

ARVIND ACCEL LIMITED

ANNUAL REPORT

2010-2011

ARVIND ACCEL LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of ARVIND ACCEL LIMITED will be held on Monday, the 26th September, 2011 at 11.00 a.m. 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 Balance Sheet as at 31st March, 2011 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Naishadh I. Parikh, 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 up to the conclusion of the next Annual General Meeting and to fix their remuneration.

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 : 30th April, 2011
Place : Ahmedabad

BY ORDER OF THE BOARD



Jayesh K. Shah
Director



Jagdish G. Dalal
Director

ARVIND ACCEL LIMITED

Directors' Report

**To,
The Members,**

Your Directors present their THIRD Annual Report together with the audited statements of accounts for the year ended on 31st March, 2011.

1. ACCOUNTS & DIVIDEND :

During the year your Company has made a net profit of Rs. 1,34,205/- after depreciation of Rs.3,54,200/- and provision of Taxation for Rs.5,35,235/-. The same is carried forward to the Balance Sheet. In order to conserve the resources by the Company, Directors do not recommend any dividend on equity shares.

2. OPERATIONS :

Income from Operations and Other Income for the year ended 31st March, 2011 is Rs. 17,14,62,717/-. The company has made a net profit of Rs.1,34,205/- for the year.

3. DEPOSITS :

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

4. 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.

5. RESPONSIBILITY STATEMENT :

The Directors confirm 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 the year.
3. Proper and sufficient care have 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 attached statements of accounts for the period ended on 31st March, 2011 have been prepared on a going concern basis.

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

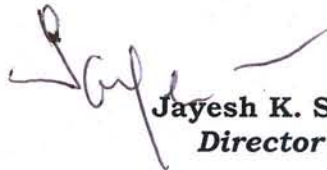
Information in accordance with the under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not being given as the Company has not undertaken any manufacturing activity.

There were no foreign exchange earning or outgo during the period under review.

7. AUDITORS :

The Company's Auditors M/s G. K. Choksi & Co., Chartered Accountants, Ahmedabad retire at the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. You are requested to appoint Auditors and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD



Jayesh K. Shah
Director



Jagdish G. Dalal
Director

Date : 30.04.2011
Place : Ahmedabad

G. K. Choksi & Co.
Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 30012009 Fax : 91 - 79 - 26569929 E-mail : gkchoksi@hotmail.com

AUDITORS' REPORT

To
The Members,
ARVIND ACCEL LIMITED
Ahmedabad.

1. We have audited the attached Balance Sheet of Arvind Accel Limited as at 31st March, 2011, Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure refer to above, 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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representation received from the directors of the company as at March 31st, 2011 and taken on record by the board of directors, we report that none of the directors is disqualified from being appointed as director of company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

601, Raheja Chambers, Free Press Journal Road, Nariman Point, **MUMBAI** - 400 021.
Dial : 91-22-66324446/47 FAX : 91-22-22882133 Email : mumbai@gkcco.com

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

Branches : 'Kirti Kunj', Station Road, **NADIAD** - 387 001. Dial : 91-268-2564279

515, Tolstoy House, Tolstoy Marg, Janpath, **New Delhi** - 110 001
Dial : 98111 56698; Email : info@gkcco.com



- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date
- and
- iii. in the case of the Cash Flow Statements for the year ended on that date.

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

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

Place : Ahmedabad
Date : 30th April, 2011



ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in the Auditors Report to the members of Arvind Accel Limited (the company) for the year ended 31st March 2011. We report that:

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed off any substantial/major part of fixed assets.
- 2 (a) In our opinion, physical verification of inventory comprising of construction materials and traded goods 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.
- 3 (a) 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 in our opinion paragraphs 4(iii)(a) to 4(iii)(d) of the order are not applicable.
- (b) The company has taken unsecured loan from the Holding company. The maximum amount involved during the year was Rs. 754.00 lacs and the year end balance is Rs. 162.09 lacs.
- (c) The terms and conditions of such loan are not prima facie prejudicial to the interest of the company.
- (d) According to the information and explanations given to us, the principal amount of such loan is repayable on demand.
- 4 In our opinion and according to information and explanation given to us; there is adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory comprising construction materials and traded goods, fixed assets and with regard to the sale of goods and services.

