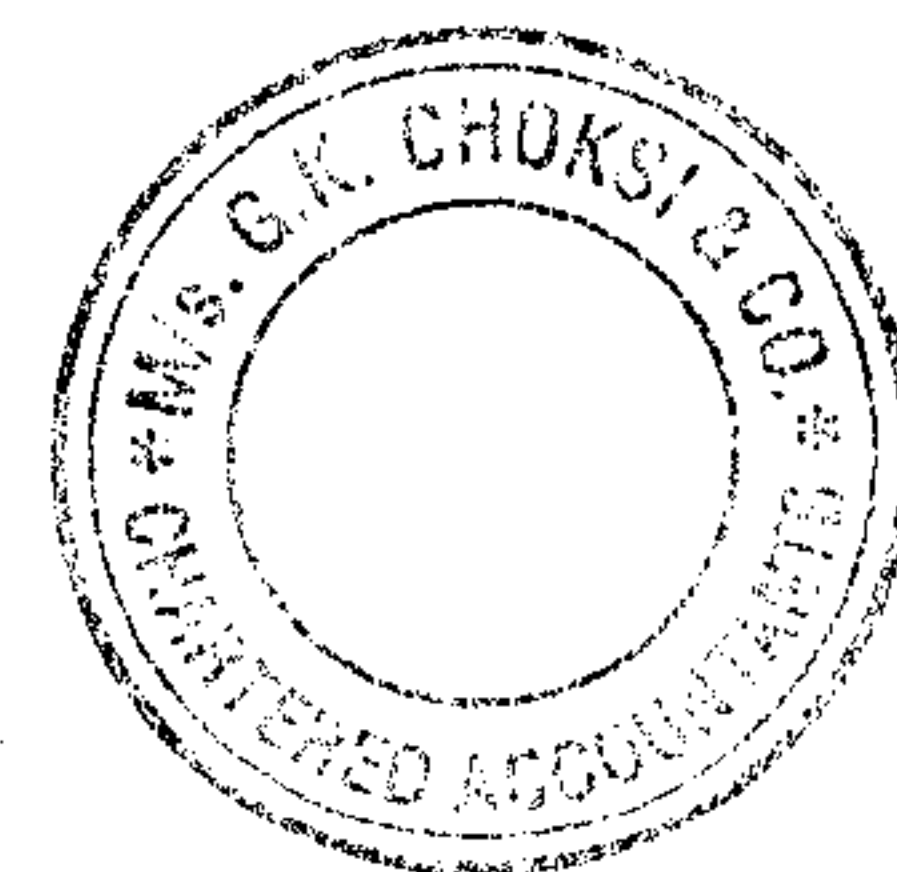
[Amount in ₹]

Particulars	As at 31st March, 2015	As at 31st March, 2014
Current Maturities	1 48 900	0.00
Interest Accrued but not Due	6 113	0.00
Advances from Customers	1 19 62 530	24 95 083
Book Overdraft - State Bank of India	0	11 52 66 954
Interest Accrued and due		
Related party	1 67 85 722	12 73 996
Other Payables		
Related party	64 71 835	64 71 835
Employees and others	23 240	3 102
Statutory dues	36 46 782	5 99 151
	3 90 45 122	12 61 10 121

10 Short Term Provisions

[Amount in ₹]

Particulars	As at 31st March, 2015	As at 31st March, 2014
For Taxation (Net of Advance Tax)	61 72 339	0
For Employee Benefits		
Gratuity Payable	8 547	5 442
Leave Encashment	8 598	2 51 312
	61 89 484	2 56 754



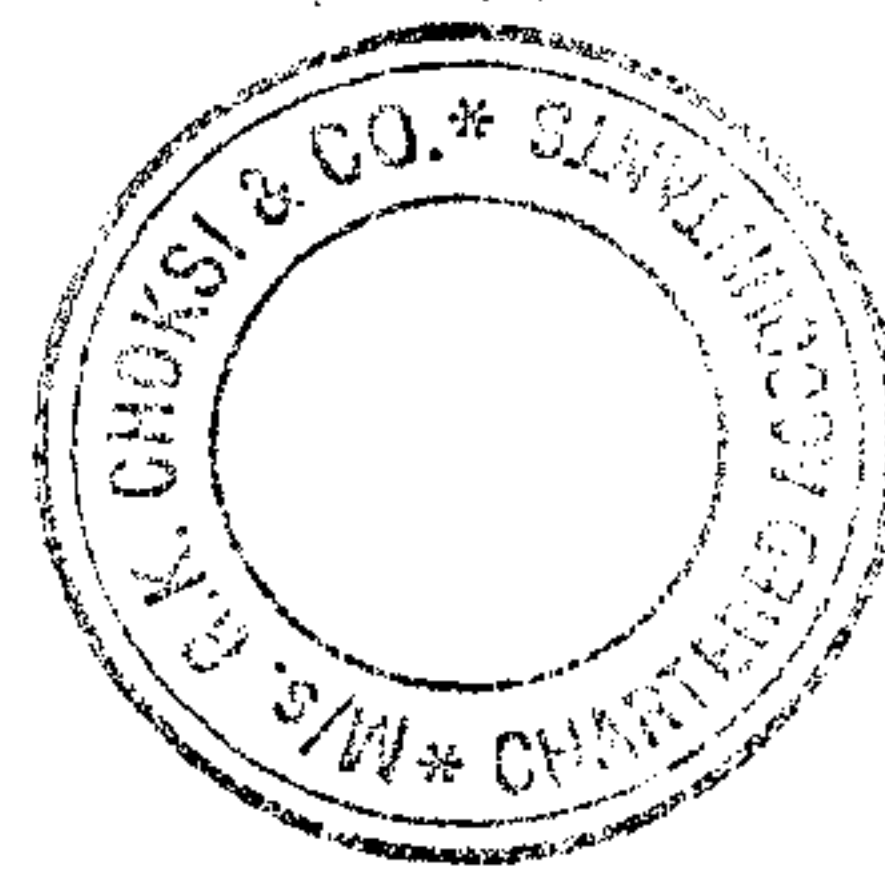
ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

