

# **ARVIND ENVISOL PRIVATE LIMITED COMPANY**

## **AUDITORS REPORT AND ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2024**

**Solomon Tiruneh & Co.**  
**Chartered Certified Accountants and Authorized Auditor**  
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Workae Assefa Building 2nd Floor  
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*Addis Ababa*  
*Ethiopia*

**ስለሞን ጥሩኑስ እና ኃይቹ**  
**Solomon Tirunch & Co.**  
**Chartered Certified Accountants and Authorized Auditor**

*Tel +251- 0911 433904*  
*P.O.Box 3382*  
*Addis Ababa*  
*Ethiopia*

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
ARVIND ENVISOL PRIVATE LIMITED COMPANY**

We have audited the accompanying financial statements of **ARVIND ENVISOL PRIVATE LIMITED COMPANY**, which comprise the balance sheet as of 31 March 2024, the Income Statement for the year ended 31 March 2024, and a summary of significant accounting policies and other explanatory notes.

***Managements' Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statement is 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1. The company has registered Br. 192,831,516 accumulated loss which is more than one third of the paid up capital as a result the commercial code of Ethiopia recommends to either liquidate the company or inject new capital.
2. Birr 101,799,213.60 provisions for doubtful debt has been made and Birr 6,872,957 cash collection reported from this balance, tax office might demand value added tax (VAT) from provision for doubtful debt balance.
3. The company has registered loss for a number of years but the company reported Birr 68,014,475 tax loss carry forward that would be set off against future profit which is in contrary to tax law
4. Creditors included Br. 63,668,125.12 balance is long outstanding balance for more than a year and has not yet been paid so far.
5. Trade and other receivable included Birr 20,982,987 balance is long outstanding balance for more than a year for which no provision provided.

### ***Opinion***

In our opinion, except for the effect on the financial statements of the matters referred to in the paragraphs 1 to 5, the financial statements give a true and fair view of the financial position of **ARVIND ENVISOL PRIVATE LIMITED COMPANY** as at 31, March 2024 and of the results of its operations in accordance with its accounting policies applied on a consistent basis.

Addis Ababa  
April 29, 2024

Solomon Tiruneh  
*Chartered Certified Accountants and authorized auditors*

**Arvind Envisol Private Limited Company**  
**Balance Sheet**  
**As at 31st March 2024**

Currency: Ethiopian Birr

Assets	Notes	31-Mar-24	31-Mar-23
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>	2a,3	445,561	524,189
<b>Current Assets</b>			
Trade and other receivable	4	27,651,281	27,193,361
Advance to Sub contractor/ Supplier		26,155,218	19,095,950
Cash and balances	5	266,963	680,821
Prepaid Expenses		213,549	201,853
Other Financial Assets - Unbilled receivable		74,006,268	80,879,226
Provision for Doubtful debts		(94,926,256)	(101,799,214)
Withholding Tax Receivable		7,026,592	7,026,592
		<u>40,393,615</u>	<u>33,278,590</u>
<b>Total Assets</b>		<u>40,839,176</u>	<u>33,802,779</u>
<b>Equity And Liability</b>			
<b>Capital And Reserves</b>			
Paid up capital	8	4,600,000	4,600,000
Legal reserve	9	-	-
Profit and loss	10	(192,784,130)	(190,188,075)
		<u>(188,184,130)</u>	<u>(185,588,075)</u>
<b>Current Liabilities</b>			
Creditors and accrual	6	65,079,600	64,646,521
Inter-company deposits- short term borrowings		97,445,944	85,445,944
Related party Transaction	7	66,497,762	69,298,389
Profit tax payable	10	-	-
		<u>229,023,305</u>	<u>219,390,854</u>
<b>Total Equity And Liabilities</b>		<u>40,839,176</u>	<u>33,802,779</u>

The financial statements were approved and authorized for issue by the management on 28 April 2024 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 31st March 2024**

