

ARVIND ACCEL LIMITED
LALBHAI GROUP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2010

ARVIND ACCEL LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of ARVIND ACCEL LIMITED will be held on Thursday, the 23rd September, 2010 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, 2010 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.

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

BY ORDER OF THE BOARD



Jayesh K. Shah
Director



Jagdish G. Dalal
Director

Date : 22nd May, 2010
Place : Ahmedabad

ARVIND ACCEL LIMITED

Directors' Report

**To,
The Members,**

Your Directors present their SECOND Annual Report together with the audited statements of accounts for the year ended on 31st March, 2010.

1. FINANCIAL RESULTS :

During the year your Company had made a loss of Rs. 5,62,460/- after Depreciation of Rs. 93,427/- and before provision of Taxation of Rs. 47,166/-. Thereafter a net Loss of Rs. 6,09,626/- is carried forward to the Balance Sheet.

2. OPERATIONS :

Income from Operations and Other Income for the year ended 31st March, 2010 is Rs. 6,49,28,353/-. The Company's net Loss for the year is Rs. 6,09,626/-. Interest & Finance Charges are Rs.9,81,738/- and Depreciation was Rs.93,427/-.

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. DIRECTORS :

Mr. Jayesh K. Shah, 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 offer himself for re-appointment.

6. 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, 2010 have been prepared on a going concern basis.

7. INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES :

Information required 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 and under Section 217(2A) of the Companies Act, 1956 read with Companies [Particulars of Employees] Rules, 1975, as amended from time to time, form part of this report. However, as per the provisions of Section 219(1)(b)(iv), the report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earning and outgo and the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Director for a copy.

8. 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 : 22.05.2010
Place : Ahmedabad

G. K. Choksi & Co.

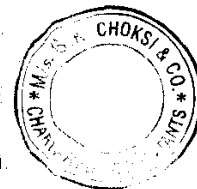
Chartered Accountants

'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, 2010, 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, 2010 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 : 91-2697-224108

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, 2010,
 - ii. in the case of the Profit and Loss Account, of the loss 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.: 311 03

Place : Ahmedabad
Date : 22nd May, 2010



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 2010. 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 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 granted an interest free loan to the Holding Company. The maximum amount involved during the year was Rs. 52,60,760 and the year end balance is Rs. 2,60,760.
- (b) In our opinion, the other terms and conditions of the loans given are prima-facie, not prejudicial to the interest of the company.
- (c) The question of regular recovery of principal amount does not arise as the loans are repayable on demand.
- (d) The company has taken an interest free unsecured loan from the Holding company. The maximum amount involved during the year was Rs. 1,70,00,000/- and the year end balance is Rs. NIL/-.
- (e) The terms and conditions of such interest free loan are not prima facie prejudicial to the interest of the company.
- (f) According to the information and explanation given to us, the principal amount of such interest free loan is repayable on demand.
- 4 In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and with regard to services.

However, the internal control procedure in respect of other areas in general needs to be strengthened to make it commensurate with the size of the company and nature of its business.



- 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 lakhs 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 company is neither listed nor paid-up capital and reserves exceeding Rs. 50 Lakhs nor average annual turnover exceeds Rs. 5 Crores. Accordingly clause 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, 2010.
- 10 The period under review is the second year of the operation of the company, so it has been in existence for period less than five years. Accordingly clause 4(x) of the order 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 clause 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 clause 4(xii) of the order is not applicable.
13. The company is not Chit fund, Nidhi, Mutual Benefit Funds or a Society. Accordingly clause 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 clause 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 clause 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 clause 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 clause 4(xviii) of the order is not applicable.
19. During the period covered by audit report, the company has not issued any debentures. Accordingly clause 4(xix) of the order is not applicable.
20. The company has not raised any money by public issues during the year. Accordingly clause 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.

