

ARVIND ACCEL LIMITED

ANNUAL REPORT

2013-2014

ARVIND ACCEL LIMITED

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of ARVIND ACCEL LIMITED will be held on Tuesday, the 23rd September, 2014 at 12.00 noon at the Registered Office of the Company at Arvind Mills Premises, Naroda Road, Ahmedabad-380 025 to transact the following Business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statements of Accounts for the financial year ended on 31st March, 2014 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Naishadh I. Parikh (holding DIN 00009314), who retires by rotation in terms of Article 149 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

SPECIAL BUSINESS :

4. To consider, and if thought fit, to pass with or without modifications, the following Resolution, as a Special Resolution:

"RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors, borrowing moneys (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the sum or sums so borrowed and remaining outstanding at any one time shall not exceed in the aggregate Rs. 100 Crores (Rupees One hundred crores only).

5. To consider and if thought fit, to pass the following resolution, with or without modifications, as a Special Resolution :

"RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company wheresoever situate and the whole or substantially the whole of any one or more of the said undertakings of the Company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their

respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs. 100 Crores in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Term Loans, Debentures or other financial instruments or assistance.

RESOLVED FURTHER that the Board of Directors of the Company including a Committee thereof, be and is hereby authorized to finalize with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees, the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Registered Office:
Arvind Mills Premises
Naroda Road,
Ahmedabad-380 025

Date : 13th May, 2014

BY ORDER OF THE BOARD


Jayesh K. Shah
Director


Punit S. Lalbhai
Director

Notes :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. The instrument appointing a proxy should however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 11.00 a.m. and 1.00 p.m., up to the date of the ensuing Annual General Meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The Chairman informed that pursuant to the Section 180(1)(c) of the Companies Act, 2013 (the 'Act'), since notified, requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 100 Crores (Rupees hundred crores) i.e. in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors, Key Managerial Personnel of the Company, and/ or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No. 5

The Chairman informed that pursuant to the Section 180(1)(a) of the Companies Act, 2013 (the 'Act'), since notified, requires that the Board of Directors of the company shall not create mortgage and/or charge on the immovable and movable properties of the Company, except with the consent of the company accorded by way of a special resolution.

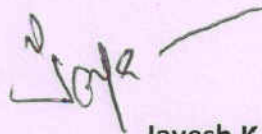
It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 5 of the Notice, to enable to the Board of Directors to create mortgage and/or charge on the immovable and movable properties of the Company in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to create mortgage and/or charge on the immovable and movable properties of the Company upto Rs. 100 Crores (Rupees hundred crores) i.e. in excess of the aggregate of the paid up share capital and free reserves of the Company. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/ or their relatives may be deemed to be concerned or interested in the proposed resolution.

Registered Office:
Arvind Mills Premises
Naroda Road,
Ahmedabad-380 025

Date : 13th May, 2014

BY ORDER OF THE BOARD



Jayesh K. Shah
Director



Punit S. Lalbhai
Director

ARVIND ACCEL LIMITED
Arvind Mills Premises, Naroda Road, Ahmedabad-380 025

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present their SIXTH Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2014.

1. FINANCIAL RESULTS :

During the year your Company has incurred a net loss of Rs. 5,30,17,311/- after depreciation and amortization of Rs. 13,17,575/- and the same is carried forward to the Balance Sheet.

2. OPERATIONS :

Income from Operations and Other Income for the year ended 31st March, 2014 is Rs. 6,86,88,003/-.

3. DIVIDENDS :

In view of loss for the year, your Directors do not recommend any dividend on Equity Shares.

4. DEPOSITS :

The Company has not accepted any Deposits under the Companies Acceptance of Deposits Rules, 1975.

5. SUBSIDIARY :

The Company has a wholly owned subsidiary namely Arvind Envisol Private Limited.

6. DIRECTORS :

Mr. Naishadh I. Parikh, the Director of the Company, retires by rotation at the ensuing Annual General Meeting pursuant to Articles 149 of the Articles of Association of the Company and being eligible for re-appointment, offers himself for re-appointment.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
2. Such accounting policies have been selected and applied consistently and such judgements and estimates have been made as are reasonable and 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 profit of the Company for that period ;

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The statements of accounts for the year ended on 31st March, 2014 have been prepared on a going concern basis.

8. PARTICULARS OF EMPLOYEES :

Information in terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the said act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company.

9. INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not being given as the Company has not undertaken any manufacturing activity.

During the year under review the details of foreign exchange earning & outgo were as under :

Foreign exchange Earning : ₹ 00.00 lacs
Foreign exchange outgo : ₹ 22.46 lacs

10. AUDITORS :

The Company's Auditors M/s G. K. Choksi & Co., Chartered Accountants, Ahmedabad retire and offer themselves for reappointment. It is proposed that M/s G. K. Choksi & Co., Chartered Accountants be reappointed as auditors of the Company. You are requested to appoint Auditors and to fix their remuneration.

11. ACKNOWLEDGEMENTS :

Your Directors wish to convey their deep sense of gratitude to all associated with it for the support extended by them and also look forward to their continued co-operation in future.

FOR AND ON BEHALF OF THE BOARD


Jayesh K. Shah Punit S. Lalbhai
Director Director

Date : 13.05.2014
Place : Ahmedabad

G. K. Choksi & Co.

Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 30012009, 9925174555-56 Fax : 91 - 79 - 26569929 E-mail : info@gkcco.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
ARVIND ACCEL LIMITED,
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **ARVIND ACCEL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company'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 the accounting estimates made by management, 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.