During the course of our audit, we have not observed any major weakness in the internal controls.



- 5 (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 required to be 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 and arrangements referred to in (a) above and exceeding the value of Rs. 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956.
- 7 The paid-up capital and reserves of the company does not exceed Rs. 50 lacs and the company does not have average annual turnover exceeding Rs. 5 Crores for a period of three consecutive financial years immediately proceeding the current financial year. Accordingly paragraph 4(vii) of the order is not applicable.
- 8 According to information and explanation given to us, the central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of services carried out by the company.
- 9 (a) According to information and explanation given to us, and on the basis of our examination of the books of accounts, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31st March, 2011.
- 10 Since the company has not completed five years of incorporation, the paragraph 4(iii)(x) is not applicable.
- 11 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.
12. 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.
13. The company is not Chit fund, Nidhi, Mutual Benefit Funds or a Society. Accordingly paragraph 4(xiii) of the order is not applicable.
14. 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.



15. 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.
16. In our opinion and according to the information and explanations given to us, the company has not obtained any term loans during the year under review. Accordingly paragraph 4(xvi) of the order is not applicable.
17. On the basis of an overall examination of the balance sheet of the company in our opinion and according to the information and explanations given to us, the company has not raised any funds on short term basis which has been used for long term investment.
18. 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.
19. During the period covered by audit report, the company has not issued any debentures. Accordingly paragraph 4(xix) of the order is not applicable.
20. The company has not raised any money by public issues during the year. Accordingly paragraph 4(xx) of the order is not applicable.
21. 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 : 30th April, 2011



ARVIND ACCEL LIMITED

Balance Sheet as at 31st March, 2011

Particulars	Schedule	As at 31/03/2011		As at
		Amount (Rs.)	Amount (Rs.)	31/03/2010 Amount (Rs.)
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	5 00 000		5 00 000
Reserves and Surplus	2	<u>6 86 643</u>		<u>5 52 438</u>
			11 86 643	<u>10 52 438</u>
Loan Funds				
Unsecured Loans	3		1 62 09 392	0
Deferred Tax Liability			3 43 245	0
Total :			<u>1 77 39 280</u>	<u>10 52 438</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	53 89 709		33 86 014
Less : Accumulated Depreciation		<u>3 59 937</u>		<u>1 09 326</u>
Net Block:			50 29 772	<u>32 76 688</u>
Deferred Tax Assets			0	80 990
Current Assets, Loans & Advances				
Interest accrued but not due	5	3 50 995		1 59 061
Inventories		3 80 69 894		1 12 27 668
Sundry Debtors		2 85 74 636		1 32 88 900
Cash and Bank Balances		92 68 694		1 10 76 630
Loans and Advances		<u>1 87 67 822</u>		<u>91 49 465</u>
		<u>9 50 32 041</u>		<u>4 49 01 724</u>
Less: Current Liabilities and Provisions				
Current Liabilities	6	8 15 11 533		4 65 06 964
Provisions		<u>8 11 000</u>		<u>7 00 000</u>
		<u>8 23 22 533</u>		<u>4 72 06 964</u>
Net Current Assets :			1 27 09 508	(23 05 240)
Total :			<u>1 77 39 280</u>	<u>10 52 438</u>

Significant Accounting Policy `12'
Notes forming part of the Accounts `13'