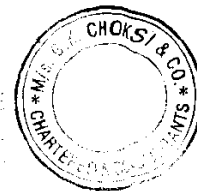
FOR G. K. CHOKSI & CO.
Firm Registration No. 101895W
Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI

Partner

Mem. No.: 31 103

Place : Ahmedabad
Date : 22nd May, 2010



ARVIND ACCEL LIMITED

Balance Sheet as at 31st March, 2010

Particulars	Schedule	As at 31/03/2010		As at
		Amount (Rs.)	Amount (Rs.)	31/03/2009 Amount (Rs.)
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	5 00 000		5 00 000
Reserves and Surplus	B	<u>5 52 439</u>		<u>11 62 065</u>
			10 52 439	<u>16 62 065</u>
Loan Funds	C		0	25 00 000
Total :			<u>10 52 439</u>	<u>41 62 065</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	D	33 86 014		3 95 341
Less : Depreciation		<u>1 09 326</u>		<u>15 899</u>
Net Block:			32 76 688	<u>3 79 442</u>
Deferred Tax Assets			80 990	1 28 156
Current Assets, Loans & Advances				
Interest accrued but not due	E	1 59 061		1 20 196
Inventories		1 12 27 668		0
Sundry Debtors		1 49 28 037		72 42 336
Cash and Bank Balances		1 09 40 647		73 85 517
Loans and Advances		<u>76 46 312</u>		<u>44 88 892</u>
			4 49 01 725	<u>1 92 36 941</u>
Less: Current Liabilities and Provisions				
Current Liabilities	F	4 65 06 964		1 48 52 394
Provisions		<u>7 00 000</u>		<u>7 30 080</u>
			4 72 06 964	<u>1 55 82 474</u>
Net Current Assets :			(23 05 239)	36 54 467
Total :			<u>10 52 439</u>	<u>41 62 065</u>

Significant Accounting Policy 'L'
Notes forming part of the Accounts 'M'

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



FOR AND ON BEHALF OF THE BOARD

Director
Director

Director
Director

Place : Ahmedabad
Date : 22nd May, 2010

Place : Ahmedabad
Date : 22nd May, 2010

ARVIND ACCEL LIMITED

Profit and Loss Account for the period ended 31st March, 2010

Particulars	Schedule	For the year ended 31/03/2010		For the period
		Amount (Rs.)	Amount (Rs.)	ended 31/03/2009
				Amount (Rs.)
INCOME				
Income from Operations		5 24 91 693		4 13 47 810
Other Income	G	12 08 992		4 91 315
Increase/Decrease in Stock	H	1 12 27 668		0
			6 49 28 353	4 18 39 125
EXPENDITURE				
Operating Expenses	I	5 34 12 791		3 24 93 042
Administrative and Other expenses	J	1 10 02 857		75 26 974
Interest & Financial Charges	K	9 81 738		39 221
Depreciation		93 427		15 899
			6 54 90 813	4 00 75 136
Profit before Tax			(5 62 460)	17 63 989
Provision				
Current Tax		0		7 00 000
Deferred Tax		47 166		(1 28 156)
Fringe Benefits Tax		0		30 080
			47 166	6 01 924
Profit After Tax			(6 09 626)	11 62 065
Balance brought forward from previous year			11 62 065	0
Balance carried to Balance Sheet			5 52 439	11 62 065
Basic and diluted earnings per equity share (Refer note no. 5 of Schedule-'M')			(12.19)	22.03

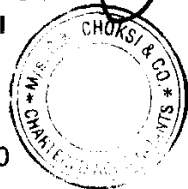
Significant Accounting Policy 'L'
Notes forming part of the Accounts 'M'

As per our attached report of even date

FOR G. K. CHOKSI & CO.

