

NOTICE

Notice is hereby given to the members of Arvee Laboratories India Pvt. Ltd., that, 4TH Annual General Meeting of the company will be held on 28th September, 2015, at 11.00 a.m. at the registered office of the company to transact the following business.

As ordinary Business:

- To receive, consider and adopt the audited Balance sheet as on 31st March 2015, the statement of Profit and Loss account and Cash Flow statement for the year ended on that date and the reports of the directors and Auditors there on.
- To consider the appointment of auditors and to fix their remuneration.

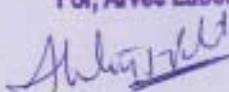

Registered Office

49/3-B, Shyamal Row Houses
100 Feet Road, Nr Sanjay Tower,
Satellite
Ahmedabad 380015

By Order of the Board of Directors

For Arvee Laboratories India Pvt. Ltd.

For, Arvee Laboratories (India) Pvt. Ltd.

 
[Director] Director

Date: 01.09.2015

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need to be member. The proxy form duly completed and signed should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.

DIRECTORS' REPORT

To

The Members,

Arvee Laboratories India Pvt. Ltd.

Your Directors have pleasure in presenting to you their 4th Annual Report together with Audited Accounts of the company for the year ended on 31st March, 2015.

1. Financial Results

The Financial results are summarized below.

(Figure In Rs.)

Particulars	2014-15	2013-14
Income	13,05,21,040	11,83,60,664
Expenditure	14,05,84,315	11,81,28,206
(Loss)/Profit Before Tax Provision	(1,00,63,275)	2,32,458
Tax Provision	64,06,947	44,290
(Loss)/Profit After Tax	(1,64,70,222)	1,88,168
Net Profit Transferred to Balance Sheet	(1,64,70,222)	1,88,168

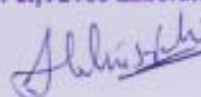
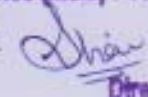
2. Review of Operations :

Your directors are pleased to note that despite of competition and forces of recession prevailing in the Indian economy, the company has achieved moderate increase in turn over. The company has incurred net loss during the year due to depreciation and increased finance cost. The company has undertaken an expansion and the borrowing has increased leading to increase in finance cost.

3. Future Prospects

Your directors are hopeful that the company will be able to achieve the growth in the forthcoming years. They hope to strike more deals and

For, Arvee Laboratories (India) Pvt. Ltd.

 
Director

procure better orders. The directors feel that, the company will continue to prosper.

4. Dividend

During the year, your directors do not recommend any dividend.

5. Board of Directors:

The Board of Directors met four times during the financial year 2014-2015. The following are the details of the Board Meetings held during the financial year 2014-2015:

Date of Board Meeting	Strength of Board Meeting	No. of Directors present at the meeting
25.06.2014	Four	Four
03.09.2014	Four	Four
12.12.2014	Four	Four
29.03.2015	Four	Four

- During the year the following Directors were appointed:
 - NA
- During the year, the following Directors relinquished their Directorship and ceased to be the Directors.
 - NA

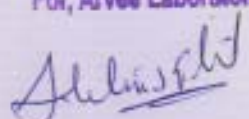
The Board of Directors appreciates valuable contribution and guidance provided by the directors during their tenures as directors.

6. Directors' Responsibility Statement:

Your directors state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and

For, Arvee Laboratories (India) Pvt. Ltd.


Director

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 of the profit and loss of the company for that period;

iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. the directors had prepared the annual accounts on a going concern basis.

7. Auditors:

M/s V.D. Shukla & Co, Chartered Accountants, who were the auditors of the company retire at the ensuing annual general meeting and are eligible for re-appointment.

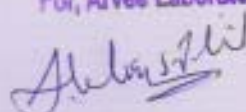
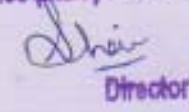
8. Details in respect of adequacy of internal financial controls

Your directors have ensured that the internal financial controls are adequate looking to the size of the company and nature of the business as required to be given pursuant to the provisions of rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 read with section 134 of the Companies Act, 2013.

9. Public Deposits

The company has not accepted any deposits within the meaning of provisions of Sec.73 and 76 of the Companies Act, 2013 and the rules framed there under read together with Directives issued by The Reserve Bank of India.

For, Arvee Laboratories (India) Pvt. Ltd.