As per our attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

ROHIT K. CHOKSI

Partner

Place : Ahmedabad

Date : 30th April, 2011



FOR AND ON BEHALF OF THE BOARD

[Signature]
Director

[Signature]
Director

Place : Ahmedabad

Date : 30th April, 2011

ARVIND ACCEL LIMITED

Profit and Loss Account for the year ended 31st March, 2011

Particulars	Schedule	For the year ended 31/03/2011		For the year
		Amount (Rs.)	Amount (Rs.)	ended 31/03/2010 Amount (Rs.)
INCOME				
Income from Operations		17 10 09 814		5 24 91 693
Other Income	7	15 39 137		12 08 992
Increase/(Decrease) in Stock	8	(10 86 234)		10 86 234
			17 14 62 717	5 47 86 919
EXPENDITURE				
Operating Expenses	9	14 12 52 428		4 25 51 811
Administrative and Other expenses	10	2 39 58 864		1 17 22 403
Interest & Financial Charges	11	52 27 785		9 81 739
Depreciation		3 54 200		93 427
			17 07 93 277	5 53 49 380
Profit before Tax			6 69 440	(5 62 461)
Provision				
Current Tax		1 11 000		0
Deferred Tax		4 24 235		47 166
Fringe Benefits Tax		0		0
			5 35 235	47 166
Profit After Tax			1 34 205	(6 09 627)
Balance brought forward from previous year			5 52 438	11 62 065
Balance carried to Balance Sheet			6 86 643	5 52 438
Basic and diluted earnings per equity share (Refer note no. 5 of Schedule- '13')			2.68	(12.19)
Significant Accounting Policy	'12'			
Notes forming part of the Accounts	'13'			

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



Place : Ahmedabad
 Date : 30th April, 2011

FOR AND ON BEHALF OF THE BOARD

[Signature]
 Director

[Signature]
 Director

Place : Ahmedabad
 Date : 30th April, 2011

ARVIND ACCEL LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2011

Particulars	For the year ended 31/03/2011	For the year ended 31/03/2010
A. Cash flow from operating activities		
Profit/(Loss) for the year before taxation and exceptional items	6 69 441	(5 62 460)
Adjustments for		
Depreciation and amortisation	3 54 200	93 427
Loss on Sale of Assets	1 80 247	0
Interest Expenses	52 27 785	9 81 738
Interest Income	(3 05 474)	(3 28 844)
Operating profit before working capital changes	<u>61 26 199</u>	<u>1 83 861</u>
Adjustments for		
Trade and other receivables	(2 19 48 431)	(90 27 332)
Inventories	(2 68 42 226)	(1 12 27 668)
Trade payables	3 50 04 569	3 16 54 570
Cash generated from operations	<u>(76 59 890)</u>	<u>1 15 83 431</u>
Direct taxes Refund/(paid)	<u>(29 55 663)</u>	<u>(18 45 869)</u>
Net Cash from Operating Activities [A]	<u>(1 06 15 552)</u>	<u>97 37 562</u>
B. Cash flow from investing activities		
Purchase of Fixed Assets	(24 71 977)	(29 90 673)
Sale of Fixed Assets	1 84 446	0
Interest Received	1 13 540	2 89 979
Net cash used in investing activities [B]	<u>(21 73 991)</u>	<u>(27 00 694)</u>
C. Cash flow from financing activities		
Procurement/(Repayment) of long/ short term borrowings	1 62 09 392	(25 00 000)
Interest Paid	(52 27 785)	(9 81 738)
Net cash flow from financial activities [C]	<u>1 09 81 607</u>	<u>(34 81 738)</u>
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	<u>(18 07 936)</u>	<u>35 55 130</u>
Cash and cash equivalents opening	1 10 76 630	73 85 517
Cash and cash equivalents closing	<u><u>92 68 694</u></u>	<u><u>1 09 40 647</u></u>

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared 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 Choksi
ROHIT K. CHOKSI
Partner



Place: Ahmedabad
Date : 30th April, 2011

FOR AND ON BEHALF OF THE BOARD

[Signature]
Director

[Signature]
Director

Place: Ahmedabad
Date : 30th April, 2011

ARVIND ACCEL LIMITED

Schedule - '1' : Shareholders' Funds

Particulars	As at 31/03/2011		As at
	Amount (Rs.)	Amount (Rs.)	31/03/2010 Amount (Rs.)
Share Capital			
Authorised			
50,000 Equity Shares of Rs. 10/- each		5 00 000	5 00 000
Total :		<u>5 00 000</u>	<u>5 00 000</u>
Issued, Subscribed and Paid-up			
50,000 Equity Shares of Rs.10/- each fully paid up (Of the above 50,000 shares are held by the holding company, Arvind Limited alongwith its nominees)		5 00 000	5 00 000
Total :		<u>5 00 000</u>	<u>5 00 000</u>