Firm Registration No. 101095W
Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI
Partner



Place : Ahmedabad
Date : 22nd May, 2010

FOR AND ON BEHALF OF THE BOARD

Hemalal Joshi
Director

Joshi
Director

Place : Ahmedabad
Date : 22nd May, 2010

ARVIND ACCEL LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2010

Particulars	For the year ended 31/03/2010	For the period ended 31/03/2009
A. Cash flow from operating activities:		
Net profit before taxation, and extra ordinary item:	(562,460)	1,763,989
Adjustments for:		
Depreciation and amortisation	93,427	15,899
Interest Expenses	981,738	9,371
Interest Income	(328,844)	(151,381)
	<u>746,321</u>	<u>(126,111)</u>
Operating profit before working capital changes	183,861	1,637,879
Changes in Operating Assets and Liabilities		
Increase in Sundry Debtors	(7,685,701)	(3,384,953)
Increase in Other Current Assets	(14,415,168)	(3,977,579)
Increase in Current Liabilities	31,654,570	10,363,502
Net Cash from Operating Activities	<u>9,737,562</u>	<u>4,638,848</u>
B. Cash flow from investing activities:		
Purchase of Fixed Assets	(2,990,673)	(395,341)
Interest Received	289,979	151,381
Net cash used in investing activities (b)	<u>(2,700,694)</u>	<u>(243,960)</u>
C. Cash flow from financing activities:		
Proceeds from issuance of Share Capital	-	500,000
Proceeds from Long Term Borrowings	(2,500,000)	2,500,000
Interest Paid	(981,738)	(9,371)
Net cash flow from financial activities (c)	<u>(3,481,738)</u>	<u>2,990,629</u>
Net Increase/(Decrease) in cash and cash equivalents (a)+(b)+(c)	3,555,130	7,385,517
Cash and cash equivalents at the beginning of the year	<u>7,385,517</u>	-
Cash and cash equivalents at the end of the year	<u><u>10,940,647</u></u>	<u><u>7,385,517</u></u>

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared in accordance with the format prescribed by Securites and Exchange Board of India & 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.

FOR G. K. CHOKSI & CO.

Firm Registration No. 101895W
Chartered Accountants

Rohit Choksi
ROHIT K. CHOKSI
Partner



Place: Ahmedabad
Date : 22nd May, 2010

FOR AND ON BEHALF OF THE BOARD

Sudhakar Jope
Director

Place: Ahmedabad
Date : 22nd May, 2010

ARVIND ACCEL LIMITED

Schedule - 'A' : Shareholders' Funds

Particulars	As at 31/03/2010		As at
	Amount (Rs.)	Amount (Rs.)	31/03/2009 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 - 'B' : Reserves and Surplus

Profit and Loss Account		5 52 439	11 62 065
Total :		<u>5 52 439</u>	<u>11 62 065</u>

Schedule - 'C' : Loan Funds

Unsecured Loans From Holding Company		0	25 00 000
Total :		<u>0</u>	<u>25 00 000</u>



ARVIND ACCEL LIMITED

Schedule - 'D' : Fixed Assets

Particulars	Gross Block (At cost)				Depreciation				Net Block As at 31/03/2010 Amount (Rs.)	Net Block As at 31/03/2010 Amount (Rs.)
	As at 01/04/2009 Amount (Rs.)	Additions Amount (Rs.)	Adjustment Amount (Rs.)	31/03/2010 Amount (Rs.)	Upto 31/03/2009 Amount (Rs.)	For the year Amount (Rs.)	Deductions Amount (Rs.)	Upto 31/03/2010 Amount (Rs.)		
Office Equipments	0	49 300	0	49 300	0	539	0	539	48 761	0
Furniture and Fixtures	0	61 542	0	61 542	0	1 618	0	1 618	59 924	0
Computer	0	2 33 070	0	2 33 070	0	6 425	0	6 425	2 26 645	0
Vehicles	3 79 591	7 85 454	0	11 65 045	15 610	54 595	0	70 205	10 94 840	3 63 981
Plant and Machinery	15 750	18 61 307	0	18 77 057	289	30 250	0	30 539	18 46 518	15 461
Total :	3 95 341	29 90 673	0	33 86 014	15 899	93 427	0	1 09 326	32 76 688	3 79 442
Previous Year :	0	3 95 341	0	3 95 341	0	15 899	0	15 899	3 79 442	



