

ARVIND ENVISOL PRIVATE LIMITED

ANNUAL REPORT

2012-2013



ARVIND ENVISOL PRIVATE LIMITED

NOTICE

NOTICE is hereby given that the SECOND Annual General Meeting of the Members of ARVIND ENVISOL PRIVATE LIMITED will be held on Saturday, the 14th September, 2013 at 10.30 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, 2013 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Punit S. Lalbhai, who retires by rotation in terms of the provision of section 256 of the Companies Act, 1956 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
27th April, 2013

BY ORDER OF THE BOARD

**Sd/
Punit S. Lalbhai
(Director)**

**Sd/
Dinesh J. Yadav
(Director)**

ARVIND ENVISOL PRIVATE LIMITED
Arvind Limited Premises, Naroda Road, Ahmedabad-380 025

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Second Annual Report together with the Audited Financial Statements of the Company for the year ended on 31st March, 2013.

1. FINANCIAL RESULTS :

During the year your Company has incurred a net profit of Rs. 96,62,235/- after depreciation and amortization of Rs. 25,406/- and provision of Taxation for Rs. 46,31,325/- and the same is carried forward to the Balance Sheet.

2. OPERATIONS :

Income from Operations and Other Income for the year ended 31st March, 2013 is Rs. 17,20,32,994/-.

3. DIVIDEND :

With a view to conserve the resources, Directors decided not to declare any dividend for the year under review.

4. DEPOSIT :

The Company has not accepted any Deposits under the Companies Acceptance of Deposits Rules, 1975.

5. DIRECTORS :

Mr. Punit S. Lalbhai, the Director of the Company, retires by rotation at the ensuing Annual General Meeting pursuant to provision of the Companies Act, 1956 and being eligible for re-appointment, offers himself for re-appointment.

6. PROPOSED SCHEME OF ARRANGEMENT IN THE NATURE OF DEMERGER AND TRANSFER OF WATER TREATMENT DIVISION OF ARVIND ACCEL LIMITED WITH THE COMPANY :

Subsequent to year end, the Board of Directors of the Company have approved the scheme of arrangement in the nature of demerger and transfer of Water Treatment Division of Arvind Accel Limited with the company as per the scheme tabled at the meeting. Pursuant to the authority vested to the Directors of the Company by the Board, the Company has initiated requisite formalities in this regard and filed application before Hon'ble High Court of Gujarat on 8th April, 2013 which is pending for onward consideration.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;

2. Such accounting policies have been selected and applied consistently and such judgements and estimates have been made as 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 and profit of the Company for that period;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The statements of accounts for the year ended on 31st March, 2013 have been prepared on a going concern basis.

8. INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES :

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this report. However, as per the provisions of Section 219 (1)(b) (iv), the report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earning and outgo, and the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company for a copy.

9. AUDITORS :

The Company's Auditors M/s G. K. Choksi & Co., Chartered Accountants, Ahmedabad retire and offer themselves for reappointment. 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.

10. ACKNOWLEDGEMENTS :

Your Directors wish to convey their deep sense of gratitude to all associated with it for the support extended by them and also look forward to their continued co-operation in future.

BY ORDER OF THE BOARD

Date : 27th April, 2013
Place : Ahmedabad

Sd/
Punit S. Lalbhai
(Director)

Sd/
Dinesh J. Yadav
(Director)

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, 2013, and 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

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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.

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of 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, 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Forming an Opinion and Reporting on Financial Statements

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

TRUE COPY

For G. K. CHOKSI & Co.
(Firm Registration No. 101895W)
Chartered Accountants


D. PATEL
Partner
Membership No. 32780

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 27th April, 2013



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) As explained by management, major items of fixed assets were physically verified by the Management at the end of the year, in accordance with the regular programme of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancy was noticed on such physical verification.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- (ii) (a) In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the Management is 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 records of inventory, in our opinion, the Company is maintaining proper records of inventory. No material discrepancy was noticed on physical verification of the inventory.
- (iii) (a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(a) to 4(iii)(d) of the report are not applicable.
- (b) As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(c), to 4(iii)(g) of the report are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and with regard to the sale of goods and services.
- During the course of audit, we have not observed any continuing failure to correct major weakness in Internal Control System.
- (v) (a) According to information and explanations provided by the management, the company has not entered into contracts or arrangement, as referred to in Section 301 of the Act. In view of this clause v(b) of this order is not applicable.
- (vi) The Company has not accepted any deposits from the public. Accordingly, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) The share capital of the company does not exceed ₹ 50 lacs or the average turnover of the company for the preceding three consecutive financial years does not exceed ₹ 5 Crores. Accordingly related to internal audit is not applicable.