Schedule - '2' : Reserves and Surplus

Profit and Loss Account		6 86 643	5 52 438
Total :		<u>6 86 643</u>	<u>5 52 438</u>

Schedule - '3' : Loan Funds

Unsecured Loans			
From Holding Company		1 62 09 392	0
Total :		<u>1 62 09 392</u>	<u>0</u>



ARVIND ACCEL LIMITED

Schedule - 4 : Fixed Assets

[Amount in Rs.]

Particulars	Gross Block (At cost)			Depreciation			Net Block	Net Block		
	As at 01/04/2010	Additions	Adjustment	As at 31/03/2011	Upto 31/03/2010	For the year	Deductions	Upto 31/03/2011	As at 31/03/2011	As at 31/03/2010
Tangible Assets										
Office Equipments	49 300	13 200	0	62 500	539	2 657	0	3 196	59 304	48 761
Furniture and Fixtures	61 542	66 516	0	1 28 058	1 618	9 886	0	11 504	1 16 554	59 924
Computer	2 33 070	4 54 873	88 691	5 99 252	6 425	67 473	15 857	58 041	5 41 211	2 26 645
Vehicles	11 65 045	43 684	3 79 591	8 29 138	70 205	1 12 748	87 732	95 221	7 33 917	10 94 840
Plant and Machinery	18 77 057	18 09 970	0	36 87 027	30 539	1 56 922	0	1 87 461	34 99 566	18 46 518
Intangible Assets										
Software	0	83 734	0	83 734	0	4 514	0	4 514	79 220	0
Total :	33 86 014	24 71 977	4 68 282	53 89 709	1 09 326	3 54 200	1 03 589	3 59 937	50 29 772	32 76 688
Previous Year :	3 95 341	29 90 673	0	33 86 014	15 899	93 427	0	1 09 326	32 76 688	



ARVIND ACCEL LIMITED

Schedule - '5' : Current Assets, Loans and Advances

Particulars	As at 31/03/2011		As at
	Amount (Rs.)	Amount (Rs.)	31/03/2010 Amount (Rs.)
Interest accrued but not due		3 50 995	1 59 061
Inventories (Refer Note 11 of Schedule '13')			
Stock of Construction Materials at Site	1 66 26 852		53 79 117
Stock of Trading Material	0		10 86 234
Unbilled Cost	2 14 43 042		47 62 317
		3 80 69 894	1 12 27 668
Debtors (Unsecured, Considered Good)			
More than six month [Due from Fellow Subsidiary Companies Rs. 6,87,355 /- (P. Y. Rs. 4,76,257)]	24 71 877		20 52 990
Others [Due from Holding Company and Fellow Subsidiary Companies Rs. 17,58,168/- (P. Y. Rs. 12,67,026)]	2 61 02 759		1 12 35 910
		2 85 74 636	1 32 88 900
Cash and Bank Balances			
Cash on hand [Includes imprest cash with employees Rs. 144989 (P.Y. Rs. 135983)]	9 63 867		9 17 610
<i>Balance with banks</i>			
In Current Account	32 94 827		40 49 020
Fixed Deposits	50 10 000		61 10 000
	83 04 827		1 01 59 020
		92 68 694	1 10 76 630
Loans and Advances (Unsecured)			
Advances recoverable in cash or in kind or for value to be received [Due from Holding Company Rs. 592661 P.Y Rs. 851274]	1 80 49 992		85 89 035
Deposits	7 18 830		5 60 430
		1 87 68 822	91 49 465
Total :		9 50 33 041	4 49 01 724



