

ARVIND INFRASTRUCTURE LIMITED



ANNUAL ACCOUNTS

2014-2015

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
ARVIND INFRASTRUCTURE LIMITED
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **ARVIND INFRASTRUCTURE 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer notes 32 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

Rohit K. Choksi
ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad

Date : - 8 MAY 2015



Annexure to the Auditors' Report

(Referred to in our Report of even date to the members of Arvind Infrastructure 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 granted interest bearing unsecured loans to 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 ₹ 37,63,67,724 /- and the maximum balance outstanding during the year were ₹ 38,68,67,724/-.
- (ii) In our opinion, the other terms and conditions of such loan are not, *prima facie*, prejudicial to the interest of the company.
- (iii) The loans are long term. Accordingly, the party would repay the principal amounts and interest as and when due.
- (iv) There is no overdue amount in excess of ₹ 1 lac in respect of loan granted to parties listed in the register maintained u/s 189 of the Companies Act, 2013.
- (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



- (b) According to the information and explanations given to us, the Company has no disputed outstanding statutory dues as at to 31st March, 2015 other than stated below

Name of the Statute	Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7,52,380	2010-2011	CIT(A), Ahmedabad

- (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 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.

Report Junction

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI

Partner

Mem. No. 31103

Place : Ahmedabad

Date : - 8 MAY 2015



ARVIND INFRASTRUCTURE LIMITED

Balance Sheet as at 31st March, 2015

[Amount in ₹]

Particulars	Notes	31st March, 2015	31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	10 05 00 000	10 05 00 000
Reserves and Surplus	3	1 16 29 86 158	1 05 31 49 791
		1 26 34 86 158	1 15 36 49 791
Non-Current liabilities			
Long term borrowings	4	22 73 29 432	-
Deferred tax liabilities (Net)	5	-	3 31 753
Other Long term Liabilities	6	7 87 124	7 87 124
Long term provisions	7	32 58 461	14 26 077
		23 13 75 017	25 44 954
Current liabilities			
Short term borrowings	8	4 76 52 800	57 52 800
Trade payables	9	39 67 23 666	34 95 93 603
Other current liabilities	10	10 13 48 895	86 09 72 730
Short term provisions	11	1 21 70 952	1 17 24 233
		55 78 96 313	1 22 80 43 366
Total		2 05 27 57 488	2 38 42 38 111
ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	12	2 02 08 045	1 30 96 791
Intangible assets	13	1 53 464	2 82 567
Capital Work in Progress	14	-	23 100
Intangible assets under progress	15	1 72 000	54 000
		2 05 33 509	1 34 56 458
Non-Current Investment	16	8 94 000	8 44 000
Deferred Tax Assets (Net)	5	1 19 365	-
Long term Loans and Advances	17	37 75 18 636	39 06 23 628
Other Non-Current Assets	18	6 02 47 775	4 12 33 613
Current Assets			
Inventories	19	79 28 57 262	41 66 21 046
Trade receivables	20	1 63 12 086	25 47 592
Cash & cash equivalents	21	1 81 35 414	1 22 15 398
Short term - Loans & advances	22	76 40 83 628	1 50 66 96 376
Other Current Assets	23	20 55 813	-
		1 59 34 44 203	1 93 80 80 412
Total :		2 05 27 57 488	2 38 42 38 111
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

G. K. Choksi
ROHIT K. CHOKSI

Partner

Mem. No. 31103

Place : Ahmedabad

Date : - 8 MAY 2015

FOR AND ON BEHALF OF THE BOARD

Saurabh Subbar

Director

Mehul C. Shah

Chief Financial Officer

Place : Ahmedabad

Date : - 8 MAY 2015

[Signature]

Director

[Signature]

Company Secretary

ARVIND INFRASTRUCTURE LIMITED

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

[Amount in ₹]

Particulars	Notes	2014-2015	2013-2014
REVENUE			
Revenue from operations	24	61 26 78 572	43 60 42 847
Other Income	25	28 69 135	4 77 284
Total Revenue		61 55 47 707	43 65 20 131
EXPENSES			
Project Development Expenses	26	61 49 35 971	8 90 67 665
Changes in inventories	27	(37 05 88 696)	11 62 45 069
Employee benefits expenses	28	9 91 89 317	5 18 11 003
Finance cost	29	7 63 79 888	4 22 21 011
Depreciation and amortization		33 19 733	27 68 389
Other expenses	30	3 87 84 558	1 84 55 814
		46 20 20 771	32 05 68 951
Less : Work-in-progress transferred		57 63 923	7 83 359
Total Expenses		45 62 56 848	31 97 85 592
Profit before Tax		15 92 90 859	11 67 34 539
Tax Expenses			
Current Tax (Including Income tax for earlier year ₹ NIL /- (P.Y. ₹ 2,469)		4 70 00 000	2 40 02 469
MAT Credit Entilement utilised		29 00 000	-
Deferred Tax		(4 51 118)	(1 14 993)
		4 94 48 882	2 38 87 476
Profit for the year after tax		10 98 41 977	9 28 47 063
Earnings per equity share:			
Basic and diluted	31	1.09	1.19