 
Director

10. Foreign Exchange Earnings and Outgo.

Information on concentration of energy, technology absorption foreign exchange earnings and outgo as required to be given pursuant to section 134 of the Companies Act, 2013, read with Rule 8(3)(A), (B) and (C) of the Companies (Accounts) Rules, 2014 are given only to extent applicable to the company.

Amount in Rs. ()

Foreign Exchange Earnings	2014-2015	2013-2014
Export of Goods	3,70,22,013	7,91,31,627
Foreign Exchange Outgo	-	-
Raw Material	3,17,82,709	4,91,57,451
Commission	50,400	NIL
Travelling Expense	8,32,386	NIL

11. Energy conservation and Research Development

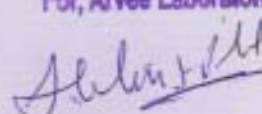
Information on concentration of energy, technology absorption foreign exchange earnings and outgo as required to be given pursuant to section 134 of the Companies Act, 2013, read with Rule 8(3)(A), (B) and (C) of the Companies (Accounts) Rules, 2014 do not apply to the company as the company does not fall under the prescribed categories.

12. Employees:

There was no employee drawing salary of Rs 5,00,000/- or more per month, employed for whole of the year or employed for part of the year.

13. Other Disclosures:

For, Arvee Laboratories (India) Pvt. Ltd.

 Director

- (i) The extract of the annual return as provided under sub-section (3) of section 92 is annexed as Annexure A to this Report.
- (ii) No significant and/or material orders are passed by any of the regulators or courts or tribunals impacting the going concern status and Company's operations in future
- (iii) Provisions related to particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 are complied with.
- (iv) There were no material changes and commitments affecting the financial position of the Company.
- (v) The Company has not accepted or renewed any deposits during the year.
- (vi) The Company has not appointed any Internal Auditor.
- (vii) The company held four Board Meetings during the year.

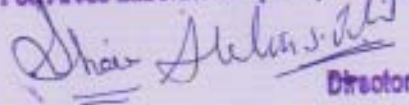
14. Acknowledgements

Your Directors wish to take on record services and co-operation rendered by the members, Bankers, and the staff of the company.

Place: Ahmedabad

Date: 01/09/2015

For Arvee Laboratories India Pvt. Ltd
For Arvee Laboratories India Pvt. Ltd.


Director

[Director]

MR. SHALIN B CHOKSHI

DIN 00191903

Vimal D. Shukla

B.Com., LL.B., F.C.A.
CHARTERED ACCOUNTANT



V. D. SHUKLA & Co.
CHARTERED ACCOUNTANTS

22, Aakruti Society, Satellite Road,
Ahmedabad-380015. Phone : 079-2674 0078
E-mail : vdshuklaco1984@yahoo.com
vdshuklaco1984@gmail.com

Independent Auditor's Report

To

The Members of

Arvee Laboratories (India) Pvt. Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of Arvee Laboratories (India) Pvt. Ltd ("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 ended on that date, 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 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

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 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.

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Profit and Loss Account, of the loss 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.

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 paragraphs 3 and 4 of the Order.



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. There is nothing to disclose which is having adverse effect on the functioning of the company;
 - f. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. 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:
 - a. The Company has no pending litigations;



- b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

Place: Ahmedabad
Date: 01/09/2015



For V.D. Shukla & Co.
Chartered Accountants
FRN: 110240W

Vimal D. Shukla
(Proprietor)
Membership No.: 036146

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT:

The Annexure referred to in paragraph 1 of the our Report of even date to the members of Arvee Laboratories (India) Pvt. Ltd on the financial statements of the company for the year ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. The Company has maintained proper records of fixed assets showing full particulars including quantitative details and location. The company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, fixed assets were physically verified by Management during the year and no material discrepancies were noticed on such verification.
2. (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the nature and location of the inventory.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on



physical verification of the having regard to the size of the operations of the Company.

3. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted unsecured loan which was recovered during the year to body corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
4. 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, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system and there is no instance of continuing failure to correct any weaknesses in the internal controls.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not accepted any deposit during the year to which provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under are applicable.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the notification by the central government for maintenance of cost records under sub-section 1 of section 148 of the Companies Act 2013 and on the basis of information received, we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained as per the requirement. We have, however, not carried out a detailed examination or audit of the cost



records with a view to determine whether they are accurate or complete.

7. According to the records of the company, it is observed that the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues with appropriate authorities.

The company does not have any disputed statutory dues till the date of report.