		Currency: Ethiopian Birr	
	Note	31-Mar-24	31-Mar-23
Revenue	11	-	-
Cost of Construction	12	2,085,016	9,597,551
<b>Gross Profit</b>		<b>(2,085,016)</b>	<b>(9,597,551)</b>
Other Income	11	4,003,914	(3,074,869)
		<b>1,918,898</b>	<b>(12,672,420)</b>
<b>Expense</b>			
General & Administration	13	4,514,953	108,191,187
Finance Cost		-	3,229
<b>Net Profit For The Year before Exceptional item</b>		<b>(2,596,055)</b>	<b>(120,866,836)</b>
<b>Net Profit For The Year</b>		<b>(2,596,055)</b>	<b>(120,866,836)</b>
Provision For Profit Tax	10	-	-
<b>Net Profit After Tax</b>		<b>(2,596,055)</b>	<b>(120,866,836)</b>





**Arvind Envisol Private Limited Company**  
**Statement of Cash Flow**  
**For the year ended 31st March 2024**

Currency: Ethiopian Birr

	31-Mar-24	31-Mar-23
<b>Cash flow from operating activities</b>		
Profit/loss before Tax	(2,596,055)	(120,866,836)
Adjusted for :		
Depreciation & amortisation	78,628	92,504
Taxation Expenses	-	-
Loss on sale of Fixed Assets	-	-
Decrease /increase in inventory	-	-
Decrease/increase in debtors and other receivables	(457,920)	(958,258)
Decrease/increase in provision for doubtful debts	(6,872,958)	101,799,214
Decrease/increase in Advance to Sub contractor/ Supplier	(7,059,268)	(1,111,292)
Decrease/increase in Prepaid Expenses	(11,696)	(201,853)
Decrease/increase in Other financial assets	6,872,958	-
Related party balance	(2,800,627)	21,026,152
Increase/decrease in creditors and other payables	433,078	3,220,403
Increase/decrease in inter company deposits	12,000,000	(3,000,000)
<b>Cash used in operating activities</b>	<b>(413,858)</b>	<b>32</b>
<b>Investing activities</b>		
Property plant and Equipment	-	-
Net cash used in investing activities	-	-
<b>Financing activities</b>		
Share holder Account	-	-
Bank loan	-	-
Loan repayment	-	-
Net cash used in financing activities	-	-
<b>Increase(decrease) in cash and cash equivalent</b>	<b>(413,858)</b>	<b>32</b>
Cash and cash equivalents - Beginning	680,821	680,789
<b>Cash and cash equivalent at 31st March, 2024</b>	<b>266,963</b>	<b>680,821</b>



**Arvind Envisol Private Limited Company**  
**Statement of Changes in Shareholders Equity**  
**For The year ended 31st March 2024**

Particulars	Paid up capital	Revaluation surplus	Legal reserve	Profit and loss	Total
Balance at 01 April 2023	4,600,000	-	-	(190,188,075)	(185,588,075)
Adjustment/Transfer					-
Net profit for the year	-	-	-	(2,596,055)	(2,596,055)
Balance at 30th April 2024	4,600,000	-	-	(192,784,130)	(188,184,130)



**ARVIND ENVISOL PRIVATE LIMITED COMPANY**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

*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 05, House number 392/A

**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 deprecation 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.**





**ARVIND ENVISOL PRIVATE LIMITED COMPANY**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

*Currency: Ethiopian Birr*

**3 FIXED ASSETS**

	<u>Balance at</u> <u>01/04/2023</u>	<u>Addition</u>	<u>Adj/Rec</u>	<u>Balance at</u> <u>31/03/2024</u>
<b>COST</b>				
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>
<b>DEPRECIATION</b>				
Furniture and Fixture	181,074	20,422	-	201,495
Disegel Generator Set 5kv	116,181	15,084	-	131,265
Guest House - Equipment	199,273	23,078	-	222,352
Machine - Cash Register Machine	2,915	326	-	3,241
Machinery - Lifting Equipment	156,320	18,702	-	175,022
Office Equipment	7,033	1,017	-	8,049
	<u>662,796</u>	<u>78,628</u>	<u>-</u>	<u>741,423</u>
<b>NET BOOK VALUE</b>	<u><b>524,189</b></u>			<u><b>445,561</b></u>



