

ARVIND INFRASTRUCTURE LIMITED

ANNUAL ACCOUNTS

2011-2012

ARVIND INFRASTRUCTURE LIMITED

NOTICE

NOTICE is hereby given that the FOURTH Annual General Meeting of the Members of ARVIND INFRASTRUCTURE LIMITED will be held on Friday, the 28th September, 2012 at 11.30 a.m. at the Registered Office of the Company at Arvind Limited 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, 2012 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jayesh K. Shah, 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.

SPECIAL BUSINESS:

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

RESOLVED THAT Mr. Hiren H. Rao be and is hereby appointed as an Additional Director on the Board of the Company with effect from 26th December, 2011, pursuant to Article 137 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and will hold the office till the conclusion of the next Annual General Meeting.

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 Limited Premises,
Naroda Road,
Ahmedabad-380 009

Date : 21st April, 2012

BY ORDER OF THE BOARD


Jayesh K. Shah
Director


Jagdish G. Dalal
Director

ANNEXURE TO NOTICE

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173
OF THE COMPANIES ACT, 1956**

Item No. 4

The Board of Directors at their meeting held on 26th December, 2011 appointed Mr. Hiren H. Rao as additional Director of the Company. The said appointment was in pursuance of the provisions of Section 260 of the Companies Act, 1956 and Article 137 of the Articles of the Association of the Company and accordingly the said Director holds office only up to the date of this Annual General Meeting. The Company has received notice in writing along with the necessary amounts as a deposit from a member proposing candidature of Director in accordance with the requirements of Section 257 of the Companies Act, 1956.

The Board commends the resolution at Item No. 4 for approval of members. Mr. Hiren H. Rao may be deemed to be concerned or interested in the said resolution relating to his appointment. No other Directors are in any manner concerned or interested in the said resolution.

Registered Office:
Arvind Limited Premises,
Naroda Road,
Ahmedabad-380 009

Date: 21st April, 2012

BY ORDER OF THE BOARD


Jayesh K. Shah
Director


Jagdish G. Dalal
Director

ARVIND INFRASTRUCTURE LIMITED
Arvind Limited Premises, Naroda Road, Ahmedabad-380 025

DIRECTORS' REPORT

To,
The Members,
Arvind Infrastructure Limited,
Ahmedabad.

Your Directors have pleasure in presenting their Fourth Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2012.

1. Financial Results:

Particulars	₹ in lacs	
	2011-12	2010-11
Profit Before Tax and Depreciation	289.96	17.44
Less: Depreciation	17.12	1.60
Profit Before Taxes	272.84	15.84
Less: Provision for Taxes	2.40	8.99
Profit After Tax	270.44	6.85
Balance Brought Forward from Previous Year	8.56	1.71
Balance Carried Forward to Balance Sheet	279.00	8.56

2. Operations

During the year ended on March 31, 2012, the company has earned revenue of ₹ 713.42 lacs as compared to ₹ 3,119.98 lacs for the year ended on March 31, 2011. However, Profit After Tax for FY 11-12 is ₹ 270.44 lacs as against ₹ 6.85 lacs in FY 10-11.

3. Dividend

In order to conserve the resources for the future development of the Company, the Directors have decided to plough back the profits and not to declare dividend for the Financial Year 2011-2012

4. Directors

Mr. Jayesh K. Shah, the Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Mr. Hiren H. Rao has been appointed by the Board as an Additional Director at the meeting of the Board of Directors held on 26th December, 2011 and holds the office up to the date of this ensuing Annual General Meeting. The Company has received notice in writing Under Section 257 from a member proposing his candidature as Director.

5. Deposit

The Company has not accepted any deposit from public during the year under review.

6. SUBSIDIARY

The Company is a wholly owned subsidiary of Arvind Limited.

7. Particulars of Employees

In terms of provisions of section 217 (2A) of the Companies Act, 1956 read with companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of section 219 (1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the member of the company and others entitled thereto. Any member interested in obtaining such information and particulars may write to the company at its registered office.

8. Directors Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, the Board of Directors of the company confirms:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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 of the profit or loss of the Company for that period.
- (iii) that the directors have taken proper and sufficient care 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.
- (iv) that the director had prepared the annual accounts on a going concern basis.

9. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 regarding Conservation of Energy and Technology Absorption are not given as the Company has not undertaken any manufacturing activity.

There were no Foreign Exchange Earnings or Outgo during the period under review.