8. The Company has incurred net losses and also cash losses during the financial year covered by our audit but the company has achieved net profit and cash profit during the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, during the current year the Company has not defaulted in repayment of its dues towards principal and interest to banks and financial institution.
10. According to the information and explanations given to us, the company has not given any guarantees for loan taken from banks.
11. On the basis of the records examined by us and relying on the information compiled by the Company for correlating the funds raised to the end use of term loans, we report that the Company has



generally applied the term loans for the purposes for which they were obtained.

12. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place: Ahmedabad
Date: 01/09/2015



For V.D. Shukla & Co.
Chartered Accountants
FRN.: 110240W

A handwritten signature in blue ink, appearing to read "V. Shukla", written over a horizontal line.

Vimal D. Shukla
(Proprietor)
Membership No.: 036146

Arvee Laboratories India Pvt. Ltd.
Balance Sheet as at 31st March, 2015

Particulars	Note No	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	30,000,000	30,000,000
Reserves and Surplus	3	(15,851,830)	618,391
Non-Current Liabilities			
Long Term borrowings	4	40,590,594	44,281,028
Deferred tax liabilities (Net)		6,406,947	-
Current Liabilities			
Short-term borrowings	5	167,246,778	88,868,921
Trade Payables	6	28,689,599	24,000,904
Short-term provisions	7	743,894	105,152
Other current liabilities	8	2,460,836	1,288,270
Total		260,286,818	189,162,666
ASSETS			
Non-current assets			
<i>Fixed assets</i>			
Tangible assets	9	91,430,983	21,765,414
Capital work in progress	9	51,822,782	72,077,980
Long term loans and advances	10	1,439,480	1,404,480
Current assets			
Inventories	11	63,701,343	29,381,817
Trade receivables	12	15,826,287	29,740,024
Cash and cash equivalents	13	8,039,337	692,807
Short term loans and advances	14	28,026,606	34,100,144
Total		260,286,818	189,162,666
Significant Accounting Policies	1		
The Note numbers 24 to 36 form integral part of the Financial Statements			

As per our separate report of even date attached herewith

For V.D.Shukla & Co.
Firm Registration No :- 110240W
Chartered Accountants

For Arvee Laboratories India Pvt. Ltd.

For, Arvee Laboratories (India) Pvt. Ltd. For, Arvee Laboratories (India) Pvt. Ltd.

(Signature)

Director

(Signature)

Director

Vimal D. Shukla
Proprietor
Membership No. 036416

Director

Director

Place : Ahmedabad
Date : 01-09-2015

Place : Ahmedabad
Date : 01-09-2015



Arvee Laboratories India Pvt. Ltd.
Profit and Loss Account for the year ended on 31.03.2015

Particulars	Note No	2014-15	2013-14
Revenue from operations	15	129,692,279	118,352,014
Other Income	16	828,761	8,650
Total Revenue		130,521,040	118,360,664
Expenses:			
Cost of Material Consumed	17	108,872,938	94,863,873
Changes in Finished goods and work in progress	18	(33,933,095)	(20,827,341)
Employee benefit expense	19	18,629,405	7,419,319
Financial costs	20	24,539,811	15,474,442
Depreciation expense	9	7,255,934	2,243,044
Other expenses			
Administrative Expenses	21	3,629,414	8,235,266
Manufacturing Expenses	22	7,322,600	4,534,619
Selling and Distribution Expenses	23	4,267,308	6,184,985
Total Expenses		140,584,315	118,128,206
Profit before exceptional and extraordinary items and tax		(10,063,275)	232,458
Exceptional & Extraordinary Items		-	-
Profit before tax		(10,063,275)	232,458
Tax expense:			
Current tax		-	44,290
MAT Credit Entitlement		-	-
Deferred tax		6,406,947	-
Net Tax expenses		6,406,947	44,290
Profit for the period		(16,470,222)	188,168
Earning per equity share:			
(1) Basic		(5.49)	0.06
(2) Diluted		(5.49)	0.06
Significant Accounting Policies	1		
The Note numbers 24 to 36 form integral part of the Financial Statements			

As per our separate report of even date attached herewith

For V.D.Shukla & Co.
Firm Registration No :- 110240W
Chartered Accountants

For Arvee Laboratories India Pvt. Ltd.

For, Arvee Laboratories (India) Pvt. Ltd.

For, Arvee Laboratories (India) Pvt. Ltd.