Basis for Qualified Opinion

The accounts have been prepared on the basis that the company will continue as a Going Concern in spite of the fact that the accumulated losses as at 31st March, 2014 being ₹ 15,63 69,221/-, have exceeded the paid up share capital thus wiping off its capital base. This is not in accordance with Accounting Standard – 1 issued by the Institute of Chartered Accountant of India. The ability of the company to continue as a going concern is dependent upon availability of adequate continued finance future profitability.

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Branches :

'Surya Bhavan', Station Road, **PETLAD** - 388 450. Dial : 91-2697-224108



Qualified Opinion

in our opinion and to the best of our information and according to the explanations given to us, *except for the matter described in the basis for Qualified Opinion paragraph*, the 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, 2014;
- (b) In the case of the Statement of Profit and Loss, 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, *subject to paragraph above* 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) *Except for the matter described in the basis for Qualified Opinion paragraph* in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants


ROHIT K. CHOKSI
Partner

Mem. No. 31103

Place : Ahmedabad
Date : 13 MAY 2014



Annexure to the Auditors' Report

(Referred to in our Report of even date to the members of **ARVIND ACCEL LIMITED**)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
- (b) As explained by management, major items of fixed assets were physically verified by the Management at the end of the year, in accordance with the regular programme of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancy was noticed on such physical verification.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- (ii) (a) In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the Management is 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 records of inventory, in our opinion, the Company is maintaining proper records of inventory. No material discrepancy was noticed on physical verification of the inventory.
- (iii) (a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(a) to 4(iii)(d) of the report are not applicable.
- (b) As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(c), to 4(iii)(g) of the report are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and with regard to the sale of goods and services.

During the course of audit, we have not observed any continuing failure to correct major weakness in Internal Control System.

- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register maintained under that Section;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public. Accordingly, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) According to information and explanations given to us, the company has set up an in house internal audit department and the internal audit system is adequate looking to the size and nature of the business.
- (viii) In our opinion and according to the information and explanation given to us, since the aggregate value of net worth as on last date of the immediately preceding financial year does not exceed five crore rupees or aggregate value of turnover of all the products during immediately preceding financial year does not exceed twenty crores or the company's equity or debt securities are not listed or are not in the process of listing on any stock exchange, the provision of Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government vide G.S.R 429(E) dated 3rd June, 2011 under Section 209(1)(d) of the Companies Act, 1956 are not applicable. Accordingly the clause 4(viii) of the order is not applicable.



- (ix) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and the Company had no arrears of such outstanding statutory dues as at 31st March, 2014 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 had no disputed outstanding statutory dues as at 31st March, 2014, except as enumerated here under.
- (x) The company has accumulated losses exceeding fifty percent of its net worth. The company has incurred any cash losses to the tune of ₹ 5,18,10,736/- during the year under review. It has incurred cash losses to the of ₹ 6,47,02,383/- in the immediate preceding year
- (xi) According to the records of the company examined by us and on the basis of information and explanations given to us, the company has neither taken any loans from a financial institutions and a bank nor issued any debentures. Accordingly paragraph 4(xi) of the order is not applicable.
- (xii) The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities. Accordingly paragraph 4(xii) of the order is not applicable.
- (xiii) The company is not Chit fund, Nidhi, Mutual Benefit Funds or a Society. Accordingly paragraph 4(xiii) of the order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments and hence the requirements of paragraph 4 (xiv) are not applicable to the company.
- (xv) In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year. Accordingly paragraph 4(xv) of the order is not applicable..
- (xvi) The company has not taken any term loans during the year and accordingly clause 4(xvi) of the report is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that company has utilised funds to the tune of ₹ 16,86,89,865 /-raised on short term basis for long term investments.
- (xviii) The company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of The Companies Act, 1956 during the year. Accordingly paragraph 4(xviii) of the order is not applicable.
- (xix) During the period covered by audit report, the company has not issued any debentures. Accordingly paragraph 4(xix) of the order is not applicable
- (xx) The company has not raised any money by public issues during the year. Accordingly paragraph 4(xx) of the order is not applicable
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

RoHit Choksi

ROHIT K. CHOKSI
Partner

Mem. No. 31103

Place : Ahmedabad

Date : 13 MAY 2014



ARVIND ACCEL LIMITED

Balance Sheet as at 31st March, 2014

[Amount in ₹]