- (viii) In our opinion and according to the information and explanation given to us, since the aggregate value of net worth as on last date of the immediately preceding financial year does not exceed five crore rupees or aggregate value of turnover of all the products during immediately preceding financial year does not exceed twenty crores or the company's equity or debt securities are not listed or are not in the process of listing on any stock exchange. The provision of Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government vide G.S.R 429(E) dated 3rd June, 2011 under Section 209(1)(d) of the Companies Act, 1956 are not applicable. Accordingly the clause 4(viii) of the order is not applicable.
- (ix) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and the Company had no arrears of such outstanding statutory dues as at 31st March, 2013 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31st March, 2013.
- (x) The Company does not have any accumulated losses as at 31st March, 2013, and has not incurred any cash loss during the year under review or in the immediately preceding financial year.
- (xi) As per 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. The company has so far not issued any debentures.
- (xii) As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- (xv) In our opinion, the terms and conditions on which the Company has not given guarantees for loans taken by other from banks or financial institutions.
- (xvi) The Company has not obtained any term loans during the year under review.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not used any funds, raised on short term basis, for long term investment.
- (xviii) The Company has not made preferential allotment of shares to companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year under review.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) 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

TRUE COPY

For G. K. CHOKSI & Co.
(Firm Registration No. 101895W)
Chartered Accountants


J. D. PATEL
Partner
Membership No. 32780

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103



Place : Ahmedabad
Date : 27th April, 2013

ARVIND ENVISOL PRIVATE LIMITED

Balance Sheet as at 31st March, 2013

[Amount in ₹]

Particulars	Notes	31st March, 2013	31st March, 2012
Equity and Liabilities			
Shareholders' Fund			
Share Capital	2	1 00 000	1 00 000
Reserves and Surplus	3	96 13 544	(48 691)
		97 13 544	51 309
Non-Current liabilities			
Long term provisions	4	4 18 032	1 05 010
Current liabilities			
Short Term Borrowings	5	40 00 000	0
Trade payables	6	4 26 02 266	67 924
Other current liabilities	7	1 09 45 902	1 86 34 406
Short Term Provisions	8	49 64 161	0
		6 25 12 329	1 87 02 330
Total		7 26 43 905	1 88 58 649
Assets			
Non- Current Assets			
Fixed assets			
Tangible assets	9	4 20 367	0
Deferred Tax Assets (Net)	10	1 18 675	0
		5 39 042	0
Current Assets			
Inventories	11	69 42 954	0
Trade receivables	12	5 63 91 404	0
Cash & cash equivalents	13	22 10 394	16 30 613
Short term loans & advances	14	56 61 033	1 50 53 647
Other current assets	15	8 99 078	21 74 389
		7 21 04 863	1 88 58 649
Total :		7 26 43 905	1 88 58 649
		0	0

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

TRUE COPY

For G. K. CHOKSI & Co.

[Firm Registration No. 101895W]
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Sd/-

ROHIT K. CHOKSI
Partner

Mem. No. 31103



J. D. PATEL
Partner

Membership No. 32780

Sd/-
Director

Sd/-
Director

Place : Ahmedabad
Date : 27th April, 2013

Place : Ahmedabad
Date : 27th April, 2013

ARVIND ENVISOL PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

[Amount in ₹]

Particulars	Notes	31st March, 2013	31st March, 2012
Income			
Revenue from operations	16	17 27 26 437	0
Less : Excise duty		7 36 864	0
		<u>17 19 89 573</u>	<u>0</u>
Other Income	17	43 421	0
Total Revenue		17 20 32 994	<u>0</u>
Expenses			
Cost of materials consumed / sold	18	7 18 30 436	0
Purchase of Stock-in-Trade		75 50 731	
Employee benefits expenses	19	5 27 32 156	0
Finance cost	20	82 986	0
Depreciation and amortization		25 406	0
Other expenses	21	2 55 17 719	48 691
Total Expenses		15 77 39 434	<u>48 691</u>
Profit before Tax		1 42 93 560	(48 691)
Tax Expenses			
Current Tax		47 50 000	0
Deferred Tax		(1 18 675)	0
		46 31 325	<u>0</u>
Profit/(Loss) for the year carried to Balance sheet		<u>96 62 235</u>	<u>(48 691)</u>
Earnings per equity share:			
Basic and diluted ₹		966.22	(4.87)

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

FOR AND ON BEHALF OF THE BOARD

TRUE COPY

For G. K. CHOKSI & Co.