(Signature)

Director

(Signature)

Director

Vimal D. Shukla
Proprietor
Membership No. 036416

Director

Director



Place : Ahmedabad
Date : 01-09-2015

Arvee Laboratories India Pvt. Ltd.
Cash Flow Statement for the year ended 31.03.2015

Particulars:	2014-15 Amount Rs.	2013-14 Amount Rs.
A. Cash Flow from Operating Activities		
Net Profit Before Tax	(10,063,275)	232,458
Adjustment for:		
Depreciation	7,255,934	2,243,044
Amortisation	-	-
Interest Expenses	24,539,811	15,474,442
Dividend Income	-	-
Interest Income	(764,995)	-
Loss / (Gain) on Sale of Investments	-	-
Loss / (Gain) on Sale of Fixed Assets (Net)	-	-
Foreign Exchange Loss / (Gain)	-	-
Provision for doubtful debts	-	-
Operating Profit before Working capital Changes	20,967,476	17,949,944
Adjustment for (Increase) / Decrease in Working Capital:		
Inventories	(34,319,526)	(23,588,110)
Trade Receivables	13,913,737	(16,195,377)
Loans and Advances	6,038,538	(4,092,597)
Trade Payables and Provisions	6,500,002	(3,980,884)
Cash generated from Operations	13,100,228	(29,907,025)
(Increase) / Decrease in Misc Expenditure	-	-
Prior Period Adjustments (Net) & Short provision of Income Tax	-	-
Direct Taxes Paid (Net)	-	(44,290)
Income Tax of earlier year	-	-
Fringe Benefit Tax	-	-
Net Cash from Operating Activities	13,100,228	(29,951,315)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(56,666,305)	(62,836,769)
Sale of Fixed Assets	-	-
Purchase of Investments	-	-
Sale of Investments	-	-
Interest received	764,995	-
Dividend Received	-	-
Net Cash used in Investing Activities	(55,901,310)	(62,836,769)
C. Cash Flow from Financing Activities:		
Share Capital Issued	-	29,500,000
Preliminary Expenses Incurred	-	-
Short term Borrowing availed	78,377,857	43,341,383
Long term Borrowings	(3,690,434)	36,026,775
Interest Paid	(24,539,811)	(15,474,442)
Dividend Paid	-	-
Dividend Tax Paid	-	-
Net Cash used in Financing Activities	50,147,612	93,393,716
Net increase in Cash and Cash Equivalents (A+B+C)	7,346,529	605,631
Cash and Cash Equivalents as at 1st April (Opening Balance)	692,807	87,176
Cash and Cash Equivalents as at 31st March (Closing Balance)	8,039,337	692,807

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our separate report of even date attached herewith
For V.D.Shukla & Co.
Firm Registration No :- 110240W
Chartered Accountants

Vimal D. Shukla
Proprietor
Place : Ahmedabad
Date : 01-09-2015



For Arvee Laboratories India Pvt. Ltd.

For, Arvee Laboratories (India) Pvt. Ltd.

(Signature) *(Signature)*
Director Director

Director Director

Place : Ahmedabad
Date : 01-09-2015

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 Accounting Convention:

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 2013.

1.2 Use of Estimates:

The preparation of the financial statements requires estimates and assumption 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 reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

1.3 Accounting for Fixed Assets:

Fixed Assets are stated at cost of acquisition and subsequent improvements net of CENVAT credit and VAT but including freight and other incidental expenses related to acquisition, installation and foundation less accumulated depreciation.

1.4 Depreciation Accounting:

Depreciation has been provided on straight line method and at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

1.5 Impairment of Assets:

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to profit and loss account in the period in which assets is identified as impaired. The impairment loss, if any recognized in prior accounting periods is reversed if there has been a changed in the estimate of recoverable amount.

1.6 Borrowing Cost:

All borrowing costs are recognized as expenses in the period in which they are incurred.



For, Arves Laboratories (India) Pvt. Ltd.
Helvett *Shin*
Director

1.7 Preliminary and Pre-operative Expenses

Preliminary and pre-operative expenses are written off in 10 equal installments.

1.8 Revenue Recognition:

Sales

Revenue is recognised when services are rendered and are recorded net of trade discounts and rebates.

Interest

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

1.11 Accounting for Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax resulting from "timing difference" between taxable incomes and accounting income is accounted for, using the tax rates and tax laws that have been enacted or substantially enacted as on the Balance Sheet date.

1.12 Provisions, Contingent Liabilities and Contingent Assets :

Contingent Liabilities being a possible obligation as a result of past events the existence of which will be confirmed by the occurrence or non-occurrence of one or more future events not wholly in the control of the company. Contingent Liabilities are not recognized in the accounts. Further the nature of such liabilities, an estimate of its financial effect, etc. is disclosed as a part of Notes to Accounts.