ARVIND ACCEL LIMITED

Schedule - '6' : Current Liabilities and Provisions

Particulars	As at 31/03/2011		As at
	Amount (Rs.)	Amount (Rs.)	31/03/2010 Amount (Rs.)
Current Liabilities			
Sundry Creditors			
For Goods	82 56 426		8 12 478
For Expenses	76 44 508		79 98 682
	<u>1 59 00 934</u>		<u>88 11 160</u>
Other Liabilities	<u>6 56 10 599</u>		3 76 95 804
		8 15 11 533	<u>4 65 06 964</u>
Provisions			
For Income-tax		8 11 000	7 00 000
Total :		<u>8 23 22 533</u>	<u>4 72 06 964</u>



ARVIND ACCEL LIMITED

Schedule - '7' : Other Income

Particulars	For the year ended 31/03/2011		For the year
	Amount (Rs.)	Amount (Rs.)	ended 31/03/2010 Amount (Rs.)
Commission [Tax Deducted at Source Rs. 2,851/- (P.Y. Rs. 20,342/-)]		3 05 356	8 49 197
Interest on Fixed Deposit [Tax Deducted at Source Rs. 25,672/- (P.Y. Rs. 38,501/-)]		3 05 474	3 28 844
Foreign Exchange Fluctuation		0	18 351
Sundry Balance Written Back		9 02 797	0
Miscellaneous		25 510	12 600
Total :		<u>15 39 137</u>	<u>12 08 992</u>

Schedule - '8' : Increase / (Decrease) in Stock

Closing Stocks			
Trading Material		0	10 86 234
Opening Stock			
Traded Goods		10 86 234	0
Increase/(Decrease) in stock :		<u>(10 86 234)</u>	<u>10 86 234</u>



ARVIND ACCEL LIMITED**Schedule - '9' : Operating Expenses**

Particulars	For the year ended 31/03/2011		For the year
	Amount (Rs.)	Amount (Rs.)	ended 31/03/2010
			Amount (Rs.)
Contract Expense		13 83 53 696	3 01 92 791
Consultancy Charges		6 34 950	7 81 515
Purchase of Traded Materials		22 63 782	1 15 77 505
Total :		14 12 52 428	4 25 51 811

Schedule - '10' : Administrative and Other Expenses

Payments to and Provision for Employees	1 66 70 389	71 64 810
Fees & Legal	2 51 514	4 89 659
Rent, Rates and Taxes	47 28 218	11 87 788
Travelling Expenses	10 35 415	14 57 685
Audit Fees	1 00 000	1 00 000
Repairs and Maintenance	1 94 043	7 61 613
Insurance	72 015	34 148
Printing and Stationary	1 38 103	1 48 672
Telephone Expenses	1 80 692	39 256
Advertisement & Business Promotion	78 552	1 50 547
Entertainment Expense	11 150	78 988
Loss on sale of Assets	1 80 247	0
Other Expenses	3 18 526	1 09 237
Total :	2 39 58 864	1 17 22 403

Schedule - '11' : Interest and Financial Charges

Interest on Loan	36 77 102	0
Interest on Tax	90 213	26 117
Bank Gurantee Commission	13 98 807	8 86 293
Bank Charges	61 663	69 329
Total :	52 27 785	9 81 739



ARVIND ACCEL LIMITED

SCHEDULE - '12' : SIGNIFICANT ACCOUNTING POLICIES

(i) Accounting Conventions

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, in accordance with the Companies Act, 1956, the applicable accounting standards notified by The Companies Accounting Standard Rules, 2006 and the Guidance note issued by the Institute of Chartered Accountants of India.

(ii) 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.

(iii) Inventories

Inventory comprising of construction materials at site and traded goods are valued at cost.

(iv) Recognition of Revenue from Contractual Projects:

(a) Revenues from consultancy services are recognized when services are rendered.

(b) 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.

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.

(c) 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.

(v) 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.

(vi) Depreciation

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

(vii) Retirement Benefits

- (a) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
- (b) Retirement Benefits being Gratuity are accounted for based on actuarial valuation by the independent valuer.

(viii) 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."

(ix) 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.

(x) 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

SCHEDULE - '13' : NOTES FORMING PART OF THE ACCOUNTS

1. 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 Rs.]