10. Auditors

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

BY ORDER OF THE BOARD



Jayesh K. Shah
Director



Jagdish G. Dalal
Director

Date: 21st April, 2012
Place: Ahmedabad

G. K. Choksi & Co.

Chartered Accountants

'Medhuban', Nr. Madapur Underbridge, Ellisbridge, Ahmedabad - 380 008.
Dial: 91 - 79 - 30012009, 9925174555-56 Fax: 91 - 79 - 26589929 Email: info@gkcco.com

AUDITORS' REPORT

To:
The Members,
Arvind Infrastructure Limited
Ahmedabad.

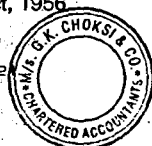
1. We have audited the attached Balance Sheet of Arvind Infrastructure Limited as at 31st March, 2012, Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility 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, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 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 referred 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 have been kept by the Company as required by law so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, Statement of Profit and Loss 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, 2012 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.

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'Surya Bhavan', Station Road, PETLAD - 388 450. Dial: 91-2697-224109



G. K. Choksi & Co.
Chartered Accountants

- 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, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Rohit Choksi
ROHIT K. CHOKSI
Partner
Membership No. 31103

Place : Ahmedabad
Date : 21st April, 2012



ANNEXURE TO THE AUDITORS' REPORT

Re: Arvind Infrastructure Limited
(Referred to in paragraph 3 of our report of even date)

- (i) (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) The Company has not disposed of any substantial part of its fixed assets during the period as would affect its going concern status.
- (ii) (a) Inventory comprising of unsold developed plots have been physically verified by the management during the period under review. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventories. There were no discrepancies between the physical stocks and the book records.
- (iii) The Company has neither taken nor granted any loans, secured or unsecured, from / 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(g) of the order are not applicable.
- (iv) In our opinion and according to information and explanations given to us; there is adequate internal control system commensurate with the size of the Company and the nature of the business, with regard to purchase of fixed assets, inventories comprising of plots and sale of plots.

During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (b) According to the information and explanations given to us, since there are no such contracts and arrangements, paragraph 4(v)(b) of the order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or other relevant provisions of the Act and the rules framed there under.
- (vii) The share capital of the company does not exceed Rs. 50 lacs or the average turnover of the company for the preceding three consecutive financial years does not exceed Rs. 5 Crores. Accordingly related to internal audit is not applicable.
- (viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209(1)(d) of the Companies Act, 1956.



- (ix) (a) The Company is generally regular in depositing undisputed statutory dues with appropriate authorities.
- (b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31st March, 2012.
- (x) Since the company has not completed five years of incorporation, the clause 4(iii)(x) is not applicable.
- (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 not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (xii) As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/Societies are not applicable to the Company.
- (xiv) According to the information and explanation given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) 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, we report that the Company has not utilised any funds raised on short term basis for long term investments.
- (xviii) The Company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the period under review.
- (xx) The Company has not raised any money by public issues during the period under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under review.

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

Rohit K. Choksi

ROHIT K. CHOKSI
Partner

Membership No. 31103

Place : Ahmedabad
Date : 21st April, 2012



ARVIND INFRASTRUCTURE LIMITED

Balance Sheet as at 31st March, 2012

[Amount in ₹]

Particulars	Notes	31st March, 2012	31st March, 2011
Equity and Liabilities			
Shareholders' Fund			
Share Capital	2.1	5 00 000	5 00 000
Reserves and Surplus	2.2	<u>2 78 99 498</u>	<u>8 55 644</u>
		2 83 99 498	13 55 644
Non-Current liabilities			
Long term borrowings	2.3	-	3 00 00 000
Deferred tax liabilities (Net)	2.4	7 55 029	5 14 823
Long term provisions	2.5	<u>8 18 289</u>	-
		15 73 318	3 05 14 823
Current liabilities			
Short term borrowings	2.6	33 07 40 000	21 60 00 000
Trade payables	2.7	39 87 565	27 13 403
Other current liabilities	2.8	5 40 10 990	48 14 987
Short term provisions	2.9	<u>41 880</u>	-
		38 87 80 435	22 33 28 390
Total		<u>41 87 33 251</u>	<u>25 51 98 857</u>
Assets			
Non-Current assets			
Fixed assets			
Tangible assets	2.10	51 37 158	23 99 860
Intangible assets	2.11	<u>27 92 558</u>	<u>41 26 301</u>
		79 29 716	65 26 161
Non-current Investments	2.12	1 49 000	1 49 000
Current Assets			
Current Investments	2.13	19 44 85 808	16 64 54 964
Inventories	2.14	9 62 84 334	2 76 96 030
Trade receivables	2.15	18 33 105	61 47 098
Cash & cash equivalents	2.16	56 70 861	74 55 289
Short term - Loans & advances	2.17	11 20 00 313	3 68 16 341
Other current assets	2.18	<u>3 70 114</u>	<u>39 53 974</u>
		41 06 54 535	24 85 23 696
Total :		<u>41 87 33 251</u>	<u>25 51 98 857</u>