1.13 Lease Rentals:

Operating lease is charged to profit and loss account on accrual basis.



For, Arves Laboratories (India) Pvt. Ltd.
[Signature] *[Signature]*
Director

2. Share Capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Authorised				
30,50,000 (Previous year 30,50,000) Equity Shares of Rs. 10/- each		30,500,000		30,500,000
Issued, Subscribed and fully paid up				
30,00,000 (Previous year 30,00,000) Equity Shares of Rs. 10/- each		30,000,000		30,000,000
Total		30,000,000		30,000,000

The reconciliation of the number of Equity Shares outstanding as at 31.03.2015 and 31.03.2014 is set out below:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Shares outstanding at the beginning of the year	-	3,000,000	-	50,000
Shares Issued during the year	-	-	-	2,950,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	3,000,000	-	3,000,000

The reconciliation of the number of Preference Shares outstanding as at 31.03.2015 and 31.03.2014 is set out below:

Name of Shareholder	As at 31 March, 2015		As at 31 March, 2014	
	No. of Shares held	% of shares held	No. of Shares held	% of shares held
Bhartrbhai R. Chokshi	685,000	22.83%	685,000	22.83%
Saumilbhai B. Chokshi	406,500	13.55%	406,500	13.55%
Shalinbhai B. Chokshi	406,500	13.55%	406,500	13.55%
Shalinbhai S. Patel	1,490,000	49.67%	1,490,000	49.67%
Total	2,988,000	99.60%	2,988,000	99.60%

3. Reserves and Surplus

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Surplus				
Opening balance		618,391		430,223
(+) Net Profit for the current year		(16,470,222)		188,168
Closing Balance		(15,851,830)		618,391
Total		(15,851,830)		618,391

4. Long Term Borrowings

Particulars	As at 31 March, 2015		As at 31 March, 2014	
From banks		40,590,594		44,281,028
Total		40,590,594		44,281,028



The details of security of the long term borrowings are set out below :
Description of Assets/Security
Hypothecation of Existing Plant and Machinery of the company
Mortgage of Factory Building located at 316, Navagam Kardej, Bhavnagar Shihore Road, Bhavnagar
Registered Mortgage over the company's 1. R.S. No. 316 paiki Plot No 1 area admeasuring about 7183 sq mtr with construction thereon mouje kardej Ta. & Dist Bhavnagar, 2. residential flat No 403
Kailash Apartment Nr. Gogha Circle Bhavnagar & residential flat No 103 Pruthvi Plaza, Nr Gogha Circle Bhavnagar
First charge on entire current assets of the company including Raw Materials, Stock in process, Finished goods, spares & Receivables (not more than 90 days) present and future.
Personal Guarantee of Directors

5. Short Term Borrowings

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Secured				
From banks		55,204,861		19,271,470
Unsecured				
Loans from Directors		87,216,748		56,017,670
Inter Corporate Deposits		24,825,168		13,579,781
Total		167,246,778		88,868,921

The details of security of the short term borrowings are set out below :	-
Description of Assets/Security	-
Hypothecation of Existing Plant and Machinery of the company.	
Mortgage of Factory Building located at 316, Navagam Kardej, Bhavnagar Shihore Road, Bhavnagar	
Registered Mortgage over the company's 1. R.S. No. 316 paiki Plot No 1 area admeasuring about 7183 sq mtr with construction thereon mouje kardej Ta. & Dist Bhavnagar, 2. residential flat No 403	
Kailash Apartment Nr. Gogha Circle Bhavnagar & residential flat No 103 Pruthvi Plaza, Nr Gogha Circle Bhavnagar	
First charge on entire current assets of the company including Raw Materials, Stock in process, Finished goods, spares & Receivables (not more than 90 days) present and future.	
Personal Guarantee of Directors	

6. Trade Payables

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Trade Payables		28,689,599		24,000,904
Total		28,689,599		24,000,904

7. Short Term Provisions

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Others				
Provision for employees benefits		743,894		68,471
Provision for Taxation (Net of Advance Tax and Tax deducted at sources)		-		36,681
Total		743,894		105,152

8. Other Current Liabilities

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Statutory Dues		1,834,277		1,154,833
Other Current Liabilities		626,559		133,437
Total		2,460,836		1,288,270



For, Arvee Laboratories (India) Pvt. Ltd.