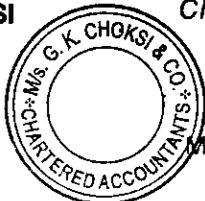
[Firm Registration No. 101895W]

Chartered Accountants

Sd/-

ROHIT K. CHOKSI
Partner

Mem. No. 31103



[Signature]
J. P. PATEL
Partner
Membership No. 32780

Sd/-

Director

Sd/-

Director

Place : Ahmedabad
Date : 27th April, 2013

Place : Ahmedabad
Date : 27th April, 2013

ARVIND ENVISOL PRIVATE LIMITED

Statement of Cash Flows for the year ended March 31, 2013

[Amount in ₹]

Particulars	2012-2013	2011-2012
A. Cash flow from operating activities		
Profit/(Loss) for the year before taxation and exceptional items	1 42 93 560	(48 691)
Adjustments for		
Interest on Fixed Deposits	(43 421)	0
Interest on Short Tem Borrowings	82 986	
Depreciation	25 406	0
Trade Receivables, Inventories & Other Current Assets	(5 26 27 355)	(1 72 28 036)
Current Liabilities and long term provisions	3 53 02 677	1 88 07 340
Cash generated from operations	(29 66 147)	15 30 613
Direct taxes Refund/(paid)	(4 343)	0
Net Cash from Operating Activities	[A] (29 70 490)	15 30 613
Cash flow from Investing activities		
Purchase of Fixed Assets	(4 45 773)	0
Interest on Fixed Deposit	4 343	0
Net cash flow from Investing activities	[C] (4 41 430)	0
C Cash flow from financing activities		
Issue of Equity share capital	0	1 00 000
Proceeds From Short Term borrowings	40 00 000	0
Interest Paid	(8 299)	
Net cash flow from financial activities	[C] 39 91 701	1 00 000
Net Increase/(Decrease) in cash and cash equivalents	[A+B+C] 5 79 781	16 30 613
Cash and cash equivalents opening	16 30 613	0
Cash and cash equivalents closing	22 10 394	16 30 613

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared 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

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103



For G. K. CHOKSI & Co.
(Firm Registration No. 101895W)
Chartered Accountants

J. P. PATEL
Partner
Membership No. 32780

Place: Ahmedabad
Date : 27th April, 2013

FOR AND ON BEHALF OF THE BOARD

Sd/-
Director

Sd/-
Director

Place: Ahmedabad
Date : 27th April, 2013

TRUE COPY

Notes forming part of Accounts

1 Significant Accounting Policies

(i) Accounting Conventions

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, in accordance with the Companies Act, 1956, the applicable accounting standards notified by The Companies Accounting Standard Rules, 2006 and the Guidance note issued by the Institute of Chartered Accountants of India.

(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

(i) Depreciation on Fixed Assets is provided on Straight Line Method at rates and in the manner specified in Schedule XIV of the Companies Act, 1956

(ii) Depreciation on additions/deletion is provided on pro rata completed monthly basis.

(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.

(vi) Inventories

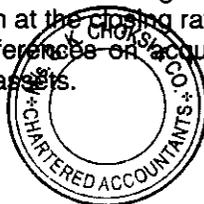
Inventories comprising of Raw Materials (including goods in transit) and finished goods are valued at the lower of cost or net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks if any.

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.



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

(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

2 Share Capital

[Amount in ₹]

Particulars	2012-2013	2011-2012
(a) Authorised		
10,00,000 (P.Y.10,000) Equity Shares of ₹10/- each	1 00 00 000	1 00 000
(b) Issued, Subscribed and fully Paidup		
10,000 (P.Y.10,000) Equity Shares of ₹10/- each Fully Paid up	1 00 000	1 00 000

Note :

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	
	2012-2013	2011-2012
As at April 1, 2012	10 000	0
Add		
Shares issued for Cash or Right Issue or Bonus	0	10 000
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	<u>10 000</u>	<u>10 000</u>
Less		
Shares bought back / Redemption etc.	0	0
As at March 31, 2013	<u>10 000</u>	<u>10 000</u>