Significant Accounting Policies 1
 Notes forming part of accounts 2

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

As per our report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Rohit Choksi

ROHIT K. CHOKSI
 Partner



Place : Ahmedabad
 Date : 21st April, 2012

FOR AND ON BEHALF OF THE BOARD

H. Lal
 Director

M. S.
 Director

Place : Ahmedabad
 Date : 21st April, 2012

ARVIND INFRASTRUCTURE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2012

[Amount in ₹]

Particulars	Notes	31st March, 2012	31st March, 2011
Continuing Operations			
Income			
Revenue from operations	2.19	7 00 10 735	30 19 44 343
Other Income	2.20	<u>13 31 689</u>	1 00 53 555
Total Revenue		7 13 42 424	<u>31 19 97 898</u>
Expenses			
Project Development Expenses	2.21	5 55 44 167	4 10 50 147
Changes in inventories	2.22	(6 85 98 304)	24 32 35 971
Employee benefits expenses	2.23	1 10 85 697	59 287
Finance costs	2.24	3 20 68 083	2 45 96 889
Depreciation and amortization expenses		17 12 317	1 60 192
Administrative and other expenses	2.25	<u>1 22 46 404</u>	13 11 315
Total Expenses		4 40 58 364	31 04 13 801
Profit before Tax		2 72 84 060	15 84 097
Tax Expenses			
Current Tax			3 85 000
Deferred Tax		<u>2 40 206</u>	5 14 313
		2 40 206	8 99 313
Profit for the year from continuing operation		<u>2 70 43 854</u>	<u>6 84 784</u>
Earnings per equity share:			
Basic and diluted		₹ 540.88	₹ 13.70

Significant Accounting Policies 1
Notes forming part of accounts 2

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

As per our report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI
Partner



Place : Ahmedabad
Date : 21st April, 2012

FOR AND ON BEHALF OF THE BOARD

S. Lal
Director

M. J.
Director

Place : Ahmedabad
Date : 21st April, 2012

ARVIND INFRASTRUCTURE LIMITED

Cash Flow Statement for the year ended 31st March, 2012

Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
A. Cash flow from operating activities:		
Profit/(Loss) for the year before taxation and exceptional items	2 72 84 060	15 84 098
Adjustments for :		
(Profit) / Loss from LLP	(4 54 91 274)	96 963
Depreciation and Amortization	17 12 317	1 60 192
Interest Expenses	3 20 88 083	2 45 96 889
Interest Income	(1 81 82 148)	(1 31 39 848)
Operating profit before working capital changes	(28 08 952)	1 32 98 294
Adjustments for:		
Inventories	(6 85 98 304)	24 32 35 971
Trade and other receivables	43 13 993	(81 47 098)
Short term loans and advances	(7 57 54 196)	(3 54 74 114)
Current Liabilities and Long term provisions	16 30 76 242	46 86 269
Cash generated from operations	2 04 28 773	21 95 99 322
Direct taxes Refund/(paid)	10 83 044	(10 70 839)
Net cash from operating activities	[A] 2 15 11 817	21 85 28 483
B. Cash flow from investing activities		
Investments in Limited Liability Partnership	(2 80 30 844)	(16 66 03 964)
Profit/(Loss) from Limited Liability Partnership	4 54 91 274	(96 963)
Purchase of fixed assets	(31 15 872)	(66 57 628)
Interest received	2 18 90 187	94 29 631
Net cash used in investing activities	[B] 3 62 34 745	(16 39 28 924)
C. Cash flow from financing activities		
Procurement/(Repayment) of long/ short term borrowings	(3 00 00 000)	(4 00 00 000)
Interest Expenses	(2 95 30 989)	(2 09 72 096)
Net cash flow from financial activities	[C] (5 95 30 989)	(6 09 72 096)
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	(1 78 427)	(63 72 537)
Cash and cash equivalents opening	74 55 288	1 38 27 825
Cash and cash equivalents closing	56 70 861	74 55 288

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 bracket indicates deletion made from the net profit for deriving the cash flow from operating activities. In part B and part C figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI

Partner



Place : Ahmedabad

FOR ARVIND INFRASTRUCTURE LIMITED

Shalal
Director

M.
Director

Place : Ahmedabad

ARVIND INFRASTRUCTURE LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

(b) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions 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 recognised in the period in which the results are known/ determined.