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
Equity and Liabilities			
Shareholders' Fund			
Share Capital	2	5 00 000	5 00 000
Reserves and Surplus	3	(15 63 69 221)	(12 74 25 658)
		(15 58 69 221)	(12 69 25 658)
NonCurrent liabilities			
Deferred Tax Liabilities (Net)	4	0	0
Long Term Provisions	5	0	2 49 997
Other Long Term Liabilities	6	2 03 747	2 93 947
		2 03 747	5 43 944
Current liabilities			
Short Term Borrowings	7	3 01 56 770	11 14 15 513
Trade Payables	8	67 65 824	62 67 808
Other Current Liabilities	9	19 51 85 052	19 72 50 388
Short Term Provisions	10	24 426	1 07 582
		23 21 32 072	31 50 41 291
Total		7 64 66 598	18 86 59 577
Assets			
NonCurrent assets			
Fixed Assets			
Tangible Assets	11	1 13 13 754	1 37 97 416
Intangible Assets	12	2 31 051	11 21 42 573
		1 15 44 805	12 59 39 989
Non Current Investments	13	2 00 000	1 00 000
Long Term Loans and Advances	14	12 79 586	44 67 827
Current Assets			
Inventories	15	59 12 366	14 24 903
Trade Receivables	16	1 48 09 742	1 60 78 879
Cash & Cash Equivalents	17	30 05 015	85 42 848
Short Term Loans & Advances	18	1 52 20 148	75 99 866
Other Current Assets	19	2 44 94 936	2 45 05 265
		6 34 42 207	5 81 51 761
Total :		7 64 66 598	18 86 59 577
Significant Accounting Policies	1		

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

As per our attached report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

RONIT K. CHOKSI
Partner
Mem. No. 31103



FOR AND ON BEHALF OF THE BOARD

[Signature]

Director

[Signature]

Director

Place : Ahmedabad

Date : 13 MAY 2014

Place : Ahmedabad

Date : 13 MAY 2014

ARVIND ACCEL LIMITED

Statement of Profit and Loss for the year ended 31st March, 2014

[Amount in ₹]

Particulars	Notes	2013-2014	2012-2013
Income			
Revenue from Operations	20	6 78 96 689	4 82 09 856
Other Income	21	7 91 314	17 73 857
Total Revenue		6 86 88 003	4 99 83 713
Expenses			
Cost of Material Consumed / Sold	22	0	1 34 14 366
Operating Expenses	23	9 64 861	2 90 98 772
Purchase of Stock in Trade		6 89 08 947	43 40 821
Changes in Inventories	24	(45 13 298)	(13 80 480)
Employee Benefits Expenses	25	1 38 77 019	1 80 15 176
Finance Costs	26	3 58 76 881	3 09 80 606
Depreciation and Amortization Expenses		13 17 575	1 38 12 259
Other Expenses	27	53 84 329	2 02 16 835
Total Expenses		12 18 16 314	12 84 98 355
Profit / (Loss) before tax		(5 31 28 311)	(7 85 14 642)
Tax Expenses			
Current Tax		0	0
Deferred Tax		0	(5 65 532)
Tax in respect of earlier years [Including Income Tax Expense of ₹ NIL (P.Y. ₹ 1,25,926/-) and provision no longer required ₹ 1,11,000/- (P.Y. ₹ NIL)]		(1 11 000)	1 25 926
		(1 11 000)	(4 39 606)
Profit/(Loss) for the year carried to Balance sheet		(5 30 17 311)	(7 80 75 036)
Earnings per equity share:			
Basic and diluted (₹)	28	(1060.35)	(1561.50)

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

As per our attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI

Partner

Mem. No. 31103



FOR AND ON BEHALF OF THE BOARD

Laxmi

Director

Punil Rabbani

Director

Place : Ahmedabad

Date : 13 MAY 2014

Place : Ahmedabad

Date : 13 MAY 2014

ARVIND ACCEL LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2014

[Amount in ₹]

Particulars	For the year ended 31/03/2014	For the year ended 31/03/2013
A. Cash flow from operating activities		
Profit/(Loss) for the year before taxation and exceptional items	(5 31 28 311)	(7 86 40 568)
Adjustments for		
Depreciation and amortisation	13 17 575	1 38 12 259
Loss on Sale of Assets	6 39 261	92 841
Interest Expenses	3 58 76 881	3 09 80 606
Interest Income	(2 52 816)	(2 81 346)
Operating profit before working capital changes	<u>(1 55 47 410)</u>	<u>(3 40 36 208)</u>
Adjustments for		
Inventories	(44 87 463)	92 39 829
Trade and other receivables	12 69 137	1 25 27 182
Short term Loans and Advances	1 63 53 465	95 79 418
Current Liabilities and long term provisions	(6 67 614)	(13 28 15 993)
Cash generated from operations	<u>(30 79 885)</u>	<u>(13 55 05 772)</u>
Direct taxes Refund/(paid)	32 99 241	23 28 819
Net Cash from Operating Activities [A]	<u>2 19 356</u>	<u>(13 31 76 953)</u>
B. Cash flow from investing activities		
Purchase of Fixed Assets	(25 000)	(75 41 195)
Sale of Fixed Assets	6 45 318	32 42 252
Interest Received	2 63 146	3 00 958
Net cash used in investing activities [B]	<u>8 83 464</u>	<u>(39 97 985)</u>
C. Cash flow from financing activities		
Short term Borrowings	3 05 59 287	0
Interest Paid	(4 72 29 518)	(3 09 80 606)
Net cash flow from financial activities [C]	<u>(1 66 70 231)</u>	<u>(3 09 80 606)</u>
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	<u>(1 55 67 411)</u>	<u>(16 81 55 544)</u>
Cash and cash equivalents opening	<u>(16 13 25 038)</u>	68 30 506
Cash and cash equivalents closing	<u>(17 68 92 449)</u>	<u>(16 13 25 038)</u>
Components of Cash and cash equivalent		
Balances with scheduled banks	28 57 790	71 21 054
Cash in hand	1 25 372	1 08 597
Fixed Deposit	21 853	13 13 197
HDFC Bank (Book Overdraft)	(17 98 97 464)	(16 98 67 886)
	<u>(17 68 92 449)</u>	<u>(16 13 25 038)</u>

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.