Shubh Chandra
Director

Arvee Laboratories India Pvt. Ltd.

9. Fixed Assets

		(Amount in Rs.)									
Name of Fixed Assets		Gross Block			Accumulated Depreciation			Net Block			
		Balance as at 1 April, 2014	Additions	(Disposals)	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation charge for the year	On disposals	Balance as at 1 March, 2014	Balance as at 31 March, 2015	
Tangible Assets											
1	Land	2,000,000	-	-	2,000,000	-	-	-	2,000,000	2,000,000	
2	Building	14,714,230	14,920,413	-	29,634,643	1,119,924	750,150	-	13,594,306	27,764,569	
3	Plant & Machinery	6,092,481	59,626,185	-	65,718,666	811,218	5,956,573	-	5,281,263	58,950,875	
4	Laboratory Equipment	-	74,000	-	74,000	-	9,938	-	-	64,062	
5	Electric Installation	-	2,161,783	-	2,161,783	-	309,461	-	-	1,852,322	
6	Furniture & Fixtures	-	7,070	-	7,070	-	429	-	-	6,641	
7	Office Equipments	108,486	102,862	-	211,348	16,939	30,931	-	91,547	163,478	
8	Computer and Printers	406,000	29,190	-	435,190	223,264	103,631	-	182,736	108,295	
9	Vehicles	861,299	-	-	861,299	245,737	94,821	-	615,562	520,741	
		24,182,496	76,921,503	-	101,103,999	2,417,082	7,255,934	-	21,765,414	91,430,983	
Capital work in progress		72,077,980	56,453,183	76,708,381	51,822,782			-	72,077,980	51,822,782	
Total		96,260,476	133,374,686	76,708,381	152,926,781	2,417,082	7,255,934	-	93,843,394	143,253,765	



For, Arvee Laboratories (India) Pvt. Ltd.

Shri
Director

10. Long Term Loans and Advances

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Security Deposits				
Unsecured, considered good		1,439,480		1,404,480
Doubtful		-		-
Total		1,439,480		1,404,480

11. Inventories

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Raw Material		6,968,631		6,582,200
Finished Goods		12,928,302		15,026,211
Work in progress		43,551,000		7,519,996
Packing Material and Stores and Spares		253,410		253,410
Total		63,701,343		29,381,817

12. Trade Receivables

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Debt outstanding for a period exceeding six months		-	-	-
Unsecured considered good				
Other debts		15,826,287		29,740,024
Doubtful		-		-
		15,826,287		29,740,024
Total		15,826,287		29,740,024

13. Cash and cash Equivalents

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Cash on hand		29,603		581,876
Balances with banks - In Current Accounts		6,875,734		110,931
Balances with banks - In Fixed Deposits		1,134,000		-
Total		8,039,337		692,807

14. Short Term Loans and Advances

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Advance tax / Tax deducted at sources (Net of Provision for Tax)		61,842		-
Balance with government authorities		9,637,628		4,293,813
Advance to staff		229,371		162,700
Advance to Material Suppliers		993,655		154,136
Advance to Supplier of Capital Goods		3,741,140		14,652,967
Other Loans and advances		13,362,970		14,836,528
Total		28,026,606		34,100,144



For, Arvee Laboratories (India) Pvt. Ltd.

Shelini

Shan
Director

15. Revenue from operations

Particulars	2014-15		2013-14
Sales of Products	127,646,284		117,986,111
Other Operating Income	2,045,995		365,904
Total	129,692,279		118,352,014

16. Other Income

Particulars	2014-15		2013-14
Interest Income	764,995		-
Miscellaneous Income	63,766		950
Prior Period Income	-		7,700
Total	828,761		8,650

17. Cost of Material Consumed

Particulars	2014-15		2013-14
Opening stock	6,582,200		3,821,431
Add : Purchases	109,259,369		97,624,642
Closing Stock	6,968,631		6,582,200
Total	108,872,938		94,863,873

18. Increase / decrease in inventories

Particulars	2014-15		2013-14
<u>Inventories at the end of the year</u>			
Closing stock of finished goods	12,928,302		15,026,211
Closing stock of work in progress	43,551,000		7,519,996
	56,479,302		22,546,207
<u>Inventories at the beginning of the year</u>			
Opening stock of finished goods	15,026,211		-
Opening stock of work in progress	7,519,996		1,718,866
	22,546,207		1,718,866
Net Increase / (decrease)	(33,933,095)		(20,827,341)

19. Employee Benefits Expense

Particulars	2014-15		2013-14
Salaries and Wages	18,629,405		7,419,319
Total	18,629,405		7,419,319



For, Arves Laboratories (India) Pvt. Ltd.