11 Tangible Assets

[Amount in ₹]

Sr. No.	Particulars	Gross Block (At cost)			Depreciation			Net Block		
		As at 01/04/2014	Additions	Deduction	As at 31/03/2015	Up to 01/04/2014	For the year	Up to 31/03/2015	As at 31/03/2015	As at 31/03/2014
1	Computers	15 45 400	0	35 800	15 09 600	1 65 120	5 65 852	7 07 398	8 02 202	13 80 280
2	Furniture & Fixtures	6 55 823	1 60 770	0	8 16 593	44 242	70 596	1 14 838	7 01 755	6 11 581
3	Office Equipments	4 30 216	27 000	0	4 57 216	7 936	90 922	98 858	3 58 358	4 22 280
4	Vehicles	0	8 87 375	0	8 87 375	0	42 150	42 150	8 45 225	0
6	Plant & Machinery	0	1 24 995	0	1 24 995	0	3 481	3 481	1 21 514	0
	Total:	26 31 439	12 00 140	35 800	37 95 779	2 17 298	7 73 001	9 66 725	28 29 054	24 14 141
	Previous Year:	4 45 773	21 85 666	0	26 31 439	25 406	1 91 892	2 17 298	24 14 141	



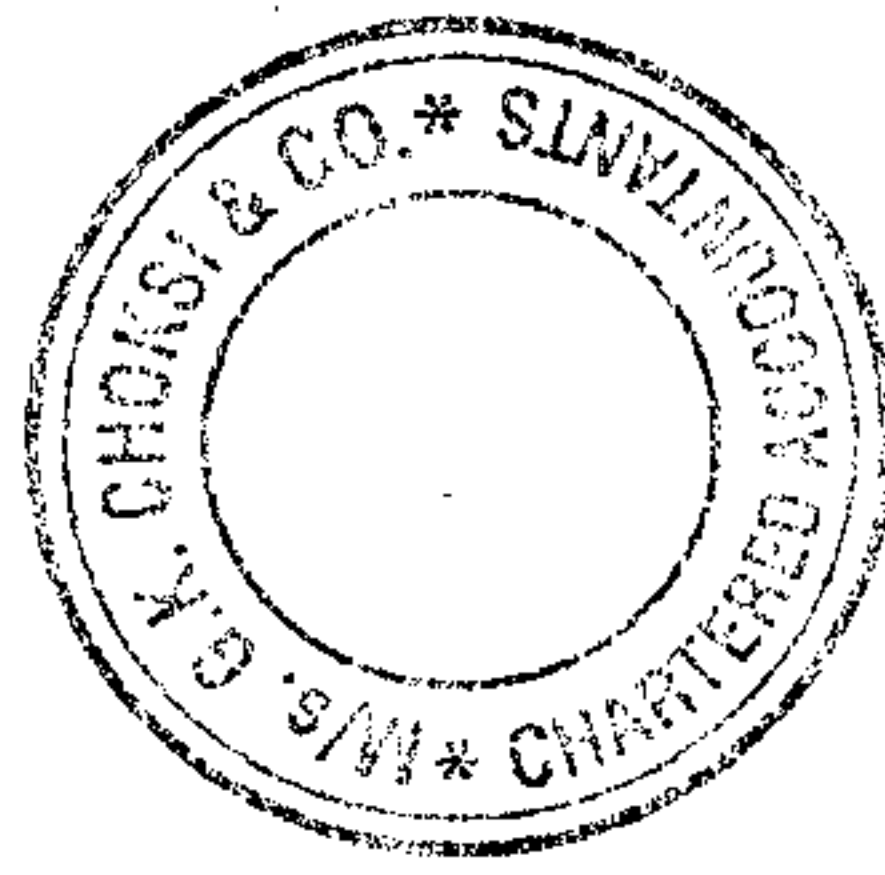
ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