**Arvind Envisol Private Limited Company**  
**Notes to the accounts**  
**For the year ended 31st March 2024**

<b>4 Trade and Other Receivable</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Retention receivable	20,919,987	20,919,987
Deposit receivable	63,000	63,000
VAT receivable	6,668,293	6,210,374
	<u><b>27,651,281</b></u>	<u><b>27,193,361</b></u>
<b>5 Cash and Bank Balances</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Cash on hand	3,343	91,970
Cash at bank	263,620	588,851
	<u><b>266,963</b></u>	<u><b>680,821</b></u>
<b>6 Creditors and Accruals</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Duties and taxes	6,082	7,105
Retention payable	18,684,860	18,684,860
Accruals	45,941,705	45,954,556
Mobilization Advance from Clients	446,952	-
	<u><b>65,079,600</b></u>	<u><b>64,646,521</b></u>
<b>7 Related Party Transactions</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Arvind Envisol Ltd - Ethiopia Branch	6,783,930	12,453,930
Arvind Envisol Ltd - India	59,713,832	56,844,459
	<u><b>66,497,762</b></u>	<u><b>69,298,389</b></u>



**Arvind Envisol Private Limited Company**  
**Notes to the accounts**  
**For the year ended 31st March 2024**

**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
	<b>4,600.00</b>	<b>4,600.00</b>		<b>4,600,000.00</b>

**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.

	31-Mar-24	31-Mar-23
<b>10 Provision for Profit Tax</b>		
Profit before taxation	(2,596,055)	(120,866,836)
Less: loss brought forward from previous years		
Add: Non allowable expenses		
Guest house expenses	1,372,515	2,724,737
Entertainment	-	-
Penalty	12,364	98,741
Bad debt expense		101,799,214
Welfare Expenses	34,911	55,428
Other disallowed expenses		766,369
	<b>1,419,790</b>	<b>105,444,488</b>
Less: Income taxed at source	-	-
Taxable profit	(1,176,265)	(15,422,348)
Loss Brought forward from year ended March 31, 2023	(190,188,074)	(69,321,238)
Total loss to be set off against current year profit	(66,838,210)	(51,415,860)
Total loss to be set off against future profit	-	-
Total Profit	(68,014,475)	(66,838,210)
Provision for tax	-	-
<b>Accumulated profit or loss</b>	<b>(192,784,129)</b>	<b>(190,188,074)</b>





## 11





# በአዲስ አበባ ከተማ አስተዳደር ንግድ ቢሮ

## Addis Ababa City Administration Trade Bureau



**የንግድ ሥራ ፈቃድ**  
በንግድ ምዝገባና ፈቃድ አዋጅ ቁጥር 980/2008 መሰረት ተሰጠ

የግብር ከፋይ መለያ ቁ. /TIN 0003133191  
የንግድ ምዝገባ ቁ. AA/KK/w02/1/0001336/2006  
Principal Registration No.  
የቀድሞው ንግድ ፈቃድ ቁጥር  
Previous License No. 14/706/886995/2006  
የንግድ ሥራ ፈቃድ ቁጥር  
Business License No.  
ቀድሞ ተሰጠበት ቀን  
Previous Date of issuance 1/11/2006  
Date of issuance  
የታደሰበት ቀን: 10/4/2016  
Renewal Date