As per our attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

Rohit K. Choksi
ROHIT K. CHOKSI
Partner

Mem. No. 31103

Place: Ahmedabad

Date : 13 MAY 2014

FOR AND ON BEHALF OF THE BOARD

Rajiv
Director

Punit Lalbhai
Director

Place: Ahmedabad

Date : 13 MAY 2014

ARVIND ACCEL LIMITED

Notes forming part of accounts

2 Share Capital

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Authorised		
10,00,000 (P.Y.10,00,000) Equity Shares of ₹ 10/- each	1 00 00 000	1 00 00 000
(b) Issued, Subscribed and fully Paidup		
50,000 (P.Y.50,000) Equity Shares of ₹10/ each Fully Paid up	5 00 000	5 00 000

Note :

During the period of five financial years immediately preceeding the Balance Sheet date, the company has not:

- (i) allotted any fully paidup equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) brought back any equity shares

(c) Reconciliation of number of shares

Particulars	Number of Equity Shares	
	2013-2014	2012-2013
As at April 1, 2013	50 000	50 000
Add		
Shares issued for Cash or Right Issue or Bonus	0	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	50 000	50 000
Less		
Shares bought back / Redemption etc.	0	0
As at March 31, 2014	50 000	50 000

(d) Rights, Preferences and Restrictions

Equity Shares : The Company has only class of equity shares having a par value of ₹ 10/ per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

(e) Details of Shareholdings

Number of Shares held by Holding Enterprise

Partiuculars	Number of Equity Shares		Value ₹	
	2013-2014	2012-2013	2013-2014	2012-2013
Holding Company (With Nominees)	50 000	50 000	5 00 000	5 00 000

Shareholders holding more than 5% shares

Partiuculars	Number of Equity Shares		Value ₹	
	2013-2014	2012-2013	2013-2014	2012-2013
Arvind Limited (With Nominees)	50 000	50 000	5 00 000	5 00 000



ARVIND ACCEL LIMITED

Notes forming part of accounts

3 Reserves and surplus

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Amalgamation Reserve		
[Refer note 34]		
Opening Balance	0	0
Add : Additions during the year	1 00 000	0
Less: Transfer to General Reserve	1 00 000	0
Closing Balance	<u>0</u>	<u>0</u>
General Reserve		
Opening Balance	0	0
Add : Additions during the year	1 00 000	0
Closing Balance	<u>1 00 000</u>	<u>0</u>
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as per previous financial statements	(12 74 25 658)	(4 93 50 622)
Add : Profit/(Loss) for the year	(5 30 17 311)	(7 80 75 036)
Add: Adjustment pursuant to Scheme of Demerger [Refer note 34]	2 39 73 748	0
Balance available for appropriation	<u>(15 64 69 221)</u>	<u>(12 74 25 658)</u>
Less : Appropriations	0	0
Net Surplus / (Deficit)	<u>(15 64 69 221)</u>	<u>(12 74 25 658)</u>
	<u>(15 63 69 221)</u>	<u>(12 74 25 658)</u>

4 Deferred tax liabilities (Net)

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	9 06 754	71 40 575
Deferred Tax Assets		
Carried forward losses/Unabsorbed Depreciaton	9 06 754	71 40 575
Net Deferred Tax Liability / (Asset)	<u>0</u>	<u>0</u>

5 Long term provisions

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
For Employee Benefits		
Gratuity (Net)	0	2 49 997
	<u>0</u>	<u>2 49 997</u>



ARVIND ACCEL LIMITED

Notes forming part of accounts

6 Other Long term Liabilities

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Security deposits Employees	2 03 747	2 93 947
	<u>2 03 747</u>	<u>2 93 947</u>

7 Short term borrowings

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured		
Loans Repayable on demand		
Intercorporate Deposit		
Related parties	2 09 56 770	2 37 15 403
Others	92 00 000	8 77 00 110
	<u>3 01 56 770</u>	<u>11 14 15 513</u>

8 Trade payables

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
For Goods and Services		
Related party (Refer Note No.34)	9 94 006	4 29 482
Others	57 71 818	58 38 326
	<u>67 65 824</u>	<u>62 67 808</u>

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). In the absence of relevant information relating to the suppliers registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, the balance due to Micro, Small and Medium Enterprises at year end and interest paid or payable under MSMED Act, 2006 during the year could not be compiled and disclosed.



ARVIND ACCEL LIMITED

Notes forming part of accounts

9 Other current liabilities

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
HDFC Bank (Book Overdraft)	17 98 97 464	16 98 67 886
Advances from Customers		
Related parties	0	3 01 954
Others	5 20 731	0
	<u>5 20 731</u>	<u>3 01 954</u>
Interest Accrued and due on short term borrowings		
Related parties	93 97 799	2 15 40 480
Other Intercorporate Deposits	39 00 779	31 10 735
	<u>1 32 98 578</u>	<u>2 46 51 215</u>
Other Payables		
Retention money	53 624	0
Statutory dues	14 14 655	24 29 333
	<u>14 68 279</u>	<u>24 29 333</u>
	<u>19 51 85 052</u>	<u>19 72 50 388</u>