(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	
	2012-2013	2011-2012	2012-2013	2011-2012
Number of Shares held by Holding Enterprise				
Holding Company (With Nominees)	10 000	10 000	100.00	100.00
Shareholders holding more than 5% shares				
Arvind Accel Limited (With Nominees)	10 000	10 000	100.00	100.00

3 Reserves and surplus

[Amount in ₹]

Particulars	2012-2013	2011-2012
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as per previous financial statements	(48 691)	0
Add : Profit/(Loss) for the year	96 62 235	(48 691)
Balance available for appropriation	96 13 544	(48 691)
Less : Appropriations	0	0
Net Surplus / (Deficit)	96 13 544	(48 691)

4 Long term provisions

[Amount in ₹]

Particulars	2012-2013	2011-2012
For Employee Benefits		
Gratuity (Net)	4 18 032	1 05 010
	4 18 032	1 05 010

5 Short term borrowings

[Amount in ₹]

Particulars	2012-2013	2011-2012
Unsecured Loans		
From Related Party - Repayable on demand		
Inter Corporate Deposits	40 00 000	0
	40 00 000	0



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

6 Trade payables

[Amount in ₹]

Particulars	2012-2013	2011-2012
For Goods and Services		
Related Parties	38 26 190	15 920
Others	3 87 76 076	52 004
	<u>4 26 02 266</u>	<u>67 924</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 paid 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.

7 Other current liabilities

[Amount in ₹]

Particulars	2012-2013	2011-2012
Advances from Customers		
Related party	0	1 80 00 000
Others	58 16 345	4 00 000
	<u>58 16 345</u>	<u>1 84 00 000</u>
Interest Accrued and due		
Related party	74 687	0
Others	0	0
	<u>74 687</u>	<u>0</u>
Other Payables		
Employees and others	85 237	59 884
Statutory dues	49 69 633	1 74 522
	<u>1 09 45 902</u>	<u>1 86 34 406</u>

8 Short Term Provisions

[Amount in ₹]

Particulars	2012-2013	2011-2012
For Taxation (Net of Advance Tax)	47 45 657	0
For Employee Benefits		
Gratuity Payable	2 028	0
Leave Encashment	2 16 476	0
	<u>49 64 161</u>	<u>0</u>



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

9 Tangible Assets

[Amount in ₹]

Sr. No.	Particulars	Gross Block (At cost)				Depreciation				Net Block	
		As at 01/04/2012	Additions	Deduction	As at 31/03/2013	Up to 31/03/2012	For the year	Adjustments	Up to 31/03/2013	As at 31/03/2013	As at 31/03/2012
1	Computers	0	1 88 050	0	1 88 050	0	15 079	0	15 079	1 72 971	0
2	Furniture & Fixtures	0	2 34 223	0	2 34 223	0	10 057	0	10 057	2 24 166	0
3	Office Equipments	0	23 500	0	23 500	0	270	0	270	23 230	0
	Total :	0	4 45 773	0	4 45 773	0	25 406	0	25 406	4 20 367	0
	Previous Year :	0	0	0	0	0	0	0	0	0	



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

10 Deferred tax Assets (Net)

[Amount in ₹]

Particulars	2012-2013	2011-2012
Deferred Tax Assets		
Disallowance u/s. 43(b) under income tax act, 1961	1 36 309	0
Difference of book depreciation and tax depreciation	0	0
	<u>1 36 309</u>	<u>0</u>
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	17 634	0
Net Deferred Tax Assets / (Liability)	<u>1 18 675</u>	<u>0</u>

11 Inventories

(As taken, valued and certified by the Management)

[Amount in ₹]

Particulars	2012-2013	2011-2012
Raw Materials	44 51 801	0
Boughtout Materials	24 91 153	0
	<u>69 42 954</u>	<u>0</u>

12 Trade Receivable

(Unsecured, considered good, unless otherwise stated)

[Amount in ₹]

Particulars	2012-2013	2011-2012
Debt outstanding for the period exceeding six months	0	0
Others debts	5 63 91 404	0
	<u>5 63 91 404</u>	<u>0</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

13 Cash and Cash Equivalents

[Amount in ₹]

Particulars	2012-2013	2011-2012
Balances with scheduled banks		
Current / Cash Credit accounts	13 79 506	16 30 613
Cash in hand	1 00 888	0
Other Bank balances		
Fixed deposits	7 30 000	0
(With maturity for more than 3 months but less than 12 months)		
	<u>22 10 394</u>	<u>16 30 613</u>

Note: The Fixed Deposit includes ₹ 7,69,078 (P.Y ₹ NIL) deposit placed as Margin Money.