### Business License

Issued Under Commercial Registration and Business license proc.No 980/2016

1. የግለሰብ/ድርጅቱ ስም ስለሞን ጥሩነህ ታምራት  
2. ዜግነት ኢትዮጵያዊ  
3. የንግድ ስም  
4. ሥራ አስኪያጅ ስም አቶ ስለሞን ጥሩነህ ታምራት  
5. የንግድ ድርጅቱ አድራሻ  
ክልል አዲስ አበባ ዞን/ክፍለ ከተማ ቂርቆስ  
ወረዳ 02 ቀበሌ  
የቤት ቁጥር 142 ስልክ ቁጥር 0118678908  
ፋክስ ኢ-ሜይል soltir2000@yahoo.com

1. Owner/Company Name SOLOMON TIRUNEH TAMERAT  
2. Nationality Ethiopian  
3. Trade Name  
4. General Manager Name Mr. SOLOMON TIRUNEH TAMERAT  
5. Business Address  
Region Addis Ababa Zone/Sub City Kirkos  
Woreda 02 Kebele  
House No. 142 Tel.No 0118678908  
Fax E-mail soltir2000@yahoo.com

6. የንግድ ሥራ መስክ  
(85212)ተፈቀደለት አዲተር

6. Field of Business  
(85212)Authorized Auditor

7. ካፒታል በኢት ብር 350,611.00  
ይህ የንግድ ፈቃድ ዛሬ 10/4/2016 በ አዲስ አበባ ተሰጠ

7. Capital in ETB 350,611.00  
This Business License is issued in Addis Ababa  
this day 12/20/2023

የሃላፊ ስም/Name of Official  
ፊርማ/Signature

ማሳሰቢያ- 1. ይህ የንግድ ፈቃድ በዓመት ፈቃድ ቁጥር 980/2008 መሠረት እንደ የበጀት ዓመቱ በአዋጅ በተቀመጠው መሰረት መታደስ አለበት።  
N.B. This License Shall be renewed in accordance with Proclamation No. 980/2008 as per the fiscal year.  
2. ይህ የንግድ ፈቃድ የምስክር ወረቀት በዋስትና ወይም በእዳ ሊያዝ አይችልም።  
The holder of this License is forbidden for surety ship or debt





**AABE**

Accounting and Auditing Board of Ethiopia

የኢትዮጵያ የሰላማዊ ልማት ሚኒስቴር



የፍጥነት ምስክር ወረቀት

የኢትዮጵያ የሰላማዊ ልማት ሚኒስቴር  
በሚኒስትር-ሪፖርት ምስክር ወረቀት 332/2007  
አንቀጽ 6 በተሰጠው ስልጣን መሠረት ይህንን የምዝገባ  
የምስክር ወረቀት

ለሰላምን ጥፋት የተፈቀደለት የአጼት ድርጅት

በጥቅም

ይህንን የምዝገባ የምስክር ወረቀት የያዘ ሰው  
በኢትዮጵያ እስከ ጥር 30/2017 ዓ.ም. ድረስ የአጼት  
ሥራ አገልግሎት መስጠት ይችላል

የተሰጠበት ቀን - መጋቢት 07, 2016  
Date of Issue - March 16, 2024

የምዝገባ ቁጥር:-

Reg. No: ADF00054

የኢትዮጵያ የሰላማዊ ልማት ሚኒስቴር  
Accounting and Auditing Board of Ethiopia

**Certificate of Registration**

The Accounting and Auditing Board of Ethiopia  
by virtue of the power vested in it by the Council  
of Ministers' Regulation No. 332/2014 Article 6  
hereby issues this Certificate of Registration to  
Solomon Tiruneh Authorized Audit Firm.



ዋና ዳይሬክቶር

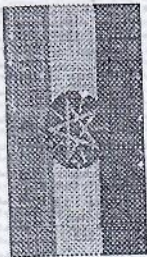
Director General

*[Signature]*  
ዋና ዳይሬክቶር



This Certificate of Registration enables the  
holder to carry out Auditing service in Ethiopia  
until February 07, 2025.