[Signature]
Director

20. Financial Expenses

Particulars	2014-15		2013-14
Interest Expenses	24,359,493		15,454,644
Bank charges	180,319		19,798
Total	24,539,811		15,474,442

21. Administrative Expenses

Particulars	2014-15		2013-14
Advertisement Exp	12,401		53,300
Annual Fees	60,182		-
Books & Periodicals	48,850		-
Communication Expenses	167,556		155,784
Donation Exp.	2,202		3,001
Audit Fees	55,000		55,000
Guest House Exp.	60,956		26,877
Insurance Exp.	170,934		162,045
Professional & Consulting Fees	1,631,957		798,950
Membership Fees	105,249		110,124
Office & Genral Exp.	295,311	-	31,612
Petrol & Conveyense Exp	251,816	-	371,611
Postage & Courier Exp	130,273		126,252
Printing & Stationary Expenses [Bvn]	193,867		113,707
Rent Rates & Taxes	7,450		5,058,220
Vehicle Repairing Exp [Bvn]	76,579		72,558
Interest On Late Payment	262,410		531,195
Miscellaneous Expense	96,421		565,031
Total	3,629,414		8,235,266

22. Manufacturing Expenses

Particulars	2014-15		2013-14
Stores & Consumables	779,510		687,032
Power and Fuel	6,391,773		3,249,329
R & D Expense	22,350		166,822
Other Manufacturings Exps.	128,967		431,436
Total	7,322,600		4,534,619



For, Arves Laboratories (India) Pvt. Ltd.

Helinid Shriv
Director

23. Selling and Distribution Expenses

Particulars	2014-15		2013-14
Travelling Expenses	1,387,084		1,050,723
Business Promotion Expenses	172,903		30,960
Ecgc Premium	82,377		6,000
Export Related Expenses	208,875		181,365
Freight Expenses	1,868,440		1,315,213
Import Related Exp.	415,201		-
Licence Fees	17,028		27,749
Sales Commission	50,400		351,575
Quantity Discount	65,000		3,221,400
Total	4,267,308		6,184,985



For, Arves Laboratories (India) Pvt. Ltd.

Shrinivas
Director

NOTES ON ACCOUNTS:

24. Figures of previous year are regrouped and rearranged whenever necessary and rounded off to the nearest rupee for better presentation of accounts.
25. The notes referred in the balance sheet and profit and loss statement form an integral part of the accounts.
26. The Debit and Credit balances of debtors, creditors, loans and advances and unsecured loans are subject to confirmation and reconciliation.
27. Whenever the original bills are missing reliance is placed upon the vouchers authenticated by the authorized person.
28. In the opinion of the Directors, and to the best of their knowledge and belief, the value of realization of current assets and loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary.
29. The Micro, Small and Medium Enterprises Development Act, 2006 is operational w.e.f. 02.10.2006. Since the company does not possess the relevant data regarding the Micro, Small and Medium Enterprises, we are unable to report thereon.
30. Considering the nature of Company's business and operation, there are no separate reportable segments (business or geographical) in accordance with the requirements of Accounting Standard 17 - "Segmental Reporting" notified in the Companies (Accounting Standards) Rules, 2006.
31. Audit Fees

(Amount in Rs.)			
Sr. No	Particulars	2014-15	2013-14
1	Audit Fees	50,000/-	50,000/-
2	Taxation Matters	5,000/-	5,000/-

Related Party Disclosure

Related Parties and their relationship

Name of the related party	Relationship
Mr. Sudhakar Patel	Key Managerial Personnel
Mr. Shalin Patel	Key Managerial Personnel
Mr. Shalin Chokshi	Key Managerial Personnel
Mr. Saumil Chokshi	Key Managerial Personnel
B Chokshi Chem Pvt. Ltd.	Associate Concern



For, Arvee Laboratories (India) Pvt. Ltd.

[Signature]
Director

Transactions with Related Party
(Figures in Italics reflects balance as on 31/03/2014)

(Amount in Rs.)