14 Short term loans and advances

(Considered good, unsecured unless otherwise stated)

[Amount in ₹]

Particulars	2012-2013	2011-2012
Advances to Employees	2 56 218	0
Contractors & Suppliers	4 88 812	1 50 08 647
Others		
Prepaid Expenses	2 09 210	0
Balances with revenue authorities	47 06 793	45 000
	<u>56 61 033</u>	<u>1 50 53 647</u>

Amount receivable from related parties, directors and officers ₹ NIL (P.Y. ₹ 1,50,00,000).

15 Other Current Assets

[Amount in ₹]

Particulars	2012-2013	2011-2012
Unbilled Cost	0	21 74 389
Interest Accrued but Not Due	39 078	0
Deposits:		
Rent Deposit	8 60 000	0
	<u>8 99 078</u>	<u>21 74 389</u>

16 Revenue from operations

[Amount in ₹]

Particulars	2012-2013	2011-2012
Sale of Products		
Manufactured Goods	1 99 29 535	0
Components and Equipments	14 37 27 147	0
Traded Goods	85 69 755	0
Sale of Services	5 00 000	0
	<u>17 27 26 437</u>	<u>0</u>



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

17 Other Income

[Amount in ₹]

Particulars	2012-2013	2011-2012
Interest Income		
From Banks	43 421	0
	<u>43 421</u>	<u>0</u>

18 Cost of materials consumed/sold

[Amount in ₹]

Particulars	2012-2013	2011-2012
Raw Materials	18 83 321	0
Boughtout Materials	6 99 47 115	0
	<u>7 18 30 436</u>	<u>0</u>

19 Employees benefits expenses

[Amount in ₹]

Particulars	2012-2013	2011-2012
Salary, Wages and Bonus	5 19 23 222	19 64 884
Contribution to Provident and other funds	8 08 934	1 22 380
	<u>5 27 32 156</u>	<u>20 87 264</u>
Less: Unbilled Costs	0	20 87 264
	<u>5 27 32 156</u>	<u>0</u>

20 Finance cost

[Amount in ₹]

Particulars	2011-2012	2010-2011
Interest on:		
Unsecured Loans	82 986	0
	<u>82 986</u>	<u>0</u>



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of accounts

21 Other expenses

	[Amount in ₹]	
Particulars	2012-2013	2011-2012
Manufacturing Expenses		
Labour Charges	41 21 592	0
Royalty for technical know how	86 36 322	0
Other Direct Costs	<u>20 83 344</u>	<u>0</u>
	1 48 41 258	<u>0</u>
Admin. & Other Expenses		
Bank Commission	25 363	0
Repairs & Maintenance	91 800	1 602
Insurance Expense	1 46 807	0
Rates & Taxes	4 53 882	0
Auditor's Remuneration	1 12 360	11 236
Travelling Expense	29 89 167	64 582
Miscellaneous Expenditure	<u>11 27 455</u>	<u>58 396</u>
	49 46 834	1 35 816
Less: Unbilled Costs	<u>0</u>	<u>87 125</u>
	49 46 834	<u>48 691</u>
Selling and Distribution Expenses		
Transportation charges	15 75 235	0
Advertisement & Business Promotion	2 26 505	0
Consultancy Charges	39 20 333	0
Entertainment Expenses	<u>7 554</u>	<u>0</u>
	57 29 627	<u>0</u>
	<u>2 55 17 719</u>	<u>48 691</u>

22 Earning per Share

	[Amount in ₹]	
Particulars	2012-2013	2011-2012
Net Profit/(Loss) for the year (Amount in ₹)	96 62 235	(48 691)
Number of equity shares (Weighted Average)	10 000	10 000
Nominal value of the share	10	10
Basic and diluted Earning per Share (₹)	<u>966.22</u>	<u>(4.87)</u>



Notes forming part of Accounts

23 Contingent Liabilities and Capital commitments

[Amount in ₹]

Particulars	2012-2013	2011-2012
Contingent Liabilities	7,30,000	NIL
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL

24 Subsequent to year end, The Board of Directors of the company of their meeting approved the scheme of arrangement in the nature of demerger and transfer of Water Treatment Division of Arvind Accel Limited with the company as per the scheme tabled at the meeting. Pursuant to the authority vested to the directors of the company by the Board, the company has initiated requisite formalities in this regard and filed application before Hon'ble High Court of Gujarat on 8th April 2013 which is pending for onward consideration.