Particulars	2010-2011	2009-2010
Contract Revenue recognized as revenue in the year	16,55,59,484	3,68,17,771
Contract Cost incurred and recognized Profits (less recognized losses) upto the reporting date	16,55,59,484	3,68,17,771
Advance Received	5,70,79,244	2,71,53,623
Gross amount due from customers for contract work including unrealized debtors	2,82,19,201	1,44,26,953

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.

2. **Employee Benefits**

- (a) Defined contribution to 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 Rs. 6,09,912/- (P. Y. Rs. 2,56,704 /-) as expense towards contribution to this plan.

- (b) Liability for gratuity

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

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2011:

[Amount in Rs.]

Particulars	2010-2011	2009-2010
Changes in Present Value of Obligations		
Present Value of Obligation as at the beginning of the year	1,10,318	NIL
Interest Cost	NIL	NIL
Current Service Cost	1,31,815	63,618
Actuarial (gain) / Loss on obligations	NIL	46,700
Benefits paid	NIL	NIL
Present value of Obligation as at the end of the year	2,42,133	1,10,318

... Continued..



... Continued..

[Amount in Rs.]

Particulars	2010-2011	2009-2010
Changes in fair value of plan assets		
Fair Value of Plan Assets at the beginning of the year	NIL	NIL
Expected Return on Plan Assets	7,453	NIL
Contributions	1,25,000	NIL
Actuarial Gain / (loss) on Plan Assets	NIL	NIL
Benefits paid	NIL	NIL
Fair Value of Plan Assets at the end of the year	1,32,453	NIL
Amount recognized in balance sheet		
Present Value of Obligations as at the end of the year	2,42,133	1,10,318
Fair value of plan Assets as at the end of the year	1,32,453	NIL
Net Liability / (Asset) recognized in Balance sheet	1,09,680	1,10,318
Expenses recognized in the Profit and loss account		
Current Service Cost	1,31,815	63,618
Interest Cost	NIL	NIL
Expected Return on Plan Assets	7,453	NIL
Net actuarial (gain) / loss recognized in the year	NIL	46,700
Expenses Recognized in the statement of Profit & Loss*	1,24,362	1,10,318
Assumptions		
Discount rate	8.00%	8.30%
Rate of increase in compensation levels	7%	7%
Rate of return on plan assets	6.75%	NIL
Age of Retirement	58 Years	58 Years

3. 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.

4. 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	Anup Engineering Limited	Fellow Subsidiary
3	Arvind Products Limited	Fellow Subsidiary
4	Arvind Infrastructure Limited	Fellow Subsidiary



(b) Transactions with related parties

[Amount in Rs.]

Sr. No.	Nature of transaction	2010-2011	2009-2010
(i)	Purchase of Goods - Holding Company	80,368	
(i)	Purchase of Services - Fellow Subsidiary	--	13,01,540
(ii)	Loans Taken - Holding Company	9,65,77,102	1,75,50,000
(iii)	Loans Repaid - Holding Company	8,03,67,710	2,00,50,000
(iv)	Interest Expense - Holding Company	36,77,102	--
(v)	Advances Given - Holding Company	--	45,34,353
(vi)	Advances Recovered - Holding Company	--	50,00,000
(viii)	Sale of Goods - Holding Company	35,41,200	1,02,45,982
(ix)	Sale of Services - Holding Company	1,40,49,781	--
(x)	Sale of Services - Fellow Subsidiary	1,84,587	76,79,738
(xi)	Expense incurred on behalf of - Holding Company	2,02,564	96,859
(xi)	Reimbursement of Expenses - Holding Company	1,45,027	2,39,877
(xi)	Outstanding Balances as at March, 31 st		
	Due to Holding Company		
	- Advances against contract	1,36,50,000	--
	- Unsecured Loans	1,62,09,392	--
	Due to Holding Company		
	- As Advances Recoverable	5,64,922	3,62,359
	- As Sundry Debtors	17,58,168	6,87,578
	Due to Fellow Subsidiary Company		
	- As Sundry Debtors	6,53,735	10,22,085

5. Particulars of Earning per Share:

Particulars	2010-2011	2009-2010
Net Profit/(Loss) for the year	1,34,205	(6,09,627)
Number of equity shares (Weighted Average)	50000	50000
Nominal value of the share	10	10
Basic and diluted Earning per Share (Rs.)	2.68	(12.19)

During the year under review the company has not issued any new equity shares.