የኢትዮጵያ ፌዴራላዊ ዴሞክራሲያዊ ሪፐብሊክ  
የአዲስ አበባ ከተማ አስተዳደር ገቢዎች ባለስልጣን  
Federal Democratic Republic of Ethiopia  
ADDIS ABABA CITY ADMINISTRATION REVENUE AUTHORITY  
የግብር ከፋይ ምዝገባ ሰርተፊኬት  
TAXPAYER REGISTRATION CERTIFICATE

0003133191

የግብ ከፋይ መለያ ቁጥር:  
Taxpayer Identification Number:  
የድርጅት/የግለሰብ ስም:  
Name of Business/Individual:  
የተመዘገበ አድራሻ/Registered Address:

ስም:  
Region:  
ዞን/ክ/ከተማ:  
Zone/Sub City:  
ወረዳ:  
Woreda:  
ቀበሌ/በአማርኛ:  
Kebele/Farmer's Assoc.:  
የቤት ቁጥር:  
House No.:  
የንግድ ዓይነት:  
Nature of Business:

02/03  
WOEDA 02  
607  
ACCOUNTING, TAX PREPARATION, BOOKKEEPING  
ROAD TRANSPORTATION PASSENGERS(TAX'S BUSES,ETC)

የሰጠው ተቋም:  
Issuing Authority:  
የተሰጠበት ቀን:  
Date of Issuance:

ይህ የምስክር ወረቀት የግብር ከፋይን ባለፈው ሰዓት ለሰዓት የግብር ከፋይነት ምዝገባ ሰነድ  
ከሌ በዚህ ሰነድ የተተካ መሆኑን ያሳያል  
ከፋይ በተጠቀሰው መረጃ ላይ ማሻሻያ አይኖርም ለግብር ከፋይ ለማመልከት የግብር ሰብሳቢ ጽ/ቤት የማሳወቅ  
ግዴታ አለበት  
This certificate represents the sole and only registration as a taxpayer and supersedes all prior registration  
documentation.  
The taxpayer is responsible for notifying the appropriate Tax Office of any changes to the above information.

1090421170824

የሰርተፊኬት ቁጥር:  
Certificate No.: 1090421170824

የባለሥልጣን ማህተም  
Seal of Issuing Authority





ኣቶ/ወ/ሮ ወይም የድርጅት ስም ስለሞን ጥሩነት ታምራት  
 ግንግድ ስም (ካለጧ) ስም  
 አድራሻ/ክልል/ 02/03 አዲስ አበባ የን/ ክፍለከተማ ድርጅት ወረዳ 02  
 ቀበሌ/ግ/ማህበር 607 የቤት ቁጥር 0911433904 ፖ.ሣ.ቁ 3382  
 የሆነና በግብር ከፋይ መለያ ቁጥር የሚታወቁት በተጨማሪ እሴት ታክስ አዋጅ ቁጥር 285/ 1994  
 አንቀጽ 16 ወይም አንቀጽ 18 መሰረት በተጨማሪ እሴት ታክስ 35778 ከ ነሐሴ 01 ቀን 2006 ዓ.ም ጀምሮ ስለተመዘገቡ  
 ይህ የምዝገባ ሰርተፊኬት ተሰጥቷቸዋል::

Mr./s or Company Name SOLOMON TIRUHEH TAMRAT  
 Trade name /If any/ SOLOMON TIRUHEH  
 Address (Region) ADDIS ABABA Zone /Sub city KIRKOS Woreda NO WOREDA-142  
 Kebele/Farmers Ass 02/36 House No. 607 Telephone No. 0911433904 P.O. Box 3382  
 Whose Taxpayer Identification Number (TIN) is 0003133191 has been registered in accordance with VAT Proclamation No. 285/2002  
 Article 16 or Article 18 and hence, this VAT registration Number 35778 has been issued starting from 07-AUG-2014 .



*Handwritten signature:* Secret  
*Handwritten signature:* [Signature]  
*Handwritten text:* In 18/12/2005

24-JUL-2014/ 2185640824