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

As per our report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI

Partner

Mem. No. 31103



Place : Ahmedabad

Date : - 8 MAY 2015

FOR AND ON BEHALF OF THE BOARD

Saurav Saini
SSC Director

[Signature]
Director

Mohd. C. Shih

Chief Financial Officer

Place : Ahmedabad

Date : - 8 MAY 2015

[Signature]
Company Secretary

ARVIND INFRASTRUCTURE LIMITED

Cash Flow Statement

[Amount in ₹]

Particulars	For the year ended 31/03/2015	For the year ended 31/03/2014
A. Cash flow from operating activities		
Profit/(Loss) for the year before taxation and exceptional items	15 92 90 859	11 67 32 070
Adjustments for :		
(Profit) / Loss from Limited Liability Partnerships	(2 60 87 713)	(4 83 31 975)
Depreciation and Amortization	33 19 733	27 68 389
Loss on sale of Fixed Assest	1 20 567	0
Finance Cost	7 63 79 888	4 22 21 011
Interest Income	(2 93 64 639)	(3 89 69 191)
Operating profit before working capital changes	18 36 58 695	7 44 20 304
Adjustments for:		
Trade and other receivables	73 90 53 246	(82 56 55 511)
Inventories	(37 62 36 216)	10 29 35 651
Trade payables and Other Liabilities	4 66 95 564	(2 11 39 455)
Cash generated from operations	59 31 71 289	(66 94 39 011)
Direct taxes Refund/(paid)	(4 66 95 556)	(1 50 95 740)
Net cash from operating activities	[A] 54 64 75 733	(68 45 34 751)
B. Cash flow from investing activities		
Investments	(50 000)	(6 44 000)
Purchase of fixed assets	(1 11 38 667)	(22 72 897)
Sale of Fixed Assest	6 15 706	0
Profit/Loss from Limited Liability Partnership	2 60 87 713	4 83 31 975
Interest received	82 94 664	2 68 17 182
Net cash used in investing activities	[B] 2 38 09 416	7 22 32 260
C. Cash flow from financing activities		
Issure of Equity Share Capital	0	9 00 00 000
Security Premium Received	0	81 00 00 000
Procurement/(Repayment) of long/ short term borrowings	26 92 29 432	(56 47 200)
Finance Cost	(1 97 26 736)	(5 57 08 449)
Net cash flow from financial activities	[C] 24 95 02 696	83 86 44 351
Net Increase/(Decrease) in cash and cash equivalents	[A+B+C] 81 97 87 845	22 63 41 860
Cash and cash equivalents opening	(80 16 52 431)	(102 79 94 291)
Cash and cash equivalents closing	1 81 35 414	(80 16 52 431)
Components of Cash and cash Equivalents		
Balances with Banks	1 62 68 560	1 18 54 456
Cash in hand	18 66 854	3 60 942
HDFC Bank Limited (Book overdraft)	0	(81 38 67 829)
	1 81 35 414	(80 16 52 431)

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. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI

Partner

Mem. No. 31103

Place : Ahmedabad

Date : - 8 MAY 2015

FOR AND ON BEHALF OF THE BOARD

Santosh Salve
Director

[Signature]
Director

Mehul. C. Shah

Chief Financial Officer

[Signature]

Company Secretary

Place : Ahmedabad

Date : - 8 MAY 2015

ARVIND INFRASTRUCTURE LIMITED

Notes forming part of accounts

1. Summary of Significant Accounting Policies

(a) Basis of preparation of financial statements

- (i) 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.
- (ii) The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(b) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions 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 recognised in the period in which the results are known/ determined.

Significant estimates made by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area.

(c) Revenue Recognition

- (i) Recognition of Revenue from real estate projects

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income from operations is net of adjustment on account of cancellation/returns if any.

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the allotment letter/agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

Revenue from projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

- (ii) Interest income

Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(d) 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.

At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

After recognition of impairment loss, the depreciation charge for the assets is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