Significant estimates made by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area.

(c) Revenue Recognition

(i) Recognition of Revenue from real estate projects

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income from operations is net of adjustment on account of cancellation/returns if any.

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the allotment letter/agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

Revenue from projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

(ii) Interest income

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

(d) 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.

(e) 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 and Leave Encashment are accounted for based on actuarial valuation by the company.



(f) Depreciation

- (i) Depreciation on Fixed Assets is provided on Straight Line Method at rates and in the manner specified in Schedule XIV of the Companies Act, 1956
- (ii) Depreciation on additions/deletion is provided on pro rata basis.
- (iii) Intangible assets are amortised over a period of three years.

(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) Unsold Developed Plots / Work In Progress

- (i) Unsold Developed Plots have been valued at lower of cost or realizable value.
- (ii) Work in Progress represents the cost incurred in respect of unsold area of the Project and cost incurred on Project where the revenue is yet to be recognized.

(i) Taxation

Current year tax is provided based on the taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred income taxes are recognized 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 recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset arising from unabsorbed depreciation or carry forward losses under tax laws are recognized only to the extent that there is virtual certainty of realization. Other deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty of realization.

(j) Earnings per Share

Earning per equity share (basic/diluted) is arrived at based on Net Profit after taxation available to equity shareholders to the basic/weighted average number of equity shares.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

2.1 Share Capital

[Amount in ₹]

Particulars	2011-2012	2010-2011
(a) Authorised 50,000 (P.Y.50,000) Equity Shares of ₹10/- each	5 00 000	5 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 preceding the Balance Sheet date, the company has not:

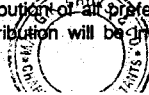
- (i) allotted any fully paidup equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) brought back any equity shares

(c) Reconciliation of number of shares

Particulars	Number of Equity Shares	
	2011-2012	2010-2011
As at April 1, 2011	50000	500000
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
	50000	500000
Less		
Shares bought back / Redemption etc.	0	0
As at March 31, 2012	50000	500000

(d) Rights, Preferences and Restrictions

- (i) The company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each holder of equity shares is entitled to one vote per share. However no equity shareholder shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien. Further a member paying the whole or part of amount remaining unpaid on any shares held by him although no part of that amount has been called up shall not be entitled to vote.
- (ii) The holders of equity shares are entitled to receive dividends as declared from time to time. No dividend shall be payable except out of profits of the Company arrived at in the manner provided for in Section 205 of the Companies Act.
- (iii) All shares rank equally with regard to Company's residual assets, except that preference shareholders participate only to the extent of the face value of shares. Accordingly in the event of liquidation of the company the holders of the equity shares will be entitled to received any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

(e) Details of Shareholdings

Number of Shares held by Holding Enterprise

Particulars	Number of Equity Shares		Value ₹	
	2011-2012	2010-2011	2011-2012	2010-2011
Arvind Limited	50000	50000	5 00 000	5 00 000

Shareholders holding more than 5% shares

Particulars	Number of Equity Shares		Value ₹	
	2011-2012	2010-2011	2011-2012	2010-2011
Arvind Limited (100%)	50000	50000	5 00 000	5 00 000

- (f) The company has not issued any share capital which may be used for specific purpose as on balance sheet date.
- (g) The company does not have any shares which have been reserved for issue under options and contract / commitments for the sale of share / disinvestment.
- (h) The company has not issued any preference shares either convertible in to equity or non convertible.
- (i) The Company does not have any calls in arrears / unpaid calls and has not forfeited any shares at balance sheet date.

2.2 Reserves and surplus

[Amount in ₹]

Particulars	2011-2012	2010-2011
Surplus / (Deficit) In Statement of Profit & Loss		
Balance as per previous financial statements	8 55 644	1 70 860
Add : Profit for the year	2 70 43 854	6 84 784
Balance available for appropriation	2 78 99 498	8 55 644
Less : Appropriations	-	-
Net Surplus / (Deficit)	2 78 99 498	8 55 644

2.3 Long term borrowings

[Amount in ₹]

Particulars	Non-current portion		Current maturities	
	2011-2012	2010-2011	2011-2012	2010-2011
Secured Loans				
HDFC Bank (Refer note below)	0.00	0.00	0.00	3 00 00 000
Total :	0.00	0.00	0.00	3 00 00 000

Note

₹ NIL (Previous Year ₹ 300.00 lacs) Secured against mortgage of property "Arvind Alcove" being land on survey nos. 28 and 38/P at Sanavad, further secured by receivable including booking amounts arising out of or in connection with the project and corporate guarantee by holding company.