10 Short term provisions

[Amount in ₹]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Employee Benefits		
Leave Encashment	24 426	1 07 582
	<u>24 426</u>	<u>1 07 582</u>



ARVIND ACCEL LIMITED

Notes forming part of accounts

11 Non Current Assets

Tangible Assets

Description of Assets	Gross Block (At Cost)			Depreciation			Net Book Value			
	As at 01/04/2013	Additions during the year	Deletions/ Adjustment during the year	As at 31/03/2014	Up to 31/03/2013	For the year	Deletions/ Adjustment during the year	Up to 31/03/2014	As at 31/03/2014	As at 31/03/2013
Plant and Machinery	82 57 469	0	7 94 061	74 63 408	5 23 609	3 76 596	1 13 066	7 87 139	66 76 269	77 33 860
Furniture & Fixture	7 03 565	0	0	7 03 565	64 596	44 268	0	1 08 864	5 94 701	6 38 969
Office Equipments	1 37 783	25 000	0	1 62 783	13 734	6 528	0	20 262	1 42 521	1 24 049
Computer	27 02 933	0	57 485	26 45 448	6 92 492	4 30 530	14 272	11 08 750	15 36 698	20 10 441
Vehicle	38 67 360	0	7 40 396	31 26 964	5 77 263	3 66 161	1 80 025	7 63 399	23 63 565	32 90 097
Total :	1 56 69 110	25 000	15 91 942	1 41 02 168	18 71 694	12 24 083	3 07 363	27 88 414	1 13 13 754	1 37 97 416
Previous Year	1 18 85 812	75 41 194	37 57 896	1 56 69 110	9 99 954	12 94 543	4 22 803	18 71 694	1 37 97 416	



[Amount in ₹]

ARVIND ACCEL LIMITED

Notes forming part of accounts

12 Non Current Assets

Intangible assets

[Amount in ₹]

Description of Assets	Gross Block (At Cost)				Amortisation				Net Book Value	
	As at 01/04/2013	Additions during the year	Deletions/ Adjustment during the year	As at 31/03/2014	Up to 31/03/2013	For the year	Deletions/ Adjustment during the year	Up to 31/03/2014	As at 31/03/2014	As at 31/03/2013
Softwares	4 67 495	0	0	4 67 495	1 42 952	93 492	0	2 36 444	2 31 051	3 24 543
Patent (Technical Know-How) [Refer note 34]	12 42 42 254	0	12 42 42 254	0	1 24 24 224	0	1 24 24 224	0	0	11 18 18 030
Total :	12 47 09 749	0	12 42 42 254	4 67 495	1 25 67 176	93 492	1 24 24 224	2 36 444	2 31 051	11 21 42 573
Previous Year	4 67 495	12 42 42 254	0	12 47 09 749	49 460	1 25 17 716	0	1 25 67 176	11 21 42 573	



ARVIND ACCEL LIMITED

Notes forming part of accounts

13 Non current investments

Particulars	[Amount in ₹]	
	As at 31st March, 2014	As at 31st March, 2013
Unquoted, Trade		
In Subsidiary Company		
Arvind Envisol Private Limited	2 00 000	1 00 000
[20,000 (P.Y. 10,000) Equity Shares at ₹ 10/- each]		
Refer Note No. 1(g)		
	<u>2 00 000</u>	<u>1 00 000</u>

14 Long Term Loans and Advances

Particulars	[Amount in ₹]	
	As at 31st March, 2014	As at 31st March, 2013
Advance Tax and TDS (Net of Provision)	12 79 586	44 67 827
	<u>12 79 586</u>	<u>44 67 827</u>

15 Inventories

(As taken, valued and certified by the Management)

Particulars	[Amount in ₹]	
	As at 31st March, 2014	As at 31st March, 2013
Bought out Materials	3 986	29 821
Stock in Trade	58 93 778	13 80 480
Material at Site	14 602	14 602
	<u>59 12 366</u>	<u>14 24 903</u>

Inventory items have been valued considering the significant accounting policy no (c) disclosed in note no. 1 to these financial statement.

16 Trade Receivables

(Unsecured, considered good, unless otherwise stated)

Particulars	[Amount in ₹]	
	As at 31st March, 2014	As at 31st March, 2013
Debt outstanding for the period exceeding six months		
Considered Good	4 86 805	22 19 193
Considered Doubtful	9 00 000	0
	<u>13 86 805</u>	<u>22 19 193</u>
Less : Provision for Doubtful Debts	9 00 000	0
	<u>4 86 805</u>	<u>22 19 193</u>
Others debts	1 43 22 937	1 38 59 686
	<u>1 48 09 742</u>	<u>1 60 78 879</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	35 35 236



ARVIND ACCEL LIMITED

Notes forming part of accounts

17 Cash and Cash Equivalents

Particulars	[Amount in ₹]	
	As at 31st March, 2014	As at 31st March, 2013
Balances with scheduled banks		
Current	28 57 790	71 21 054
Cash in hand	1 25 372	1 08 597
Other bank Balances		
Fixed Deposit With maturity for more than 3 months but less than 12 months	21 853	13 13 197
	30 05 015	85 42 848

Note

The Fixed Deposits includes ₹ 21,853/- (P.Y. ₹ 13,13,197/-) deposit placed as a margin money.