Particulars	Associate Concern	Key Management Personnel	Total
Loan Taken	7,041,431 <i>NIL</i>	88,343,299 <i>7,041,431</i>	95,384,730 <i>7,041,431</i>
Loan Repaid	3,494,411 <i>NIL</i>	38,691,660 <i>36,128,537</i>	42,186,071 <i>36,128,537</i>
Interest Paid	2,220,743 <i>NIL</i>	2,869,026 <i>6,083,808</i>	5,089,769 <i>6,083,808</i>
Purchase	3,236,838 <i>NIL</i>	<i>NIL</i> <i>NIL</i>	32,36,838 <i>NIL</i>
Remuneration paid	<i>NIL</i> <i>NIL</i>	1,080,000 <i>NIL</i>	1,080,000 <i>NIL</i>
Outstanding balances	19,740,100 <i>13,57,9781</i>	87,216,748 <i>34,982,986</i>	106,956,848 <i>48,562,767</i>

c. Disclosure in respect of material transactions with related party

(Amount in Rs.)

Particulars	Name of the Related party	2014-15	2013-14
Loan Taken	Saumilbhai B. Chokshi	7,000,000	2,500,000
	Shalinbhai B. Chokshi	3,200,000	2,500,000
	B Chokshi Chem Pvt. Ltd.	7,041,431	-
	Sudhakarbhair C. Patel	70,643,299	14,300,000
	Shalin S. Patel	7,500,000	-
Loan Repaid	Shalinbhai B. Chokshi	1,591,660	-
	B Chokshi Chem Pvt. Ltd.	3,494,411	-
	Sudhakarbhair C. Patel	37,100,000	36,128,537
Interest Paid	Saumil Chokshi	413,870	85,233
	Shalin Chokshi	402,397	-
	Sudhakarbhair C. Patel	1,067,690	5,998,575
	B Chokshi Chem Pvt. Ltd.	2,220,743	-
	Shalin S Patel	985,069	-
Purchase	B Chokshi Chem Pvt. Ltd.	3,236,838	-
Remuneration paid	Shalin Chokshi	480,000	-
	Shalin S Patel	600,000	-
Outstanding balances (Cr.)	Saumil B Chokshi	9,943,943	2,571,460
	Shalin Patel	8,386,562	-
	B Chokshi Chem Pvt. Ltd.	19,740,100	13,579,781
	Shri Shalin B Chokshi	4,545,656	2,575,159
	Sudhakarbhair Patel	64,340,587	29,836,367



Dr. Arvee Laboratories (India) Pvt. Ltd.
Shalin Chokshi
Director

33. In compliance of AS-20 on Earning per share, issued by the ICAL, the elements considered for calculation of earning per share (Basic and Diluted as under:

Particulars	Current year Amount	Previous year Amount
Net profit/(Loss) after tax available for the equity share holders	(16,470,222)	188168
Weighted average number of equity shares	3000000	3000000
Nominal/Face value of equity shares (Rupees)	10	10
Basic and Diluted earnings per share	(5.49)	0.06

34. Deferred Tax Liabilities:

Particulars of Deferred Tax	2014-15		2013-14	
	Asset	Liability	Asset	Liability
Opening Balance	-	-	-	-
Written Down Value as per Companies Act, 2013	-	91,430,983/-	-	-
Written Down Value as per Income Tax, 1961	-	70,696,525/-	-	-
Diff. in Written Down Value due to timing difference	-	20,734,458/-	-	-
Deferred tax expense for the year	-	6,406,947/-	-	-
Net Deferred Tax (Asset) /Liability	-	6,406,947/-	-	-

35. The note required under clause (viii) part II of the schedule VI:-

- a) CIF value of Imports:

Particulars	Current year Amount	Previous year Amount
Raw Material	31,782,709	49,157,451

- b) Particulars of Expenditure in Foreign Exchange:

Particulars	Current year Amount	Previous year Amount
Commission	50,400	NIL
Travelling Expense	832,386	NIL

- c) Particulars of Earnings in Foreign Exchange :

Particulars	Current year Amount	Previous year Amount
Export of goods/Services on FOB basis	37,022,013	79,131,627



For, Arvee Laboratories (India) Pvt. Ltd.

Shalini Shrivastava
Director

36. Figures have been rounded off to the nearest rupee wherever found necessary.

As per our separate report
of even date attached herewith

For V. D. Shukla & Co.
Chartered Accountants

Vimal D. Shukla
(Proprietor)
Membership No. : 036416
Firm Registration no :- 110240W
Place : Ahmedabad
Date : 01/09/2015



For Arvee Laboratories (India) Pvt. Ltd

For, Arvee Laboratories (India) Pvt. Ltd.

Director

Director

Place : Ahmedabad
Date : 01/09/2015