Terms of Repayment of Loans

HDFC Bank

The Loan is repayable in quarterly installments of Rupees One Crore every quarter. There is no default in repayment of either principal amount



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

2.4 Deferred tax liabilities (Net)

The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between book depreciation and Income tax depreciation for the current year.

[Amount in ₹]

Particulars	2011-2012	2010-2011
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	7 55 029	5 14 823
Net Deferred Tax Liability / (Asset)	7 55 029	5 14 823

2.5 Long term provisions

[Amount in ₹]

Particulars	2011-2012	2010-2011
For Employee Benefits		
Gratuity	5 98 192	-
Privileged / Earned Leave	2 20 097	-
	8 18 289	-

2.6 Short term borrowings

[Amount in ₹]

Particulars	2011-2012	2010-2011
Unsecured		
Loans Repayable on demand		
Related parties	2 37 40 000	-
Other - Intercorporate Deposits	30 70 00 000	21 60 00 000
	33 07 40 000	21 60 00 000

2.7 Trade payables

[Amount in ₹]

Particulars	2011-2012	2010-2011
Related Party	2 38 969	-
(Refer Note 2.29)		
Others	37 30 598	27 13 403
	39 67 565	27 13 403



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

2.8 Other current liabilities

[Amount in ₹]

Particulars	2011-2012	2010-2011
Advances from Customers <i>(Net of Service Tax recoverable ₹ 14,79,256/- (P.Y. NIL)</i>	4 58 14 751	24 475
Interest Accrued and due on short term borrowings		
Related parties	10 63 289	-
Others - Intercorporate Deposit	50 98 598	36 24 793
	<u>61 61 887</u>	<u>36 24 793</u>
Other Payables		
Retention money	4 28 377	-
Statutory dues	16 08 975	9 85 719
	<u>20 34 352</u>	<u>9 85 719</u>
	<u>8 40 10 990</u>	<u>46 14 987</u>

2.9 Short term provisions

[Amount in ₹]

Particulars	2011-2012	2010-2011
Employee Benefits		
Gratuity	8 424	-
Leave Encashment	33 458	-
	<u>41 880</u>	<u>-</u>



ARVIND INFRASTRUCTURE LIMITED

Notes forming part of accounts

Non Current Assets

Tangible Assets

[Amount in ₹]

Description of Assets	Gross Block at Cost				Depreciation				Net Book Value	
	As at April 01, 2011	Additions during the year	Deletions/ Adjustment during the year	As at March 31, 2012	Up to March 31, 2011	For the year	Deletions/ Adjustment during the year	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
Site Equipments	14 39 981	21 64 260	-	36 04 241	41 670	97 033	-	1 38 703	34 65 538	13 98 311
Furniture & Fixture	51 475	1 00 773	-	1 52 248	2 552	13 367	-	15 919	1 36 329	48 921
Office Equipments	60 086	5 59 653	-	6 19 739	3 159	57 847	-	61 008	5 58 733	56 921
Computer	3 36 579	2 20 311	-	5 56 890	4 661	71 256	-	75 917	4 80 973	3 31 911
Vehicle	6 01 325	-	-	6 01 325	37 544	68 196	-	1 05 740	4 95 585	5 63 781
Total :	24 89 446	30 44 997	-	55 34 443	89 586	3 07 699	-	3 97 285	51 37 158	23 99 861
Previous Year	29 400	24 60 046	-	24 89 446	674	88 912	-	89 586	23 99 860	



ARVIND INFRASTRUCTURE LIMITED

Notes forming part of accounts

Non Current Assets

Intangible assets

[Amount in ₹]

Description of Assets	Gross Block at Cost				Amortisation				Net Book Value	
	As at April 01, 2011	Additions during the year	Deletions/ Adjustment during the year	As at March 31, 2012	Up to March 31, 2011	For the year	Deletions/ Adjustment during the year	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
Softwares	41 97 581	87 639	16 764	42 68 456	71 280	14 10 205	5 587	14 75 898	27 92 558	41 26 301
Total :	41 97 581	87 639	16 764	42 68 456	71 280	14 10 205	5 587	14 75 898	27 92 558	41 26 301
Previous Year	-	41 97 581	-	41 97 581	-	71 280	-	71 280	41 26 301	-

Note

During the current Financial Year the opening cost of software has been adjusted by ₹ 16,764/- with corresponding adjustment in depreciation fund.