18 Shortterm Loans and Advances

(Considered good, unsecured unless otherwise stated)

Particulars	[Amount in ₹]	
	As at 31st March, 2014	As at 31st March, 2013
Loan to subsidiary	30 00 000	0
Advances		
Suppliers	8 40 820	9 68 548
Staff	43 298	13 635
Advances recoverable in cash or kind		
Related Party	64 71 835	0
Other Recoverable		
Balance with Revenue Authorities	39 68 371	58 21 931
Prepaid Expenses	40 390	4 14 107
Deposits	8 05 684	3 81 645
Employees Gratuity (Net of obligations)	49 750	0
	48 64 195	66 17 683
	1 52 20 148	75 99 866

The amount dues by :

Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	94 71 835	NIL



ARVIND ACCEL LIMITED

Notes forming part of accounts

19 Other Current Assets

Particulars	[Amount in ₹]	
	As at 31st March, 2014	As at 31st March, 2013
Interest accrued but not not due :	0	10 330
Unbilled Cost	2 44 84 936	2 44 84 935
Other bank Balances		
Fixed Deposit with maturity for more than 12 month	10 000	10 000
	<u>2 44 94 936</u>	<u>2 45 05 265</u>

20 Revenue from operations

Particulars	[Amount in ₹]	
	As at 31st March, 2014	As at 31st March, 2013
Sale of Products		
Components	0	2 20 86 973
Traded Goods	6 61 65 225	37 97 183
	<u>6 61 65 225</u>	<u>2 58 84 156</u>
Sale of Services		
Contract Revenue	0	1 34 99 278
Erection / O & M	13 11 667	0
Consultancy Income	4 19 797	1 90 100
	<u>17 31 464</u>	<u>1 36 89 378</u>
Other Operating Revenue		
Royalty on Patents	0	86 36 322
	<u>6 78 96 689</u>	<u>4 82 09 856</u>

21 Other Income

Particulars	[Amount in ₹]	
	2013-2014	2012-2013
Interest Income		
From Bank	2 52 816	4 84 731
Other NonOperating Income		
Sundry Credit Balance Written Back	2 38 751	12 16 493
Provision no longer required-Gratuity	2 99 747	0
Foreign Exchange Fluctuation	0	42 835
Miscellaneous	0	29 798
	<u>5 38 498</u>	<u>12 89 126</u>
	<u>7 91 314</u>	<u>17 73 857</u>



ARVIND ACCEL LIMITED

Notes forming part of accounts

22 Cost of Material Consumed/Sold

[Amount in ₹]

Particulars	2013-2014	2012-2013
Boughtout Materials	0	1 34 14 366
	<u>0</u>	<u>1 34 14 366</u>

23 Operating Expenses

[Amount in ₹]

Particulars	2013-2014	2012-2013
Contract Expenses	0	2 45 16 981
Erection / O & M Charges	8 72 451	0
Liquidated damages	0	4 32 352
Registration and Renewal Fees	0	40 34 353
Site Expenses	22 410	75 086
Consultancy Charges	70 000	40 000
	<u>9 64 861</u>	<u>2 90 98 772</u>

24 Changes in Inventories

[Amount in ₹]

Particulars	2013-2014	2012-2013
Closing Stock Stock in Trade	58 93 778	(13 80 480)
Opening Stock Stock in Trade	13 80 480	0
Decrease / (Increase) in Inventories	<u>(45 13 298)</u>	<u>(13 80 480)</u>

25 Employees Benefits Expenses

[Amount in ₹]

Particulars	2013-2014	2012-2013
Salary, Allowances, Wages & Bonus	1 35 39 771	1 66 03 246
Contribution to Provident & other funds	3 37 248	13 81 930
Staff Welfare Expenses	0	30 000
	<u>1 38 77 019</u>	<u>1 80 15 176</u>



ARVIND ACCEL LIMITED

Notes forming part of accounts

26 Finance Cost

[Amount in ₹]

Particulars	2013-2014	2012-2013
Interest on:		
Short Term Borrowings	3 58 76 881	3 09 80 606
	<u>3 58 76 881</u>	<u>3 09 80 606</u>

27 Other Expenses

[Amount in ₹]

Particulars	2013-2014	2012-2013
Rent	43 200	0
Repairs and Maintenance		
Buildings	7 430	61 877
Equipments	6 564	18 606
Others	1 47 826	2 36 864
	<u>1 61 820</u>	<u>3 17 347</u>
Legal and Professional Fees	5 12 285	19 34 568
Insurance	3 01 540	6 81 584
Bank Gurantee Commission	6 204	7 00 697
Rates and Taxes	33 152	10 21 931
Auditors Remuneration	1 12 360	1 12 360
Travelling Expenses	12 08 901	33 56 043
Selling and Distribution Expense		
Advertisement	69 739	3 13 414
Others	0	1 14 763
	<u>69 739</u>	<u>4 28 177</u>
Provision for doubtful debts	9 00 000	0
Excess provision for income/(Expenses) written off	0	96 75 574
Loss on Sale of Fixed assets	6 39 261	92 841
Miscellaneous Expenses	13 95 867	18 95 713
	<u>53 84 329</u>	<u>2 02 16 835</u>
Auditor's Remuneration is made of		
Statutory Audit Fees	1 12 360	1 12 360

28 Earning per Share

Particulars	2013-2014	2012-2013
Net Profit/(Loss) for the year (Amount in ₹)	(5 30 17 311)	(7 80 75 036)
Number of equity shares	50 000	50,000
Nominal value of the share	10	10
Basic and diluted Earning per Share (₹)	<u>(1060.35)</u>	<u>(1561.50)</u>



Notes forming part of accounts

1. Summary of significant accounting policies

(a) Accounting Conventions

- (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 notified under The Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the companies act, 1956 read with general circular 15/2013 dated 13th September, 2013, issued by Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (ii) The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(b) Use of Estimates

The presentation of financial statements requires estimates and assumptions 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 reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/determined.

