

ARVIND ENVISOL
Private Limited Company

**INDEPENDENT AUDITORS' REPORT
AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31-MARCH-2025**



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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS OF ARVIND ENVISOL PLC

QUALIFIED OPINION

We have audited the accompanying financial statements of **ARVIND ENVISOL PLC** (the Company) for the year ended 31-March-2025, set out on pages 3 to 11, which comprise Balance Sheet, Statement of Profit or Loss, Statement of Changes in Owners' Equity, Statement of Cash Flows and a summary of significant accounting policies with notes to the accounts.

In our opinion, except for the matters discussed below in the Basis for Opinion paragraph, the financial statements give a true and fair view of the financial position of ARVIND ENVISOL PLC as at the year ended 31-March-2025 and of the financial performance results for the year then ended in accordance with the accounting policies adopted by the Company and reporting requirements.

BASIS FOR OPINION

1. We have considered a matter of going concern on the business as per the Commercial Code of Ethiopia as the level of loss has accumulated more than 75% of the Paid-up Capital for about Birr 265,355,251 without any turnaround strategy to improve the capital structure.
2. Trade Debtors and Other Receivables included Birr 27,615,307 as receivable balances, which are long outstanding for over a year. On the other hand, trade Creditors and Accruals included Birr 64,916,554 as payable balances, which are long outstanding for over a year.
3. The Company has incurred significant loss on the current period as there is foreign exchange loss of Birr 72,054,340 as there are payables to be settled on foreign currency but could not be realized until the payments are effected to respective party to be accounted for tax purposes.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standard Boards for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with other ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

The Company has currently been in financial trouble as its bank accounts are banned and jeopardized due to tax claims to be collected through the assessment made. In due course, the company has accumulated inter-company payables of Birr 104,897,944 claimed for tax liability but accounted for the funds brought to continue the business operation

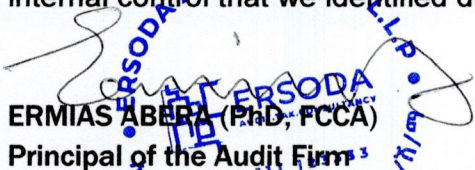
Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation of and fair presentation of these financial statements in accordance with prevailing financial reporting standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements. In effect, financial statements are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. An audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends on the auditor's judgment including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making the risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

We communicated with the management regarding, among other key audit matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in the internal control that we identified during our audit.


ERMias ABERA (PhD, FCCA)
Principal of the Audit Firm
Chartered Certified Accountants (UK)
Authorized Auditor (Ethiopia)

Addis Ababa

14-May-2025

Arvind Envisol Private Limited Company
Balance Sheet
As at 31st March 2025

Currency: Ethiopian Birr

Assets	Notes	31-Mar-25	31-Mar-24
Non-Current Assets			
Fixed Assets	2a,3	378,726	445,561
Current Assets			
Trade and other receivable	4	27,615,307	27,651,281
Advance to Sub contractor/ Supplier		32,582,294	26,155,218
Cash and balances	5	145,266	266,963
Prepaid Expenses		-	213,549
Other Financial Assets - Unbilled receivable		74,006,268	74,006,268
Provision for Doubtful debts		(94,926,256)	(94,926,256)
Withholding Tax Receivable		7,026,592	7,026,592
		46,449,471	40,393,615
Total Assets		46,828,198	40,839,176
Equity And Liability			
Capital And Reserves			
Paid up capital	8	4,600,000	4,600,000
Legal reserve	9	-	-
Profit and loss	10	(265,355,251)	(192,784,130)
		(260,755,251)	(188,184,130)
Current Liabilities			
Creditors and accrual	6	64,924,242	65,079,600
Inter-company deposits- short term borrowings		104,897,944	97,445,944
Related party Transaction	7	137,761,263	66,497,762
Profit tax payable	10	-	-
		307,583,449	229,023,305
Total Equity And Liabilities		46,828,198	40,839,176

The financial statements were approved and authorized for issue by the management on May 01, 2025 and were signed on its behalf by

Mr.Ghosh Jaydeep
General Manager

Mr.Debasis Bit
Authorized signatory

Arvind Envisol Private Limited Company
Statement of Profit & Loss account
For the year ended 31 March 2025

Currency: Ethiopian Birr			
	Note	31-Mar-25	31-Mar-24
Revenue	11	-	-
Cost of Construction	12	298,041	2,085,016
Gross Profit		(298,041)	(2,085,016)
Other Income	11	(71,054,340)	4,003,914
		(71,352,381)	1,918,898
Expense			
General & Administration	13	1,218,740	4,514,953
Finance Cost		-	-
Net Profit For The Year before Exceptional item		(72,571,121)	(2,596,054)
		-	-
Net Profit For The Year		(72,571,121)	(2,596,054)
Provision For Profit Tax	10	-	-
Net Profit After Tax		(72,571,121)	(2,596,054)