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

2.12 Non current investments

[Amount in ₹]

Particulars	2011-2012	2010-2011
Unquoted, Trade		
In Partnership Firms		
Ahmedabad East Infrastructure LLP (Capital A/c.)	99 000	99 000
Arvind Bsafal Homes LLP (Capital A/c.)	50 000	50 000
	<u>1 49 000</u>	<u>1 49 000</u>

2.13 Current investments

[Amount in ₹]

Particulars	2011-2012	2010-2011
Unquoted, Trade		
In Partnership Firms		
Ahmedabad East Infrastructure LLP (Current A/c)	(29 488)	28 43 806
Arvind Bsafal Homes LLP (Current A/c)	19 45 15 296	18 36 11 158
	<u>19 44 85 808</u>	<u>18 64 54 964</u>

2.14 Inventories

(As taken, valued and certified by the Management)

[Amount in ₹]

Particulars	2011-2012	2010-2011
Construction Work-in-Progress	7 49 93 359	-
Finished Goods (Unsold plots of Land)	2 13 00 975	2 76 96 030
	<u>9 62 94 334</u>	<u>2 76 96 030</u>

(Refer Note 1(h))

2.15 Trade Receivable

(Unsecured, considered good, unless otherwise stated)

[Amount in ₹]

Particulars	2011-2012	2010-2011
Debt outstanding for the period exceeding six months	-	-
Others debts	18 33 105	61 47 098
	<u>18 33 105</u>	<u>61 47 098</u>

Amount due from Directors and Other Officials ₹ NIL lacs (P.Y. ₹ NIL lacs)



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

2.16 Cash and Cash Equivalents

[Amount in ₹]

Particulars	2011-2012	2010-2011
Balances with scheduled banks		
Current / Cash Credit accounts	52 52 209	74 27 684
Cash in hand	4 18 652	27 605
	<u>56 70 861</u>	<u>74 55 289</u>

2.17 Short-term loans and advances
(Considered good unless otherwise stated)

[Amount in ₹]

Particulars	2011-2012	2010-2011
Advances for / to		
Purchase of Land	10 00 00 000	-
Employees	2 40 330	-
	<u>10 02 40 330</u>	<u>-</u>
Contractors & Suppliers		
Related Party	46 81 128	1 25 00 000
Others	66 26 671	2 36 70 205
	<u>1 13 07 799</u>	<u>3 61 70 205</u>
Advance Tax & TDS (Net)	28 092	6 48 136
Others		
Service tax on Input Services	46 608	-
Prepaid Expenses	3 77 484	-
	<u>4 24 092</u>	<u>-</u>
	<u>11 20 00 313</u>	<u>3 68 16 341</u>

2.18 Other Current Assets

[Amount in ₹]

Particulars	2011-2012	2010-2011
Interest accrued but not due		
Deposits & Other Recoverables	2 178	37 10 217
Deposits		
Electricity and Others	3 45 536	2 28 757
Others	7 400	-
	<u>3 52 936</u>	<u>2 28 757</u>
Other Bank balances		
With maturity for more than 12 month	15 000	15 000
	<u>3 70 114</u>	<u>39 53 974</u>



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

2.19 Revenue from operations

	[Amount in ₹]	
Particulars	2011-2012	2010-2011
Sale of Developed Land	54 93 600	20 43 28 879
Relinquishment of Rights in Land	-	9 34 50 000
Other Operating Revenue		
Interest Income from Limited Liability Partnership	1 81 41 088	31 01 927
Profit from Limited Liability	4 54 91 274	(96 983)
Plot Cancellation Charges	-	50 000
Plot Transfer Fees	-	2 50 000
Recovery- N.A. Charges	6 86 700	8 62 500
Recovery -Documents Charges	11 000	-
Club House Facility Usage Chages	1 87 073	-
	<u>6 45 17 135</u>	<u>41 67 464</u>
	<u>7 00 10 735</u>	<u>30 19 44 343</u>

2.20 Other Income

	[Amount in ₹]	
Particulars	2011-2012	2010-2011
Interest Income		
From Bank	1 150	17 545
Others	39 910	1 00 20 377
	<u>41 060</u>	<u>1 00 37 922</u>
Other Non-Operating Income		
Income From Manpower Supply Charges.	7 22 386	-
Sundry Credit Balance Written Back	2 88 043	7 023
Excess Provision for Income Tax	44 530	-
Scrap Sales	1 65 472	8 060
Miscellaneous	70 198	550
	<u>12 90 629</u>	<u>15 633</u>
	<u>13 31 689</u>	<u>1 00 53 555</u>