25 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, 2013:

[Amount in ₹]

Particulars	2012-2013	2011-2012
Changes in Present Value of Obligations		
Present Value of Obligation as at the beginning of the year	NIL	NIL
Interest Cost	NIL	NIL
Current Service Cost	3,15,050	1,05,010
Actuarial (gain) / Loss on obligations	NIL	NIL
Benefits paid	NIL	NIL
Present value of Obligation as at the end of the year	3,15,050	1,05,010
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	4,20,260	1,05,010
Fair value of plan Assets as at the end of the year	NIL	NIL
Net Liability / (Asset) recognized in Balance sheet	4,20,260	1,05,010
Expenses recognized in the Profit and loss account		
Current Service Cost	3,15,050	1,05,010
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*	3,15,050	1,05,010
Assumptions		
Discount rate	8.25%	8.00%
Rate of increase in compensation levels	4%	7%
Rate of return on plan assets	NIL	NIL
Age of Retirement	58 Years	58 Years



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

26 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

[Amount in ₹]

(b)	Transactions with related parties	2012-2013	2011-2012
(i)	Reimbursement of Expenses		
	- Holding Company	73,575	15,920
	- Ultimate Holding Company	2,91,022	--
(ii)	Advance received from Customers		
	- Ultimate Holding Company	--	1,80,00,000
(iii)	Sale of Component and Equipments		
	- Ultimate Holding Company	9,92,05,733	--
(iv)	Sale of Services		
	- Ultimate Holding Company	5,00,000	--
(v)	Advance for Contract		
	- Holding Company	--	1,50,00,000
(vi)	Royalty Expense		
	- Holding Company	86,36,322	--
(vii)	Manpower Services		
	- Holding Company	3,25,00,000	--
(viii)	Loan taken during the year		
	- Ultimate Holding Company	40,00,000	--
(ix)	Interest Expense		
	- Ultimate Holding Company	82,986	--

[Amount in ₹]

(c)	Outstanding Balances as at March, 31 st 2013	2012-2013	2011-2012
	Balance Payable to Holding Company		
	- Trade Payables	35,35,168	15,920
	Balance Payable to Ultimate Holding Company		
	- Trade Payables	2,91,022	--
	- Advances against contract	--	1,80,00,000
	- Towards Loan and Interest	40,74,687	--
	Balance Receivable from Holding Company		
	- Advances for contract	--	1,50,00,000
	Balance Receivable from Ultimate Holding Company		
	- Trade Receivables	3,16,90,451	--



ARVIND ENVISOL PRIVATE LIMITED

Notes forming part of Accounts

27 Additional information, to the extent applicable, required under para 5(8) of part-II of Schedule VI to the Companies Act, 1956.

(A) Composition of Raw Materials Consumption:

[Amount in ₹]

Raw Material consumption	2012-2013	
	Value (₹)	Percentage (%)
Imported	13,26,563	68.04
Indigenous	6,23,166	31.96
Total :	19,49,729	100.00

(B) Value of Imports on CIF Basis:

[Amount in ₹]

Particulars	2012-2013
Raw Materials	38,62,284
Traded Goods	NIL

(C) Earning in Foreign Currency:

[Amount in ₹]

Particulars	2012-2013
F.O.B. Value of Export	NIL

(D) Expenditure in Foreign Currency (on payment basis):

[Amount in ₹]

Particulars	2012-2013
Travelling Expense	8,45,913
Consultancy Charges	37,99,904
Total	46,45,817

28 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.

29 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

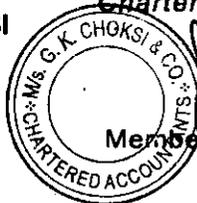
FOR AND ON BEHALF OF THE BOARD

TRUE COPY

For G. K. CHOKSI & Co.

[Firm Registration No. 101895W]
Chartered Accountants

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103



Sd/-
D. PATEL
Partner
Membership No. 32780

Sd/-
Director

Sd/-
Director

Place : Ahmedabad
Date : 27th April, 2013

Place : Ahmedabad
Date : 27th April, 2013