(c) Inventories

Inventory comprising of construction materials at site, shuttering Materials and traded goods are valued at Cost or Net Realizable Value whichever is lower.

(d) Recognition of Revenue from Contractual Projects:

- (i) Revenues from consultancy services are recognized when services are rendered.
- (ii) Contract revenue and contract cost associated with the construction contracts and project contracts are recognized as revenue and expense respectively by reference to the stage of completion of the contract activity at the reporting date.
- (iii) The expenditure incurred for construction contracts and project contracts that relate to future activity on the contract considered and classified as contract work in progress. The expenditures which are incurred for construction contract but yet to be billed are considered and classified as unbilled contract cost.

Percentage of completion is determined by the proportion that contract cost incurred for work performed up to reporting date bears to the estimated total contract cost.

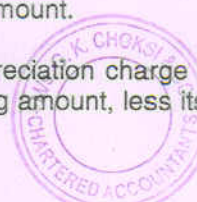
- (iv) Sale of traded goods is recognized when the company has transferred to the buyer, the property in the goods, for a price, or all significant risks and rewards of ownership have been transferred to the buyer without the company retaining any effective control over the goods. Sales are stated at contractual realizable values, net of trade discounts.

(e) 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.



Notes forming part of accounts

(f) Depreciation

Depreciation on Fixed Asset is provided, pro rata monthly basis, on Straight Line Method (SLM), as per rates specified in the Schedule XIV to the Companies Act, 1956.

(g) Investments

Investment has been stated at the cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the management.

(h) Retirement Benefits

- (i) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
- (ii) Retirement Benefits being Gratuity are accounted for based on actuarial valuation by the independent valuer.
- (iii) Leave Encashment which has been en cashable within one year has been accounted on actual basis.

(i) Segment Reporting

The accounting policies adopted for segment reporting are in the line with accounting policy of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities."

(j) Taxation

Provision for income tax is based on the assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising from unabsorbed depreciation or carry forward losses under tax laws are recognised only to the extent that there is virtual certainty of realisation. Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty of realisation.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



ARVIND ACCEL LIMITED

Notes forming part of accounts

29. Contingent Liabilities and Capital commitments

[Amount in ₹]

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Contingent Liabilities	NIL	NIL
Bank Guarantee	NIL	55,64,000
Capital Commitments and Other Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL

30. The disclosure in respect of contract revenue recognized cost incurred and other details as required under AS 7 on Construction Contracts are given as under:

[Amount in ₹]

Particulars	2013-2014	2012-2013
Contract Revenue recognized as revenue in the year	NIL	1,34,99,278
Contract Cost incurred and recognized Profits (less recognized losses) upto the reporting date	NIL	1,34,99,278
Advance Received	--	--
Gross amount due from customers for contract work including unrealized debtors	NIL	1,60,78,879

Contract Revenue and Contract Costs are recognised on the basis of percentage completion method and percentage of completion is determined by the proportion that contract cost incurred for work performed up to reporting date bears to the estimated total contract cost.

31. Employee Benefits

(a) Defined contribution plan

Provident fund

The company makes contribution towards employees' provident fund. Under the rules of this scheme, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized ₹ 3,37,248/- (P. Y. ₹ 19,06,332/-) as expense towards contribution to this plan.

(b) Defined benefit plan

Gratuity

The company has provided for employee gratuity benefits liability based on the actuarial valuation done Life Insurance Corporation of India.



ARVIND ACCEL LIMITED

Notes forming part of accounts

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2014:

[Amount in ₹]

Particulars	2013-2014	2012-2013
Changes in Present Value of Obligations		
Present Value of Obligation as at the beginning of the year	5,29,602	10,42,441
Interest Cost	NIL	NIL
Current Service Cost	78,083	2,17,707
Actuarial (gain) / Loss on obligations	(3,65,236)	(7,30,546)
Benefits paid	NIL	NIL
Present value of Obligation as at the end of the year	2,42,449	5,29,602
Changes in fair value of plan assets		
Fair Value of Plan Assets at the beginning of the year	2,79,605	2,68,052
Expected Return on Plan Assets	12,594	11,553
Contributions	NIL	NIL
Actuarial Gain / (loss) on Plan Assets	NIL	NIL
Benefits paid	NIL	NIL
Fair Value of Plan Assets at the end of the year	2,92,199	2,79,605
Amount recognized in balance sheet		
Present Value of Obligations as at the end of the year	2,42,449	5,29,602
Fair value of plan Assets as at the end of the year	2,92,199	2,79,605
Net Liability / (Asset) recognized in Balance sheet	(49,750)	2,49,997
Expenses recognized in the Profit and loss account		
Current Service Cost	78,083	2,17,707
Interest Cost	NIL	NIL
Expected Return on Plan Assets	12,594	11,553
Net actuarial (gain) / loss recognized in the year	(3,65,236)	(7,30,546)
Expenses Recognized in the statement of Profit & Loss*	(2,99,747)	(5,24,392)
Assumptions		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	7%	7%
Rate of return on plan assets	8.00%	9%
Age of Retirement	58 Years	58 Years

32. Segment Reporting

During the year under review, the Company operates within a solitary business segment i.e. execution of projects on turnkey basis, the disclosure requirements of Accounting Standard – 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India is not applicable.

33. Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

- (a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship
1	Arvind Limited	Holding Company
2	Arvind Envisol Private Limited	Wholly owned Subsidiary
3	Anup Engineering Limited	Fellow Subsidiary
4	Arvind Infrastructure Limited	Fellow Subsidiary



ARVIND ACCEL LIMITED

Notes forming part of accounts

(b) Transactions with related parties

[Amount in ₹]

Sr. No.	Nature of transaction	2013-2014	2012-2013
(i)	Sale of goods		
	- Holding Company	1,80,41,779	23,18,083
	- Wholly owned Subsidiary	23,43,746	--
(ii)	Sale of Services		
	- Holding Company	--	1,08,21,991
(iii)	Royalty Income		
	- Wholly owned Subsidiary	--	86,36,322
(iv)	Interest Expenses		
	- Holding Company	3,45,54,098	2,39,47,925
(v)	Liquidated Damages		
	- Fellow Subsidiary	--	82,352
(vi)	Reimbursement of Expenses		
	- Holding Company	6,20,623	3,47,130
	- Wholly owned subsidiary	18,698	73,575
(vii)	Employee Cost		
	- Wholly owned subsidiary	--	3,25,00,000
(ix)	Assets Transferred*		
	- Wholly owned subsidiary	12,52,12,631	--
(x)	Liability Transferred*		
	- Wholly owned subsidiary	13,,87,78,598	--
(xi)	Expenses Transferred*		
	- Wholly owned subsidiary	1,15,49,524	--
(xii)	Expenses Recoverable		
	- Wholly owned subsidiary	1,72,46,024	--
(xi)	Loans Taken		
	- Holding Company	29,63,54,098	32,71,34,196
(xii)	Loans Repaid		
	- Holding Company	31,12,55,411	30,66,44,651
(xiii)	Advance Given during the year		
	- Wholly owned Subsidiary Company	65,00,000	--
(xiv)	Advance repaid during the year		
	- Wholly owned Subsidiary Company	35,00,000	--
(xvi)	Investment in Wholly owned subsidiary Company	1,00,000	--



ARVIND ACCEL LIMITED

Notes forming part of accounts

(c) Outstanding Balances as at March, 31st 2014

[Amount in ₹]

Sr. No.	Nature of transaction	2013-2014	2012-2013
(i)	Due to Holding Company		
	- As Advances against Materials	--	3,01,954
	- As Unsecured Loans (including interest accrued)	3,03,54,569	4,52,55,883
	- As Trade payable	9,11,654	3,47,130
(ii)	Due from Holding Company		
	- As Sundry Debtors	52,73,546	--
(iii)	Due to Fellow Subsidiary Company		
	- As Trade Payable	82,352	82,352
(iv)	Due from Subsidiary Company		
	- As Sundry Debtors	--	35,35,168
	- As Short term loans and advances	94,71,835	--
(iv)	Investment in wholly owned subsidiary Company	2,00,000	1,00,000

34. Pursuant to Oral Order dated 17th September, 2013 of the Honble High Court of Gujarat and notified copy dated 9th October, 2013 made available to company, the water treatment division of the company has been demerged from company. to amalgamate with the Arvind Envisol Private Limited with effect from 1st April, 2012. Under the facts and circumstances the Company has compiled its financial statements for the period from 1st April, 2013 to 31st March, 2014 after considering the effect of scheme of arrangement in nature of demerger duly approved vide aforesaid oral order by Honble High Court of Gujarat

35. Balances of debtors, creditors, loans, advances and deposits are subject to confirmation by the parties concerned.

36. Additional information, required under para 5(8) of Part-II of the Schedule VI to the Companies Act, 1956.

A. Composition of Raw / Bought out Materials Consumption

[Amount in ₹]

Particulars	2013-2014		2012-2013	
	Value (₹)	Percentage (%)	Value (₹)	Percentage (%)
Imported	--	--	28,02,225	20.89
Indigenous	--	--	1,06,12,141	79.11
Total :	--	--	1,34,14,366	100

B. Value of Imports on CIF Basis:

[Amount in ₹]

Particulars	2013-2014	2012-2013
Boughtout Materials	--	28,02,225
Traded Goods	22,45,729	3,49,890



ARVIND ACCEL LIMITED

Notes forming part of accounts

C. Expenditure in Foreign Currency (on payment basis):

[Amount in ₹]

Particulars	2013-2014	2012-2013
Technical know how	--	--
Patent Registration and Renewal Charges	--	30,88,441

37. Statement of Management

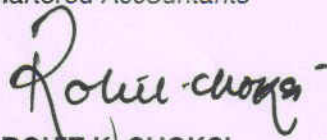
- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary.
- (b) Balance Sheet and Statement of Profit and Loss read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 1956 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review

38. The previous year's figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with those of the current year.

As per our attached 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 : 13 MAY 2014

FOR AND ON BEHALF OF THE BOARD



Director



Director

Place : Ahmedabad
Date : 13 MAY 2014