12 Intangible Assets

[Amount in ₹]

Sr. No.	Particulars	Gross Block (At cost)			Depreciation / Amortization			Net Block			
		As at 01/04/2014	Additions	Deduction	As at 31/03/2015	Up to 01/04/2014	For the year	Up to 31/03/2015	As at 31/03/2015	As at 31/03/2014	
1	Patents	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	9 93 93 806
	Total:	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	9 93 93 806
	Previous Year:	0	12 42 42 254	0	12 42 42 254	0	1 24 24 224	1 24 24 224	2 48 48 448	9 93 93 806	



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

13 Long Term Loans and Advances

	[Amount in ₹]	
Particulars	As at 31st March, 2015	As at 31st March, 2014
MAT Credit Entitlement	80 00 000	0
Advance Tax (net of Provisions)	0	10 47 444
	80 00 000	10 47 444

14 Inventories

(As taken, valued and certified by the Management)

	[Amount in ₹]	
Particulars	As at 31st March, 2015	As at 31st March, 2014
Raw Materials	96 91 107	95 58 692
Stock-in-trade	13 85 35 262	5 05 810
Boughtout Materials	8 99 849	9 78 199
	14 91 26 218	1 10 42 701

15 Trade Receivable

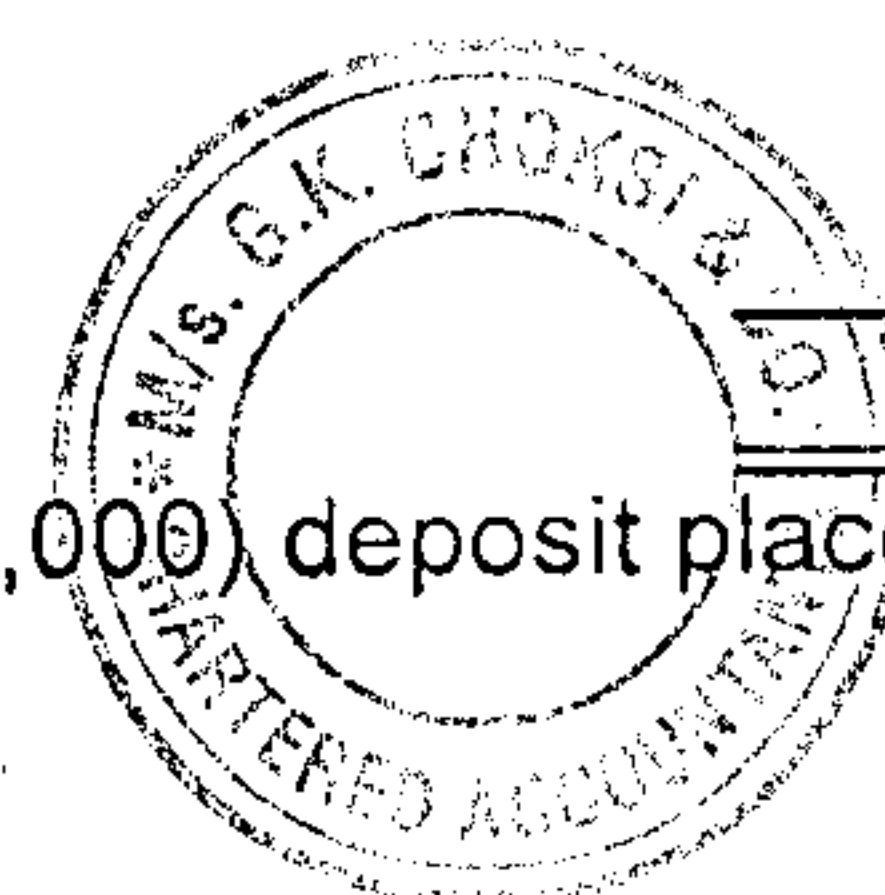
(Unsecured, considered good, unless otherwise stated)

	[Amount in ₹]	
Particulars	As at 31st March, 2015	As at 31st March, 2014
Debt outstanding for the period exceeding six months	1 25 28 145	17 33 504
Others debts	4 23 17 383	1 75 06 842
	5 48 45 528	1 92 40 346
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

16 Cash and Cash Equivalents

	[Amount in ₹]	
Particulars	As at 31st March, 2015	As at 31st March, 2014
Balances with scheduled banks		
Current / Cash Credit accounts	61 50 314	0
Fixed Deposit having maturity period less than three months	1 20 00 000	0
Cash in hand	37 378	90 437
Other Bank balances		
Fixed deposits (With maturity for more than 3 months but less than 12 months)	8 51 825	7 30 000
	1 90 39 517	8 20 437

Note: The Fixed Deposit includes ₹ 1,20,00,000 (P.Y ₹ 7,30,000) deposit placed as Margin Money.