ARVIND ACCEL LIMITED

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

Particulars	As at 31/03/2010		As at
	Amount (Rs.)	Amount (Rs.)	31/03/2009 Amount (Rs.)
Interest accrued but not due		1 59 061	1 20 196
Inventories (Refer Note 11 of Schedule 'M')			
Raw Material	53 79 117		0
Trading Material	10 86 234		0
Material at Site	47 62 317		0
		1 12 27 668	0
Debtors (Unsecured, Considered Good)			
More than six month [Due from Fellow Subsidiary Companies Rs. 4,76,257/- (P. Y. Rs. NIL)]	20 52 990		11 29 400
Others [Due from Holding Company and Fellow Subsidiary Companies Rs. 12,67,026/- (P. Y. Rs. NIL)]	1 28 75 047		61 12 936
		1 49 28 037	72 42 336
Cash and Bank Balances			
Cash on hand	7 81 627		5 01 885
<i>Balance with banks</i>			
In Current Account	40 49 020		43 73 632
Fixed Deposits	61 10 000		25 10 000
		1 09 40 647	73 85 517
Loans and Advances (Unsecured)			
Advances recoverable in cash or in kind or for value to be received	70 85 882		44 75 392
Deposits	5 60 430		13 500
		76 46 312	44 88 892
Total :		4 49 01 725	1 92 36 941



ARVIND ACCEL LIMITED

Schedule - 'F' : Current Liabilities and Provisions

Particulars	As at 31/03/2010		As at
	Amount (Rs.)	Amount (Rs.)	31/03/2009 Amount (Rs.)
Current Liabilities			
<i>Sundry Creditors</i>			
For Goods	8 12 478		7 68 407
For Expenses	44 16 748		74 50 727
	<u>52 29 226</u>		<u>82 19 134</u>
Other Liabilities	4 12 77 738		66 33 260
		4 65 06 964	<u>1 48 52 394</u>
Provisions			
For Income-tax	7 00 000		7 00 000
For Fringe Benefit Tax	<u>0</u>		<u>30 080</u>
		7 00 000	<u>7 30 080</u>
Total :		<u>4 72 06 964</u>	<u>1 55 82 474</u>



ARVIND ACCEL LIMITED

Schedule - 'G' : Other Income

Particulars	For the year ended 31/03/2010		For the period
	Amount (Rs.)	Amount (Rs.)	ended 31/03/2009
			Amount (Rs.)
Commission (Tax Deducted at Source Rs. 20,342 P. Y. Rs. 39,436)		8 49 197	3 39 935
Interest on Fixed Deposit (Tax Deducted at Source Rs. 38,501 P. Y. Rs. 31,184)		3 28 844	1 51 380
Foreign Exchange Fluctation		18 351	0
Miscellaneous		12 600	0
Total :		<u>12 08 992</u>	<u>4 91 315</u>

Schedule - 'H' : Increase/Decrease in Stock

Closing Stocks			
Raw Material	53 79 117		0
Trading Material	10 86 234		0
Material at Site	<u>47 62 317</u>		<u>0</u>
		1 12 27 668	<u>0</u>
Opening Stock			
Finished Goods	0		0
Work in Process	0		0
Traded Goods	<u>0</u>		<u>0</u>
		0	<u>0</u>
Increase/(Decrease) in stock :		<u>1 12 27 668</u>	<u>0</u>