Arvind Envisol Private Limited Company

Statement of Changes in Shareholders Equity

For the year ended 31 March 2025

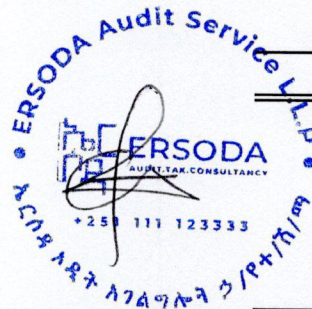
Particulars	Paid up capital	Application Money	Legal reserve	Profit and loss	Total
Balance at 01 April 2024	4,600,000	-	-	(192,784,130)	(188,184,130)
Adjustment/Transfer					-
Net profit for the year	-	-	-	(72,571,121)	(72,571,121)
Balance at 30th April 2025	<u>4,600,000</u>	<u>-</u>	<u>-</u>	<u>(265,355,251)</u>	<u>(260,755,251)</u>



Arvind Envisol Private Limited Company
Statement of Cash Flow
For the year ended 31 March 2025

Currency: Ethiopian Birr

	31-Mar-25	31-Mar-24
Cash flow from operating activities		
Profit/loss befor Tax	(72,571,121)	(2,596,055)
Adjusted for :		
Deprciation & amortisation	66,834	78,628
Taxation Expenses	-	-
Loss on sale of Fixed Assets	-	-
Decrease /increase in inventory	-	-
Decrease/increase in debtors and other receivables	35,974	(457,920)
Decrease/increase in provision for doubtful debts		(6,872,958)
Decrease/increase in Advance to Sub contractor/ Supplier	(6,427,077)	(7,059,268)
Decrease/increase in Prepaid Expenses	213,549	(11,696)
Decrease/increase in Other financial assets	-	6,872,958
Related party balance	71,263,501	(2,800,627)
Increase/decrease in creditors and other pyables	(155,357)	433,078
Increase/decrease in inter company deposits	7,452,000	12,000,000
Cash used in operating activities	(121,697)	(413,858)
Investing activites		
Property plant and Equipment	-	-
Net cash used in investing activities	-	-
Financing activites		
Share holder Account	-	-
Bank loan	-	-
Loan repayment	-	-
Net cash used in financing activities	-	-
Increase(decrease) in cash and cash equivalent	(121,697)	(413,858)
Cash and cash equivalents - Beginning	266,963	680,821
Cash and cash equivalent at 31st March, 2024	145,266	266,963



ARVIND ENVISOL PRIVATE LIMITED COMPANY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2025

Currency: Ethiopian Birr

1 ESTABLISHMENT

ARVIND ENVISOL PLC(ETHIOPIA) was established on 6 July 2017 by two Indian Companies namely , ARVIND ENVISOL LIMITED and ARVIND BRANDS & RETAIL LIMITED with initial capital of ETB 4.6 million. Its business objective is to carry out effluent treatment and disposal solutions.

The Company's Head Office is located in Addis Ababa Bole subcity, Woreda 04, House number 024

2 ACCOUNTING POLICIES

The principal accounting policies adopted by the company are stated below:

a) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated in accordance with reducing balance method of depreciation at the following rates and for building depreciation is calculated on cost at the straight line method

	%
Office equipment	15%
Furniture and Equipment	15%
Computer and accessories	15%
Machinery and fuel equipment	15%
Motor vehicles	15%

b) Stock is valued at cost on a moving average method.

c) Income and Expenditures

Revenue is measured at the value of the consideration received or receivable. Revenues are recognized when earned. Expenses are recognized when incurred.



ARVIND ENVISOL PRIVATE LIMITED COMPANY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2025

Currency: Ethiopian Birr

3 FIXED ASSETS

	<u>Balance at</u> <u>01/04/2024</u>	<u>Addition</u>	<u>Adj/Rec</u>	<u>Balance at</u> <u>31/03/2025</u>
COST				
Furniture and Fixture	317,218	-	-	317,218
Disegel Generator Set 5kv	216,741	-	-	216,741
Guest House - Equipment	353,129	-	-	353,129
Machine - Cash Register Machine	5,086	-	-	5,086
Machinery - Lifting Equipment	281,000	-	-	281,000
Office Equipment	13,811	-	-	13,811
	<u>1,186,985</u>	<u>-</u>	<u>-</u>	<u>1,186,985</u>
DEPRECIATION				
Furniture and Fixture	201,495	17,358	-	218,854
Disegel Generator Set 5kv	131,265	12,821	-	144,087
Guest House - Equipment	222,352	19,617	-	241,968
Machine - Cash Register Machine	3,241	277	-	3,517
Machinery - Lifting Equipment	175,022	15,897	-	190,919
Office Equipment	8,049	864	-	8,914
	<u>741,424</u>	<u>66,834</u>	<u>-</u>	<u>808,258</u>
NET BOOK VALUE	<u><u>445,561</u></u>			<u><u>378,726</u></u>