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

17 Short Term Loans and Advances

(Considered good, unsecured unless otherwise stated)

[Amount in ₹]

Particulars	As at 31st March, 2015	As at 31st March, 2014
Advances to Employees	4 27 665	56 104
Contractors & Suppliers	60 59 706	15 87 855
Others		
Prepaid Expenses	6 41 956	4 93 509
Balances with revenue authorities	1 45 11 773	28 86 369
	<u>2 16 41 100</u>	<u>50 23 837</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

18 Other Current Assets

[Amount in ₹]

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest Accrued but Not Due	50 379	88 096
Deposits:		
Rent Deposit	8 29 000	7 50 000
Security Deposit	14 040	0
EMD Tender Deposit	7 93 023	0
	<u>16 86 447</u>	<u>8 38 096</u>

19 Revenue from Operations

[Amount in ₹]

Particulars	2014-2015	2013-2014
Sale of Products		
Manufactured Goods (Inclusive of Excise duty)	2 05 43 038	2 63 96 943
Components and Equipments	20 35 93 069	6 91 32 803
Traded Goods	21 00 15 512	2 66 54 313
Sale of Services	3 32 43 604	1 93 80 242
Other Operating Revenue		
Export Incentive	9 16 079	91 630
	<u>46 83 11 302</u>	<u>14 16 55 931</u>



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

20 Other Income

[Amount in ₹]

Particulars	2014-2015	2013-2014
Interest	13 20 505	61 378
Profit on sale of fixed assets	17 775	0
Provisions No Longer Required	8 10 000	0
Others	9 32 608	3 27 978
	30 80 888	3 89 356

21 Cost of Materials Consumed / Sold

[Amount in ₹]

Particulars	2014-2015	2013-2014
Raw Materials	40 89 456	33 19 162
Boughtout Materials	9 45 90 493	3 29 85 862
	9 86 79 949	3 63 05 024

22 Changes in Inventories

[Amount in ₹]

Particulars	2014-2015	2013-2014
Closing Stock		
Stock-in-Trade	13 85 35 262	5 05 810
Opening Stock		
Stock-in-Trade	5 05 810	0
	(13 80 29 452)	(5 05 810)

23 Employees Benefits Expenses

[Amount in ₹]

Particulars	2014-2015	2013-2014
Salary, Wages and Bonus	6 04 18 576	4 22 59 920
Contribution to Provident and other funds	26 56 193	21 90 905
Staff Welfare Expenses	14 89 042	0
	6 45 63 816	4 44 50 825

24 Finance Cost

2013-2014

Particulars	2014-2015	2012-2013
Interest on:		
Unsecured Loans	1 72 35 252	14 15 891
Secured Loans	1 18 215	0
	1 73 53 467	14 15 891



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

25 Other Expenses

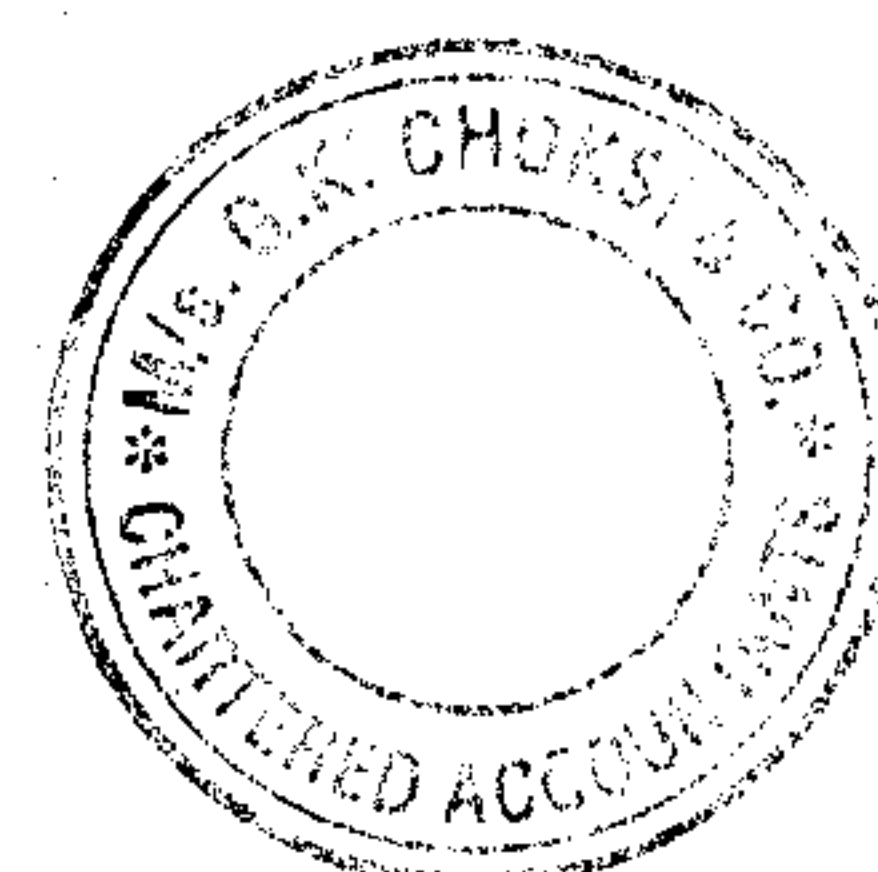
[Amount in ₹]

