

GARWARE ENVIRONMENTAL SERVICES PRIVATE LIMITED

FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2014-2015

Registered office: Plot no. 11, Block D-1, MIDC, Chinchwad, Pune-411019

(CIN: U74900PN2007PTC130686)

Independent Auditor's Report

To the Members of Garware Environmental Services Private Limited.

Report on the Financial Statements

We have audited the accompanying Financial Statements of Garware Environmental Services Private Limited ('the Company'), which comprise the Balance Sheet as at March 31st, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements to 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 provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- I. Our responsibility is to express an opinion on these Financial Statements based on our audit.
- II. 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.
- III. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

- IV. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 a 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 the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.
- V. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

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;

- 1. In the case of the Balance sheet, of the state of affairs of the Company as at 31 March 2015 ,
- 2. In the case of the Profit and Loss Account ,of the profit for the year ended on that date ; and
- 3. In the case of the Cash Flow Statement, of the cash flows for the year 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 on the matters specified in the paragraph 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 it appears from our examination of those books.
- c. The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the 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; and
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as on March 31st, 2015 & so not disclosed in its Financial Statements.
 - ii. The Company has made provision, as at March 31st, 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31st, 2015.

For Patki & Soman,
Chartered Accountants

S.M Patki
(Partner)
M. No.: 037315
F.R.N: 107830W

Pune
26th May, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31st 2015, we report that:

i)	a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	b)	The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
ii)		During the Financial Year 2014-15, the company was not having any inventory, hence sub-clause (a),(b) & (c) are not applicable
iii)	a)	The Company has not granted secured and unsecured loans to companies, firms & other parties covered in the register maintained under sec 189 of the Companies Act, 2013.
	b)	There are no loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, hence this clause is not applicable.
	c)	There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, as this clause is not applicable.
iv)		In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
v)		In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 & 74 of the act and the rules framed there under to the extent notified.
vi)		We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013 for certain products of the Company and are not applicable to the company.
vii)	a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for the period of more than six months from the date those become payable.
	b)	According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute as this clause is not applicable.

c)	According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act 1956 and the rules made thereunder.
viii)	The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
ix)	According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of the dues to financial institutions, banks or debenture holders as at the balance sheet date.
x)	In our opinion , the terms and conditions on which the company has not given guarantees for loans taken by others from banks, financial institutions .Hence this clause is not applicable.
xi)	In our opinion ,and according to the information and explanations given to us , the company has not applied for any term loans, hence this clause is not applicable.
xii)	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India , and according to the information and explanations given to us , we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year , nor have we been informed of any such case by the Management.

For Patki & Soman,
Chartered Accountants

S.M Patki
(Partner)
M. No.: 037315
F.R.N: 107830W

Pune
26th May, 2015

GARWARE ENVIRONMENTAL SERVICES PVT LTD
BALANCESHEET AS AT 31st March 2015

(Rs.)

	Note No	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	10,000,000	10,000,000
(b) Reserves and Surplus	4	2,067,289	1,412,589
(c) Money received against share warrants		-	-
		12,067,289	11,412,589
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	5	22,472	11,236
(d) Short-term provisions	6	926,636	632,636
		949,108	643,872
TOTAL		13,016,397	12,056,461
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	10,700	10,700
Less: Depreciation		4,382	3,680
Net Block		6,318	7,020
(ii) Capital work-in-progress		-	-
		6,318	7,020
(b) Non-current investments	8	7,274,949	6,719,284
(c) Deferred Tax Assets (net)		-	-
(d) Long-Term Loan and Advances		-	-
(e) Other non-current assets		-	-
		7,274,949	6,719,284
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	9	4,840,586	4,903,871
(e) Short-term loans and advances	10	894,544	426,286
(f) Other current assets		-	-
		5,735,130	5,330,157
TOTAL		13,016,397	12,056,461

III. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-11

For PATKI & SOMAN
Chartered Accountants,

S.M.Patki
PARTNER
M.NO - 037315
F.R. No 107830VV
Pune
Date 26.05.2015

V R GARWARE
DIRECTOR

A S WAGLE
DIRECTOR

GARWARE ENVIRONMENTAL SERVICES PVT LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(Rs.)

	Particulars	Notes	For the year ended 31st March 2015	For the year ended 31st March 2014
I.	Revenue:			
	(a) Revenue from operations		-	-
	Less: Excise Duty		-	-
	(b) Other Income-Interest		1,008,870	1,424,120
	Total Revenue		1,008,870	1,424,120
II.	Expenses:			
	(a) Cost of materials consumed		-	-
	(b) Purchase of Traded Goods		-	-
	(c) (Increase)/Decrease in inventories of finished goods, work-in-progress and Traded Goods		-	-
	(d) Employee benefit expense		-	-
	(e) Operation and other expenses	11	59,467	39,827
	Total Expenses		59,467	39,827
	Earning before interest, tax, depreciation and amortization (EBITDA) (I - II)		949,403	1,384,293
	(g) Depreciation and amortization expense		702	780
	(f) Financial costs		-	-
III.	Profit before tax		948,701	1,383,513
IV.	Tax expense			
	(a) Current tax		294,000	427,506
	(b) Deferred tax		-	-
	(c) Wealth tax		-	-
	(c) Adjustment for short / excess provision of earlier year		-	-
V.	Profit after tax for the year		654,701	956,007
VI.	Earning per equity share - Basic and diluted (Rs.)			
	Weighted average number of equity shares		1,000,000	1,000,000
	Face value per equity share (Rs.)		10	10
VII.	NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-11			