ARVIND ACCEL LIMITED

Schedule - 'I' : Operating Expenses

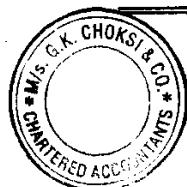
Particulars	For the year ended 31/03/2010		For the period
	Amount (Rs.)	Amount (Rs.)	ended 31/03/2009 Amount (Rs.)
Material (Including Freight)		2 14 59 412	0
Civil Construction Work		1 18 53 058	49 09 697
Supply, Erectioning & Commissioning		47 34 415	2 62 66 663
Professional and consultancy charges		8 79 076	7 34 185
Purchase of Traded Materials		1 15 77 305	5 19 600
Site Expenses		28 92 668	41 500
Miscellaneous labour charges		16 857	21 397
Total :		5 34 12 791	3 24 93 042

Schedule - 'J' : Administrative and Other Expenses

Payments to and Provision for Employees	71 64 810	66 55 900
Fees & Legal	9 12 380	1 17 936
Travelling Expenses	13 50 805	4 93 672
Audit Fees	1 00 000	50 000
Repairs and Maintenance	7 61 613	0
Insurance	34 148	0
Printing and Stationary	1 48 672	20 073
Telephone Expenses	39 256	33 872
Advertisement & Business Promotion	1 50 547	1 259
Other Expenses	3 40 626	1 54 262
Total :	1 10 02 857	75 26 974

Schedule - 'K' : Interest and Financial Charges

Interest on Tax	26 117	9 371
Bank Gurantee Commission	8 86 293	0
Bank Charges	69 328	29 850
Total :	9 81 738	39 221



ARVIND ACCEL LIMITED

SCHEDULE - 'L' : 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**

Raw Materials, Trading Material and Material at Site are valued at lower of cost or realisable value.

(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 and the expenditure incurred for construction contracts and project contracts that relate to future activity on the contract and yet to be billed are considered and classified as contract work in progress.

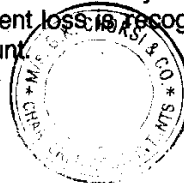
Percentage of completion is determined by the proportion that contract cost incurred for work performed up to reporting date bears to the estimated total contract cost.

- (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 is 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.

(vii) 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) Preliminary and Pre-operative Expenses

Preliminary expenses have been written off in the year when such expenditure incurred.

(xi) 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.



SCHEDULE - 'M' : 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	2009-2010	2008-2009
Contract Revenue recognized as revenue in the year	36817771	38258371
Contract Cost incurred and recognized Profits (less recognized losses) upto the reporting date	36817771	38258371
Advance Received	27153623	--
Gross amount due from customers for contract work including unrealized debtors	12572785	7235711

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. 3,19,611 (P. Y. Rs. 94,708/-) as expense towards contribution to this plan.

- (b) Liability for gratuity

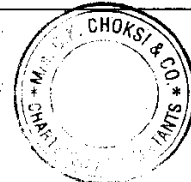
The company provided for employee Gratuity Benefits Liability based on the computation done by the Company at the year end on actual basis, however, to comply with "Accounting Standard – 15: Employee Benefits" notified by The Companies Accounting Standard Rules, 2006 the company has adopted actuarial valuation method to measure the employee Gratuity Benefits Liability from the year under review.

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2010:

[Amount in Rs.]

Particulars	Gratuity
Changes in Present Value of Obligations	
Present Value of Obligation as at the beginning of the year	NIL
Interest Cost	NIL
Current Service Cost	63,618
Actuarial (gain) / Loss on obligations	46,700
Benefits paid	NIL
Present value of Obligation as at the end of the year	1,10,318

... Continued..



... Continued..

[Amount in Rs.]