Particulars	2014-2015	2013-2014
Manufacturing Expenses		
Labour Charges	1 52 47 274	1 30 86 389
Patent renewal charges	14 62 008	27 09 680
Other Direct Costs	88 21 501	82 12 157
	<u>2 55 30 783</u>	<u>2 40 08 226</u>
Admin. & Other Expenses		
Repairs & Maintenance	4 87 613	2 10 825
Insurance Expense	8 43 809	5 04 389
Rates & Taxes	68 792	90 252
Auditor's Remuneration	1 12 360	1 12 360
Fees and Legal	17 864	5 53 770
Travelling Expense	69 20 497	48 00 373
Foreign Exchange Fluctuation	0	6 23 983
Miscellaneous Expenditure	19 46 180	17 32 101
Goodwill on merger written off	0	1 00 000
	<u>1 03 97 115</u>	<u>87 28 053</u>
Selling and Distribution Expenses		
Transportation charges	27 40 042	9 60 770
Advertisement & Business Promotion	8 22 377	1 93 477
Entertainment Expenses	96 995	1 01 403
	<u>36 59 414</u>	<u>12 55 650</u>
Provision for Product Warranties / Guarantees	1 56 45 000	63 00 000
	<u>5 52 32 312</u>	<u>4 02 91 929</u>
Auditor, Remuneration is made of :		
Statutory Audit Fees	1 12 360	1 12 360
	<u>1 12 360</u>	<u>1 12 360</u>

26 Earning per Share

[Amount in ₹]

Particulars	2014-2015	2013-2014
Net Profit/(Loss) for the year (Amount in ₹)	3 48 52 671	(1 70 75 710)
Number of equity shares (Weighted Average)	20 000	11 479
Nominal value of the share	10	10
Basic and diluted Earning per Share (₹)	1742.63	(1487.56)



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.

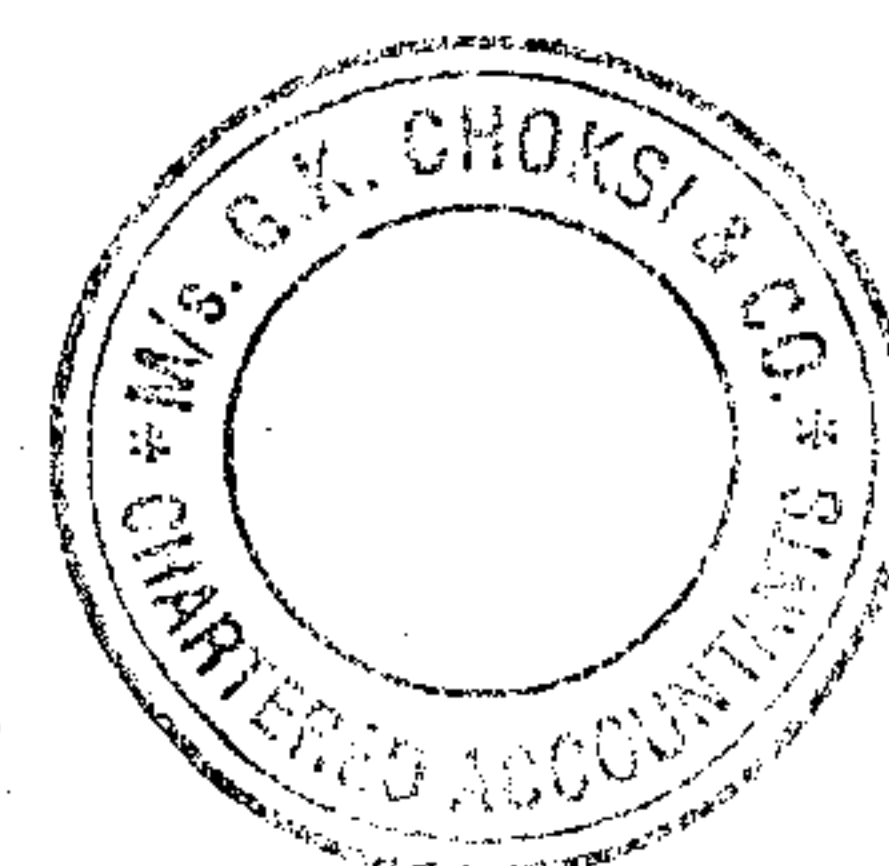
(ix) Provisions, Contingent Liabilities and Contingent Assets

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

Notes forming part of Accounts

27 Contingent Liabilities and Capital commitments

[Amount in ₹]

Particulars	2014-2015	2013-2014
Contingent Liabilities	NIL	NIL
Capital Commitments / Other Commitment Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL

28 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, 2015:

[Amount in ₹]

Particulars	2014-2015	2013-2014
Changes in Present Value of Obligations		
Present Value of Obligation as at the beginning of the year	7,20,750	4,20,060
Interest Cost	NIL	NIL
Current Service Cost	3,40,180	3,00,690
Actuarial (gain) / Loss on obligations	NIL	NIL
Benefits paid	NIL	NIL
Present value of Obligation as at the end of the year	10,60,930	7,20,750
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	10,60,930	7,20,750
Fair value of plan Assets as at the end of the year	NIL	NIL
Net Liability / (Asset) recognized in Balance sheet	10,60,930	7,20,750
Expenses recognized in the Profit and loss account		
Current Service Cost	3,40,180	3,00,690
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	3,40,180	3,00,690
Assumptions		
Discount rate	8.08%	8.25%
Rate of increase in compensation levels	4%	4%
Rate of return on plan assets	NIL	NIL
Age of Retirement	58 Years	58 Years



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

29 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:

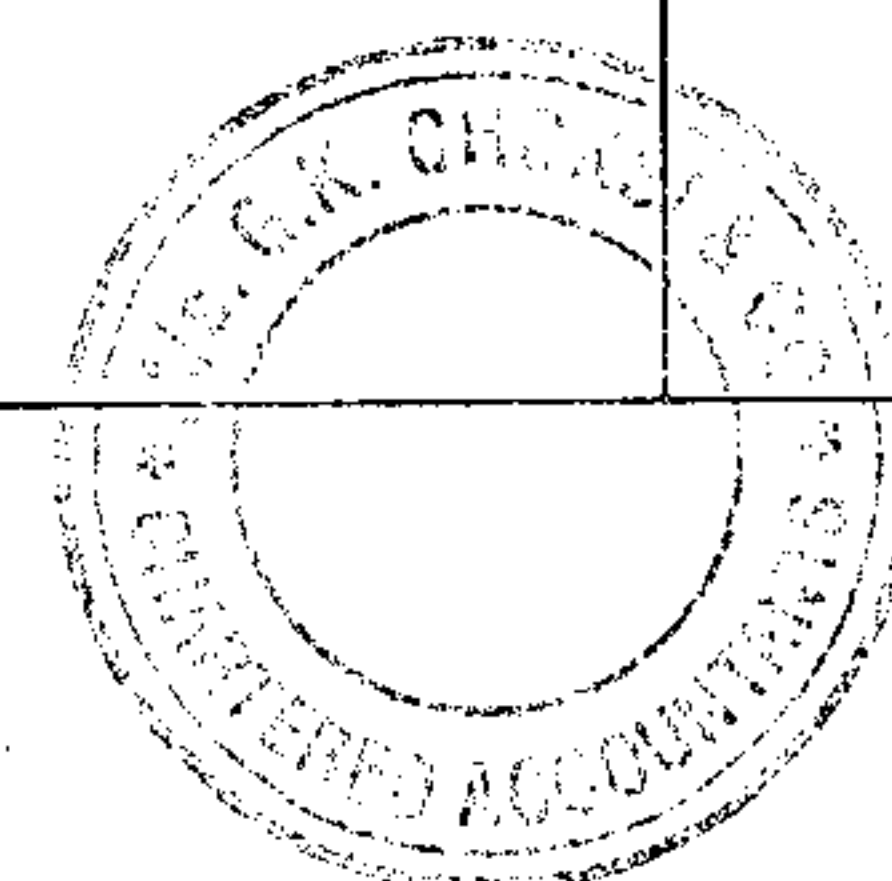
Sr. No.	Name of related party	Relationship
1	Arvind Limited	Ultimate Holding Company
2	Arvind Accel Limited	Holding Company
3	Arvind Infrastructure Limited	Fellow Subsidiary of Holding Company

- (b) Transactions with related parties

[Amount in ₹]

Sr. No.	Particulars	2014-2015	2013-2014
(i)	Reimbursement of Expenses		
	- Holding Company	79,62,008	18,698
	- Ultimate Holding Company	16,87,948	4,54,286
(ii)	Purchase of Goods		
	- Holding Company	--	23,43,746
(iii)	Sale of Component and Equipments		
	- Ultimate Holding Company	9,02,38,936	67,83,791
	- Holding Company	36,10,368	--
(iv)	Sale of Services		
	- Ultimate Holding Company	1,42,66,141	28,96,000
(v)	Loan taken during the year		
	- Ultimate Holding Company	23,84,35,792	15,24,15,553
	- Holding Company	79,99,460	65,00,000
(vi)	Loan Repaid during the year		
	- Ultimate Holding Company	3,26,73,580	13,77,16,244
	- Holding Company	92,00,000	35,00,000
(vii)	Interest Expense		
	- Ultimate Holding Company	1,67,35,792	14,15,553
	- Holding Company	4,99,460	--
(viii)	Rent Expenses		
	- Fellow Subsidiary of Holding Company	82,500	--
(ix)	Issue of Shares		
	- Holding Company	--	1,00,000
(x)	Assets taken over upon merger		
	- Holding Company	--	12,52,12,631
(xi)	Liability taken over upon merger		
	- Holding Company	--	13,87,78,598
(xii)	Adjustment of Expenses (net) upon merger		
	- Holding Company	--	1,15,49,524

... Continued..