For PATKI & SOMAN
Chartered Accountants,

S.M.Patki
PARTNER
M.NO. - 037315
F.R. No. 107830W
Pune
Date 26.05.2015

V.R.GARWARE
DIRECTOR

A.S.WAGLE
DIRECTOR

GARWARE ENVIRONMENTAL SERVICES PVT LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015

	(Rs.)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	948,701	1,383,513
Adjustments for:		
Depreciation and amortisation	702	780
Finance Cost	-	-
Interest Income	(1,008,870)	(1,424,120)
Dividend Income	-	-
(Profit) / Loss on sale of Fixed Assets	-	-
Provision for doubtful Debts	-	-
Operating Profits before working capital changes	(59,467)	(39,827)
Trade Receivables, Loans and advances and other assets	(468,258)	(293,436)
Inventories	-	-
Trade and other Payables	305,236	327,307
Cash generated from operations	(222,489)	(5,956)
Taxes paid	(294,000)	(427,506)
Net cash provided by operating Activities	(516,489)	(433,462)
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	-	-
Product development costs	-	-
Increase / Decrease of Investment	-	-
Purchase / sale of investments	(555,665)	-66,992.00
Finance Cost	-	-
Interest received	-	-
Dividend received	-	-
Net cash provided by / (used in) investing Activities	(555,665)	(66,992)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long term borrowings	-	-
Proceeds from Long term borrowings	-	-
Finance Cost	1,008,870	1,424,120.00
Short term borrowings	-	-
Dividends paid including Dividends tax	-	-
Buyback of Equity Shares	-	-
Net cash from financing Activities	1,008,870	1,424,120
Net Increase/ (Decrease) in cash & Cash Equivalents	(63,284)	923,666
	For the year ended 31st March 2015 (Rs. in lacs)	For the year ended 31st March 2014 (Rs. in lacs)
Cash & Cash Equivalents (Opening Balance):	4,903,871	3,980,205

GARWARE ENVIRONMENTAL SERVICES PVT LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015

(Rs.)

Cash & Cash Equivalents (Closing Balance):	4,840,586	4,903,871
Not Increase/ (Decrease) in cash & Cash Equivalents	<u>(63,285)</u>	<u>923,666</u>
	0	

For PATKI & SOMAN
Chartered Accountants,

S.M.Patki
PARTNER
M NO. - 037315
F R NO.107830W
Pune
Date 26.05.2015

V R GARWARE A S WAGLE
DIRECTOR DIRECTOR

GARWARE ENVIRONMENTAL SERVICES PVT LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

3 SHARE CAPITAL

	As at 31st March 2015	(Rs.) As at 31st March 2014
(a) Authorised share Capital		
i) 50,00,000 Equity Shares of 10/- each	500,000,000	500,000,000
(31 March 2013 : 5,00,00,000 equity shares of Rs. 10 each)		
	<u>500,000,000</u>	<u>500,000,000</u>
(b) Issued, Subscribed and Fully Paid up Share Capital		
i) 10,00,000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
(31 March 2013 : 10,00,000 equity shares of Rs. 10 each)		
	<u>10,000,000</u>	<u>10,000,000</u>

a) **Reconciliation of number of shares**

	As at 31st March 2015		As at 31st March 2014	
	Number of Shares	Amount Rupees	Number of Shares	Amount Rupees
Equity Shares				
Opening Balance	1,000,000	10,000,000	1,000,000	10,000,000
Changes during the year	-	-	-	-
Closing Balance	<u>1,000,000</u>	<u>10,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>

b) **Details of shareholders holding more than 5% shares in the Company**

	As at 31st March 2015	As at 31st March 2014
Equity Shares		
Garware wall Ropes Ltd	999,900	999,900
	99.99%	99.99%

GARWARE ENVIRONMENTAL SERVICES PVT LTD

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

1 Corporate Information

Garware Environmental Services Private Limited is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the company is situated at **Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune-411019**. The Company is to carry out activities like collecting, treating, processing, purifying and depositing waste and pollutants, liquid waste, municipal solid waste, etc including all other related business and activities. The company is yet to start its operations.

2 Significant Accounting Policies

a. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statement to comply in all material respects with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. All income and expenditures are on accrual basis. Financial statements are prepared on historical cost convention, on an accrual basis.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

b. Preliminary / Miscellaneous expenses

The Preliminary / Miscellaneous expenses are amortized over a period of 5 years from the commencement of commercial operations.

c. Taxation

No provisions for current and deferred taxation are considered necessary in view of no commercial transactions during the period.

d. Earning Per Shares:

Particulars	For the year ended 31st March, 2015
Profit / (Loss) after taxation as per Profit and Loss Account (in Rs.)	654701
Weighted average number of Equity Shares outstanding	1000000
Basic earning per Share (Weighted Average) (Face Value Rs. 10 Per Share) in Rs.	0.46
There is no dilution in equity share capital of the company and hence there is no working for diluted earning per share.	

e. Provisions And Contingent Liabilities:

There is no contingent liability, not provided for the period ended on 31st March, 2014

f. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) - Rs. NIL.

g. There is no Small Scale Industries to whom the company owes dues, which are outstanding for more than 30 days as at the Balance Sheet Date.

h. There is no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at the Balance Sheet Date.

i. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956.