Arvind Envisol Private Limited Company

Notes to the accounts

Ffor the year ended 31 March 2025

4 Trade and Other Receivable

	31-Mar-25	31-Mar-24
Trade debtors	-	-
Retention receivable	20,919,987	20,919,987
Sundry Debtors	-	-
Deposit receivable	13,000	63,000
VAT receivable	6,682,320	6,668,293
	27,615,307	27,651,281

5 Cash and Bank Balances

	31-Mar-25	31-Mar-24
Cash on hand	23,371	3,343
Cash at bank	121,895	263,620
	145,266	266,963

6 Creditors and Accruals

	31-Mar-25	31-Mar-24
Duties and taxes	7,688	6,082
Retention payable	18,684,860	18,684,860
Accruals	45,784,742	45,941,705
Mobilization Advance from Clients	446,952	446,952
	64,924,242	65,079,600

7 Releated Party Transactions

	31-Mar-25	31-Mar-24
Arvind Envisol Ltd - Ethiopia Branch	6,984,930	6,783,930
Arvind Envisol Ltd - India	130,776,333	59,713,832
	137,761,263	66,497,762



Arvind Envisol Private Limited Company

Notes to the accounts

Ffor the year ended 31 March 2025

11 Income	31-Mar-25	31-Mar-24
Construction Income	-	-
Recovery of bad debt	-	6,872,958
Other income	(71,054,340)	(2,869,044)
	<u>(71,054,340)</u>	<u>4,003,914</u>
12 Cost of Construction	31-Mar-25	31-Mar-24
Construction cost and related cost	269,100	2,051,230
Depreciation	28,941	33,786
	<u>298,041</u>	<u>2,085,016</u>
13 General and Administrative	31-Mar-25	31-Mar-24
Bank charge	1,444	1,950
Car rent expense	-	140,200
Communication expense	1,757	13,920
Depreciation	37,893	44,842
Fuel and lubricants expense	32,350	95,427
Guest House Expenses	468,937	1,372,515
License & registration expenses	-	217,423
Medical Expenses	970	49,563
Office expenses	14,421	83,606
Office Rent	237,636	330,000
Penalty	10,498	12,364
Printing and Stationary Expenses	16,728	44,305
Professional fee	158,303	1,604,863
Salary & benefit	223,025	278,566
Travel Expense	13,779	190,498
Welfare Expenses	1,000	34,911
	<u>1,218,740</u>	<u>4,514,953</u>



Arvind Envisol Private Limited Company**Notes to the accounts****For the year ended 31 March 2025****8 Paid up Capital**

Initially the company was established with a paid up capital of Birr 4,600,000.

Name	Number of shares last year	Number of shares after transfer this year	Par value	Total value
Arvind Envisol Ltd	4,554.00	4,554.00	1,000.00	4,554,000.00
Arvind Brand & Retail Ltd	46.00	46.00	1,000.00	46,000.00
	4,600.00	4,600.00		4,600,000.00

9 Legal Reserve

It represents a transfer of 5 % of the Company's net profit, from each year, until it amounts to one tenth of the company's capital in compliance with the requirements of the Commercial Code of Ethiopia.

10 Provision for Profit Tax

	31-Mar-25	31-Mar-24
Profit before taxation	(72,571,121)	(2,596,054)
Less: loss brought forward from previous years		
Add: Non allowable expenses		
Guest house expenses	468,937	1,372,515
Office rent	237,636	-
Fuel and lubricants expense	32,350	-
Penalty	10,498	12,364
Welfare Expenses	1,000	34,911
	750,421	1,419,790
Less: Income taxed at source	-	-
Taxable profit	(71,820,700)	(1,176,265)
Loss Brought forward from year ended March 31, 2024	(192,784,128)	(190,188,074)
Total loss to be set off against current year profit	(68,014,475)	(66,838,210)
Total loss to be set off against future profit	-	-
Total Profit	(139,835,175)	(68,014,475)
Provision for tax	-	-
Accumulated profit or loss	(265,355,251)	(192,784,128)

11 COMPARATIVE FIGURES

Some comparative figures have been reclassified to facilitate proper comparison.