Particulars	Gratuity
Changes in fair value of plan assets	
Fair Value of Plan Assets at the beginning of the year	NIL
Expected Return on Plan Assets	NIL
Contributions	NIL
Actuarial Gain / (loss) on Plan Assets	NIL
Benefits paid	NIL
Fair Value of Plan Assets at the end of the year	NIL
Amount recognized in balance sheet	NIL
Present Value of Obligations as at the end of the year	1,10,318
Fair value of plan Assets as at the end of the year	NIL
Net Asset / (Liability) recognized in Balance sheet	1,10,318
Expenses recognized in the Profit and loss account	
Current Service Cost	63,618
Interest Cost	NIL
Expected Return on Plan Assets	NIL
Net actuarial (gain) / loss recognized in the year	46,700
Expenses Recognized in the statement of Profit & Loss*	1,10,318
Assumptions	
Discount rate	8.30%
Rate of increase in compensation levels	7%
Rate of return on plan assets	NIL
Age of Retirement	58 Years

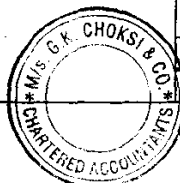
* Expenditure in respect of Retirement Benefits recorded in Profit and Loss Account is net off excess provision amounting to Rs. 77,610.

3. Segment Reporting

(A) Primary Segment (Business Segment)

[Amount Rs.]

Particulars	2009-2010	2008-2009
Segment Revenue		
(a) Civil Construction	32204895	5887783
(b) Supply, Erection & Commissioning	4612877	32521969
(c) Others	16882913	3429374
Total	53700685	41839126
Segment Expense		
(a) Civil Construction	18699794	4909698
(b) Supply, Erection & Commissioning	4517557	30382310
(c) Others	11272586	940785
Total	34489937	36232793
Segment Result before Unallocated Expenditure	19210747	3842344
Profit Before Tax	(562461)	1763989
Provision for Tax	47166	601924
Profit After Tax	(609627)	1162065



... Continued..

(A) Primary Segment (Business Segment) ... Continued..

Other Information

Particulars	2009-2010	2008-2009
Segment Assets		
(a) Civil Construction	26009619	5296294
(b) Supply, Erection & Commissioning	2207980	4840293
(c) Others	2565751	--
(d) Unallocated Assets	17585378	10136587
Total	48368728	18905876
Segment Liabilities		
(a) Civil Construction	36663109	4475565
(b) Supply, Erection & Commissioning	2723767	3860251
(c) Others	168435	--
(d) Unallocated Assets	7060979	8290170
Total	48368728	16625987
Depreciation		
(a) Civil Construction	46064	289
(b) Supply, Erection & Commissioning	--	--
(c) Others	--	--
(d) Unallocated Assets	47363	15610
(e) Unallocated non cash expenditure other than Depreciation	--	53536

(B) Secondary Segment (Geographical by Customers)

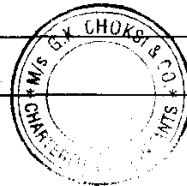
The company does not operate in multiple geographical area, hence Secondary Segment Information has not been disclosed.

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*

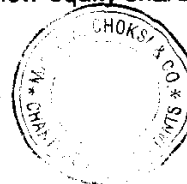
[Amount in Rs.]

Sr. No.	Nature of transaction	Year ended on 31/03/2010	Period ended on 31/03/2009
(i)	Purchase of goods (Net of Purchase Return) - Holding Company	--	514600
(ii)	Purchase of Services - Fellow Subsidiary	1301540	--
(ii)	Loans Taken - Holding Company	17550000	2500000
(iii)	Loans Repaid	20050000	--
(iv)	Advances Given - Holding Company	4534353	3954500
(iii)	Advances Recovered - Holding Company	5000000	3228094
(v)	Sale of Goods - Holding Company	10245982	514600
(v)	Sale of Services - Fellow Subsidiary	7679738	1685400
(vi)	Sharing of Expenses - Holding Company	--	4115647
(vii)	Outstanding Balances as at March, 31 st		
	Due to Holding Company		
	- As Sundry Creditors	NIL	4115647
	- Unsecured Loans	NIL	2500000
	Due by Holding Company		
	- As Advances Recoverable	260760	726406
	- As Sundry Debtors	687578	--
	Due to Fellow Subsidiary Company		
	- As Sundry Debtors	1022085	885400

5. **Particulars of Earning per Share:**

Particulars	Year ended on 31/03/2010	Period ended on 31/03/2009
Net Profit/(Loss) for the year	(609626)	1162065
Number of equity shares (Weighted Average)	50000	52740
Nominal value of the share	10	10
Basic, as well as, diluted Earning per Share Rs.	(12.19)	22.03

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, 2010 are as follows :

[Amount in Rs.]