2.21 Project Development Expenses

	[Amount in ₹]	
Particulars	2011-2012	2010-2011
Construction Materials	2 34 97 735	-
Labour charges	1 70 46 028	-
Architect Fees	1 03 93 263	4 04 70 650
Statutory & Professional Fees	20 74 263	1 69 980
Power & Fuel	9 73 694	4 09 517
Kitchen and other Equipments	13 45 415	-
Others	2 13 769	-
	<u>5 55 44 167</u>	<u>4 10 50 147</u>



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

2.22 Changes in Inventories

	[Amount in ₹]	
Particulars	2011-2012	2010-2011
Closing Stock		
Finished Goods (Unsold Plots of Land)	2 13 00 975	2 78 96 030
Construction Work-in-Progress	7 49 83 358	-
	<u>9 62 84 334</u>	<u>2 78 96 030</u>
Opening Stock		
Finished Goods (Unsold Plots of Land)	2 78 96 030	9 10 00 000
Construction Work-in-Progress	-	17 99 32 001
	<u>2 78 96 030</u>	<u>27 09 32 001</u>
Decrease / (Increase) in Inventories	(6 85 98 304)	24 32 35 971

2.23 Employees Benefits Expenses

	[Amount in ₹]	
Particulars	2011-2012	2010-2011
Salary, Allowances, Wages & Bonus	96 76 189	-
Contribution to Provident & other funds	11 81 966	-
Staff Welfare expenses	2 27 562	59 287
	<u>1 10 85 697</u>	<u>59 287</u>

2.24 Finance Cost

	[Amount in ₹]	
Particulars	2011-2012	2010-2011
Interest on:		
Unsecured Loans	2 94 58 745	1 67 17 419
On Cash credit and Short term Loans	23 63 082	76 66 164
	<u>3 18 21 827</u>	<u>2 43 83 583</u>
Other Borrowing Cost		
Loan Processing Fees	2 46 256	2 13 306
	<u>3 20 68 083</u>	<u>2 45 96 889</u>



ARVIND INFRASTRUCTURE LIMITED

2 Notes forming part of accounts

2.25 Administration and other Expenses

[Amount in ₹]

Particulars	2011-2012	2010-2011
Repairs and Maintenance:		
Buildings	34 517	-
Plant, Machinery and Other Equipments	4 814	-
Information Technology Expenses	11 00 233	-
Others	59 328	18 211
	<u>11 98 892</u>	<u>18 211</u>
Travelling Expenses:	19 17 754	33 487
Selling and Distribution Expense		
Advertisement	36 59 704	-
Promotion Materials	13 39 641	22 969
	<u>49 99 345</u>	<u>22 969</u>
Consumables	6 20 627	4 04 707
Printing and Stationery	2 41 476	53 795
Insurance Charges	61 806	14 059
Rent, Rates & Taxes	4 38 406	1 18 627
Communication Expenses	28 557	17 599
Facility Management Cost	10 40 668	-
Security Service Charges	6 10 505	91 329
Legal and Professional Charges	-	2 37 325
Auditors Remuneration	84 270	82 725
Donation	61 000	22 000
Miscellaneous Expenses	9 45 098	1 94 482
	<u>1 22 48 404</u>	<u>13 11 315</u>



ARVIND INFRASTRUCTURE LIMITED

2. NOTES FORMING PARTS OF ACCOUNTS... Continued.

2.26 Contingent Liabilities and Capital commitments

[Amount in ₹]

Particulars	2011-2012	2010-2011
Contingent Liabilities	NIL	NIL
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
Other commitments		
Construction		
For Supply of Construction Material and Labour	4,00,58,902	46,95,805

2.27 Employee Benefits

(a) Defined contribution to Provident fund and Employee state Insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized Rs. 11,81,966/- (P.Y. Rs. NIL/-) as expense towards contributions to these plans.

(b) Defined Contribution Benefit Plans(Gratuity and Leave Encashment)

The following table sets out the status of the gratuity scheme non funded plan as at 31st March, 2012.

[Amount in ₹]

Particulars	Gratuity	Leave Encashment
Changes in the present value of obligation		
Present value of obligation (Opening)	--	--
Interest cost	--	--
Past service cost	--	--
Current service cost	6,06,616	2,53,553
Curtailment Cost / (Gain)	--	--
Settlement Cost / (Gain)	--	--
Benefits paid	--	--
Actuarial (Gain) / Loss	--	--
Present value of obligation (Closing)	6,06,616	2,53,553
Changes in the fair value of plan assets	--	--

... Continued..



(b) Defined Contribution Benefit Plans(Gratuity) ... Continued..