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

(b) Transactions with related parties ... Continued..

[Amount in ₹]

Sr. No.	Particulars	2014-2015	2013-2014
(xiii)	Patent Related Expenses - Holding Company	--	27,09,680
(xiv)	Interest Liability paid - Holding Company	--	1,45,36,344

(c) Outstanding Balances as at March, 31st 2015

[Amount in ₹]

Sr. No.	Particulars	2014-2015	2013-2014
(i)	Balance Payable to Holding Company		
	- Trade Payable	1,09,90,491	--
	- Unsecured Loan	17,49,514	30,00,000
	- Other Payable	64,71,835	64,71,835
(ii)	Balance Payable to Ultimate Holding Company		
	- Advance from Customer	37,01,819	--
	- Trade Payables	23,73,951	6,86,003
	- Unsecured Loan (Including Interest)	22,45,36,208	1,87,73,996
(iii)	Balance Receivable from Ultimate Holding Company		
	- Trade Receivables	1,04,79,341	17,98,272
(iii)	Balance Receivable from Holding Company		
	- Trade Receivables	2,81,190	--
(iv)	Investment by Holding Company	2,00,000	2,00,000

30 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, 2015 is as follows :

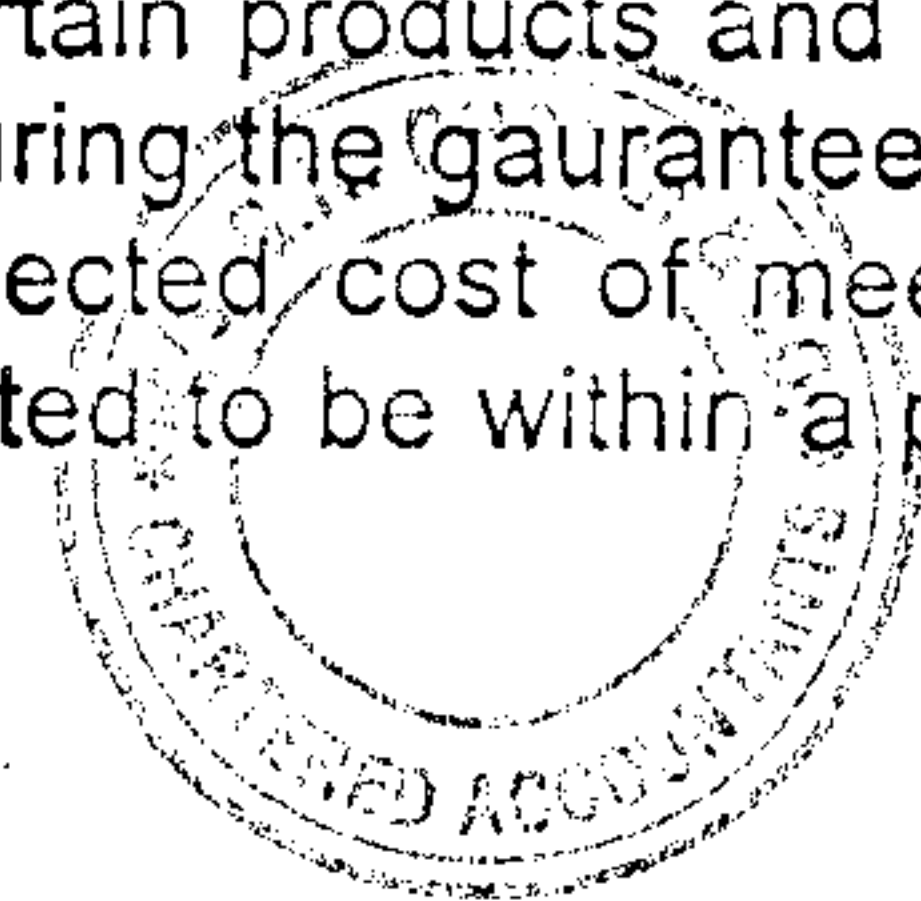
Provisions

[Amount in ₹]

Particulars	Provision for Contractual Obligations
Opening Balance	71,10,000
Additions	1,56,45,000
Payments	20,00,000
Reversals	3,10,000
Closing Balance	1,99,45,000

Note :

Product Guarantees: The Company gives guarantees on certain products and services, undertaking to repair or replace the items that fail to perform satisfactory during the guarantee period. Provision made as at 31st March, 2015 represents the amount of the expected cost of meeting such obligation of rectification/replacement. The timing of the outflows is expected to be within a period of two years from the date of balance sheet.