This is not applicable since the company is yet to start its commercial operations.

j. The previous years figures have been regrouped wherever necessary.

k. Others:

Other appropriate accounting policies will be framed upon commencement of the commercial operations.

For PATKI & SOMAN

Chartered Accountants,

S.M.Patki
PARTNER
M.NO. - 037315, F.R.NO.107830W
Pune,

V R GARWARE
DIRECTOR

A S WAGLE
DIRECTOR

GARWARE ENVIRONMENTAL SERVICES PVT LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

4 RESERVE AND SURPLUS

	(Rs.)	
	As at 31st March 2015	As at 31st March 2014
(a) Surplus in statement of profit and loss		
(i) Balance as per last financial statement	1,412,589	
Add : Profit for the year	654,700	1,412,589
Less : Appropriations		
(ii) Proposed final dividend on equity shares		
(iv) Tax on dividend		
	2,067,289	1,412,589
Total	2,067,289	1,412,589

GARWARE ENVIRONMENTAL SERVICES PVT LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

5 OTHER CURRENT LIABILITIES

(Rs.)

	As at 31st March 2015	As at 31st March 2014
(a) Other payables(including Audit Fees)	22,472	11,236
Total	22,472	11,236

6 SHORT TERM PROVISION

(Rs.)

	As at 31st March 2015	As at 31st March 2014
(a) Income Tax Provision	294,000	632,636
Total	294,000	632,636

GARVARE ENVIRONMENTAL SERVICES PVT LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

7 Fixed Assets

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Gross Block as at 1st April 2014	Additions	Deletions/ Adjustments at 31st March 2015	Gross Block as at 1st April 2014	Deletions/ Adjustments	Depreciation/ Amortisation at 31st March 2015 for the Year	Accumulated as at 31st March 2015	Value as at 31st March 2014
TANGIBLE FIXED ASSETS								
Office Equipment	10,700	-	-	10,700	3,680	702	4,382	6,318
TOTAL	10,700	-	-	10,700	3,680	702	4,382	6,318
								7,020

Notes:

1. Depreciation has been provided on Written Down Value Method, at the rates specified in Schedule II to the Companies Act, 2013.

GARWARE ENVIRONMENTAL SERVICES PVT LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

8 NON CURRENT INVESTMENT

	(Rs.)	
	As at 31st March 2015	As at 31st March 2014
Fixed Deposit with Bank (Including Interest accrued and receivable)	7,274,949	6,719,284
Total	7,274,949	6,719,284

9 CASH AND CASH EQUIVALENTS

	As at 31st March 2015	As at 31st March 2014
(a) Cash and cash equivalents		
(i) Balances with banks		
In Current Accounts	82,230	36,472
In Deposit Accounts with maturity less than 3 months		
Cash on hand	2,309	7,281
	84,539	43,753
(b) Other Bank balances		
(i) Earmarked balances with banks		
(ii) Bank deposits above 3 months	4,756,047	4,860,118
Total	4,840,586	4,903,871

10 SHORT - TERM LOANS AND ADVANCES

	As at 31st March 2015	As at 31st March 2014
Advances recoverable in cash or in kind or for value to be received		
Advance Income Tax (Including TDS)	894,544	426,286
Balance with Excise and Customs Authorities		
Total	894,544	426,286

GARWARE ENVIRONMENTAL SERVICES PVT LTD

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.	U74900PN2007PTC130686	State Code:	11
Balance Sheet	31	3	2015
	Date	Month	Year

II. Capital Raised during the year (Amount in Rs.000)

Public Issue	Bonus Issue
Nil	Nil
Rights Issue	Private Placement
Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. 000)

Total Liabilities	Total Assets
13,016	13,016

SOURCES OF FUNDS

Paid-up Capital	Reserves and Surplus
10,000	2,067
Secured Loans	Unsecured Loans
NIL	NIL
Deferred Tax Liability	Current Liabilities
NIL	949

APPLICATIONS OF FUNDS

Net Fixed Assets	Investments
6	7,275
Current Assets	Misc. Expenditure
5,735	NIL
Deferred Tax Asset	Accumulated Losses
NIL	NIL

IV. Performance of the Company (Amount in Rs. 000)

Turnover	Total Expenditure	60
1,009		
Profit/(Loss) before Tax	Profit/(Loss) after Tax	655
949		
Earning per Share in (Rs.)	Dividend Rate (%)	NIL
0.65		

V. Generic Names of Three Principal Products/ Services of Company (as per Monetary Terms)

Item Code No. (ITC Code)	NIL
Product Description	