[Amount in ₹]

Particulars	Gratuity	Leave Encashment
Percentage of each category of plan assets to total fair value of plan assets at the year end	--	--
Reconciliation of the present value of defined benefit obligation and the fair value of assets	--	--
Amount recognized in the balance sheet		
Present value of obligation as at the year end	6,06,616	2,53,553
Fair value of plan assets as at the year end	--	--
(Asset) / Liability recognized in the balance sheet	6,06,616	2,53,553
Expenses recognized in the profit & loss account		
Current service cost	6,06,616	2,53,553
Past service cost	--	--
Interest cost	--	--
Expected return on plan assets	--	--
Curtailment Cost / (Credit)	--	--
Settlement Cost / (Credit)	--	--
Net Actuarial (Gain) / Loss	--	--
Employee's Contribution	--	--
Total expenses recognized in the profit and loss statement	6,06,616	2,53,553
Principal actuarial assumption (Rate of Discounting)		
Rate of discounting	8.50%	8.50%
Expected return on plan assets	--	--
Rate of increase in salaries	4.00%	4.00%
Attrition Rate (Employees opting for early retirement)	2.00%	2.00%

The estimates of future salary increases take account is on the basis of current salary suitably projected for future, taking into consideration the general trend in salary rise and inflation rate.

2.28 Particulars of Earning per Share:

Particulars	2011-2012	2010-2011
Net Profit/ (Loss) for the year (Amount in ₹)	2,70,43,854	6,84,784
Number of equity shares	50 000	50 000
Nominal value of the share ₹	10	10
Earning per Share ₹	540.88	13.70

The company has not issued any equity shares during the year.



2.29 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 Accel Limited	Fellow Subsidiary Company
3	Ahmedabad East Infrastructure LLP	Associate Enterprise (Partner in LLP)
4	Arvind B Safal LLP	Associate Enterprise (Partner in LLP)

(b) Transactions with related parties

[Amount in ₹]

Sr. No.	Nature of transaction	2011-2012	2010-2011
(i)	Reimbursement of Expenditure		
	- Holding Company	1,71,998	--
	- Associate Enterprise	7,22,386	--
(ii)	Advance against right of land		
	Holding Company	46,81,128	9,34,50,000
(iii)	Purchase of Services		
	- Associate Enterprise	4,18,795	--
	- Fellow Subsidiary Company	4,09,491	--
(iv)	Interest Expenses		
	- Holding Company	19,02,614	--
(v)	Interest Income		
	- Holding Company	--	1,00,10,284
	- Associate Enterprise	1,80,19,534	31,01,927
(vi)	Loans and Advances (Given during the year)		
	Holding Company	3,70,00,000	34,80,78,962
(vii)	Loans and Advances (Repaid during the year during the year)		
	Holding Company	4,95,00,000	33,55,78,962
(ix)	Unsecured Loan (taken during the year)		
	Holding Company	14,07,02,614	--
(x)	Unsecured Loan (taken during the year)		
	Holding Company	11,58,99,325	--
(xi)	Capital Contributions (Made during the year)		
	- Associate Enterprise	4,24,25,000	31,86,49,000
(xii)	Capital Contributions (Withdrawal during the year)		
	- Associate Enterprise	7,79,04,964	15,50,50,000
(xiii)	Share in Profit/(Loss)		
	- Associate Enterprise	4,54,91,274	(96,963)



(c) Outstanding Balances as at March, 31, 2012

[Amount in ₹]

Sr. No.	Particulars	2011-2012	2010-2011
(i)	Equity Share capital - Holding Company	5,00,000	5,00,000
(i)	Balance Receivable As Loans and Advances - Holding Company	--	1,25,00,000
	As Advance against land right - Holding Company	48,81,128	--
(ii)	Balance Payable As Short term borrowings - Holding Company	2,48,03,289	--
	As Creditors - Associate Enterprise (Partner in LLP)	64,971	--
	- Holding Company	1,71,998	--
(iii)	Capital Contributions - Associate Enterprises	19,46,34,808	16,66,03,964

2.30 Dividend proposed by directors to be distributed to equity shareholders of the company for the year is ₹ NIL per share (Previous Year ₹ NIL per share).

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


2.32 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). However, 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.

2.33 Other information required in terms of para (viii) of part II of Schedule VI to the Companies Act, 1956, are not applicable, hence not disclosed.

2.34 Previous year figures have been regrouped, reworked and reclassified wherever necessary.



As per report attached of even date.

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


ROHIT K. CHOKSI
Partner



FOR AND ON BEHALF OF BOARD

 
Director Director

Place : Ahmedabad
Date : 21st April, 2012

Place : Ahmedabad
Date : 21st April, 2012