Particulars	Year ended on 31/03/2010		Period ended on 31/03/2009	
	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	--	163576	--	27253
Disallowances U/s. 40(a)	105676	--	143602	--
Disallowances U/s. 35D	10734	--	11808	--
Net Deferred Tax Liability/(Asset)	(80990)		(128156)	

7. Contingent Liabilities and Capital commitments

[Amount in Rs.]

Particulars	Year ended on 31/03/2010	Period ended on 31/03/2009
Contingent Liabilities		
Bank Guarantees	40720249	10000
	40720249	10,000
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.

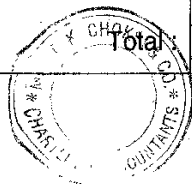
The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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	Year ended on 31/03/2010	Period ended on 31/03/2009
Audit Fees	1,00,000	50,000
Total	1,00,000	50,000



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

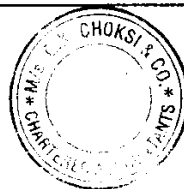
(a) Turnover:

Particulars	Year ended on 31/03/2010		Period ended on 31/03/2009	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Opening Stock	--	--	--	--
Purchase of Traded Goods				
Steel (M.T.)	468.860	14686917	--	--
Cement (No. of Bags)	22664.000	4101786	--	--
Catridge (Nos.)	4372.000	819987	--	--
Denim Fabrics (Mtrs)	--	--	5146	514600
Membrane Antiscalant (Kgs.)	389.000	9768201	25	5000
Sale of Traded Goods				
Steel (M.T.) Consumption	198.848	5274442	--	--
Cement (No. of Bags)	20077.000	3618081	--	--
Catridge (Nos.)	4372.000	982170	--	--
Denim Fabrics (Mtrs)	--	--	5146	514600
Membrane Antiscalant (Kgs.)	343.000	8763183	25	7750
				522350
Closing Stock				
Steel (M.T.)			--	--
1. Stores	151.690	5273218	--	--
2. Site	118.436	4139258	--	--
Cement (No. of Bags)			--	--
1. Stores	563.000	105267	--	--
2. Site	2024.000	378438	--	--
Catridge (Nos.)	--	--	--	--
Denim Fabrics (Mtrs)	--	--	--	--
Membrane Antiscalant (Kgs.)	46.000	1086234	--	--

(b) Value of Imports on CIF Basis:

[Amount in Rs.]

Particulars	2009-2010	2008-2009
Traded Goods	9571177	--



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

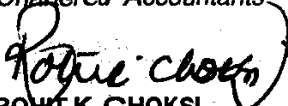
[Amount in Rs.]

Particulars	Year ended on 31/03/2010	Period ended on 31/03/2009
Legal & Professional Fees	24137	35141
Travelling Expenses	33462	--

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 K. CHOKSI
Partner



Place : Ahmedabad
Date : 22nd May, 2010

FOR AND ON BEHALF OF THE BOARD


Director

Place : Ahmedabad
Date : 22nd May, 2010

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, 2010

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	1052	Total Assets	1052
Sources of Funds		Application of Funds	
Paid-up Capital	500	Net Fixed Assets	3276
Share Application Money	--	Deferred Tax Asset	81
Reserve and Surplus	552	Investments	--
Secured Loan	--	Net Current Assets	(2305)
Unsecured Loan	--	Misc. Expenditure	--
		Accumulated Losses	--


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

Turnover & Other Income	53701	Total Expenditure	65490
(+) Profit/(Loss) before tax	(562)	(+) Profit/(Loss) after tax	(610)
Earning per share (Rs.)	(12.19)	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 : 22nd May, 2010