6. The break up of net deferred tax liability as at 31st March, 2011 are as follows:

[Amount in Rs.]

Particulars	2010-2011		2009-2010	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Timing difference on account of:				
Difference between book depreciation and depreciation under Income Tax Act, 1961	--	3,51,900	--	1,63,576
Disallowances U/s. 40(a)	--	--	1,05,676	--
Disallowances U/s. 35D	8,655	--	10,734	--
Net Deferred Tax Liability/(Asset)	3,43,245		(80,990)	

7. Contingent Liabilities and Capital commitments

[Amount in Rs.]

Particulars	2010-2011	2009-2010
Contingent Liabilities		
Bank Guarantees	4,12,99,749	4,07,20,249
	4,12,99,749	4,07,20,249
Capital Commitments	NIL	NIL

8. There are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at the Balance Sheet date. Further, the company has neither paid or payable any interest to any Micro, Small and Medium Enterprise on the Balance Sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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

10. Auditors' Remuneration is made up of :

[Amount in Rs.]

Particulars	2010-2011	2009-2010
Audit Fees	1,00,000	1,00,000
Total :	1,00,000	1,00,000



11. Additional information pursuant to provision of para 3, 4C and 4D of Part-II of Schedule-VI of the Companies Act, 1956:

(a) Turnover:

Particulars	2010-2011		2009-2010	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
Opening Stock				
Catridge	--	--	--	--
Membrane Antiscalant	46	10,86,234	--	--
Purchase of Traded Goods				
Catridge	5700	9,97,500	4372	8,19,987
Membrane Antiscalant	20	4,90,000	389	97,68,201
Sale of Traded Goods				
Catridge	5700	11,97,000	4372	9,82,170
Membrane Antiscalant	66	17,41,000	343	87,63,183
Closing Stock				
Catridge	--	--	--	--
Membrane Antiscalant	--	--	46	10,86,234

(b) Value of Imports on CIF Basis:

[Amount in Rs.]

Particulars	2010-2011	2009-2010
Traded Goods	--	95,71,177

(c) Expenditure in Foreign Currency (on payment basis):

[Amount in Rs.]

Particulars	2010-2011	2009-2010
Legal & Professional Fees	--	24,137
Travelling Expenses	--	33,462

12. 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 Choksi
ROHIT K. CHOKSI
Partner



Place : Ahmedabad
Date : 30th April, 2011

FOR AND ON BEHALF OF THE BOARD

[Signature]
Director

[Signature]
Director

Place : Ahmedabad
Date : 30th April, 2011

ARVIND ACCEL LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration Details

Registration No. 53226, State Code 04
Balance Sheet Date 31st March, 2011

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

Public Issue :	--	Right Issue :	--
Bonus Issue :	--	Private Placement :	--

III. Position of mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	17739	Total Assets	17739
Sources of Funds		Application of Funds	
Paid-up Capital	500	Net Fixed Assets	5030
Share Application Money	0	Investments	0
Reserve and Surplus	687	Net Current Assets	12709
Secured Loan	0	Misc. Expenditure	0
Unsecured Loan	16209	Accumulated Losses	0
Deferred Tax Liability	343		

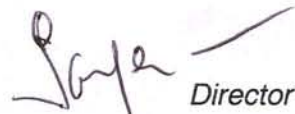
IV. Performance of Company (Amount in Rs. Thousand)

Turnover & Other Income	171463	Total Expenditure	170793
(+) Profit/(Loss) before tax	669	(+) Profit/(Loss) after tax	134
Earning per share (Rs.)	2.68	Dividend Rate	--

V. Generic names of three principal products services of company (as per monetary terms)

Product/Service Description	Item code No.
Technical Consultancy, Execution of Project on Turnkey basis and Construction Contracts	Not Applicable

FOR AND ON BEHALF OF THE BOARD


Director


Director

Place : Ahmedabad
Date : 30th April, 2011