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 13th April, 2015, has proposed the scheme of arrangement between Arvind Envisol Pvt. Ltd. (Demerged Company) and Arvind Accel Ltd. (Resulting Company) for Demerger and transfer of Mechanical Vapor Recompression Evaporation undertaking (Demerged Undertaking) of Arvind Envisol Pvt. Ltd. to Arvind Accel Ltd. and Restructure of Share Capital of Arvind Envisol Pvt. Ltd. pursuant to Sections 391 to 394 read with Sec. 100 to 103 and other relevant provisions of the Companies Act, 1956 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, 2014 and upon scheme becoming effective, the whole of demerged undertaking shall pursuant to provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act stand transferred to and vested in Resulting Company so as to vest in Resulting Company all rights, title and interest pertaining to the Demerged Undertaking. The final order in respect of aforesaid scheme is yet to be passed by Hon'ble High Court of Gujarat.

32. 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	2014-2015		2013-2014	
	Value (₹)	Percentage (%)	Value (₹)	Percentage (%)
Imported	30,00,269	73.37	29,63,599	89.29
Indigenous	10,89,187	26.63	3,55,563	10.71
Total :	40,89,456	100.00	33,19,162	100.00

B Value of Imports on CIF Basis:

[Amount in ₹]

Particulars	2014-2015	2013-2014
Capital Goods	1,24,995	--
Traded Goods	31,03,71,044	1,03,87,563

C Earning in Foreign Currency:

[Amount in ₹]

Particulars	2014-2015	2013-2014
F.O.B. Value of Export	5,07,14,787	1,47,66,379

D Expenditure in Foreign Currency (on payment basis):

[Amount in ₹]

Particulars	2014-2015	2013-2014
Travelling Expenses	3,39,281	2,47,730
Patent Registration and Renewal Charges	14,62,008	27,09,680
Consultancy Charges	54,30,797	53,85,673
Fees and Subscription	--	3,97,614



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

- 32 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.
- 33 The previous year's figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with those of the current year.

As per our attached report of even date.

FOR G. K. CHOKSI & CO.

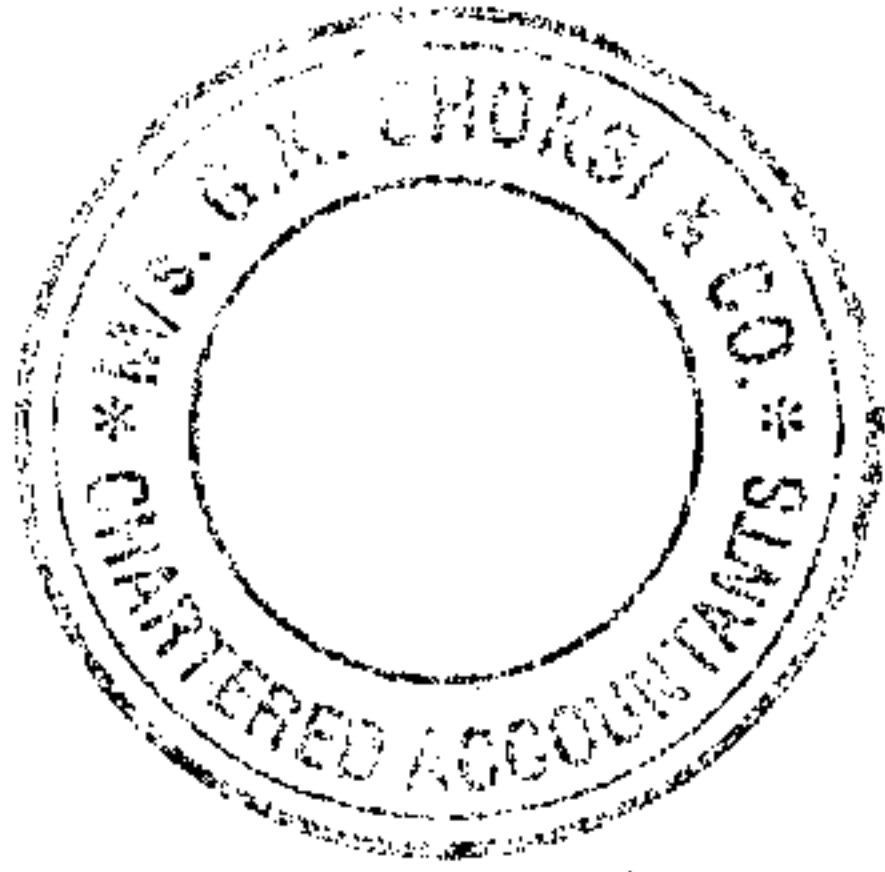
[Firm Registration No. 101895W]
Chartered Accountants


ROHIT K. CHOKSI
Partner

Mem. No. 31103

Place : Ahmedabad

Date : 11 MAY 2015



FOR AND ON BEHALF OF THE BOARD


Director


Director

PSL

Place : Ahmedabad

Date : 11 MAY 2015