

**ARVIND ACCEL LIMITED**

**ANNUAL REPORT**

**2012-2013**



# ARVIND ACCEL LIMITED

## NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of ARVIND ACCEL LIMITED will be held on Saturday, the 14th September, 2013 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 Statements of Accounts for the financial year ended on 31st March, 2013 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Punit S. Lalbhai, who retires by rotation in terms of Article 149 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

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

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

Date : 27<sup>th</sup> April, 2013

**BY ORDER OF THE BOARD**

<b>Sd/</b>	<b>Sd/</b>
<b>Jayesh K. Shah</b>	<b>Punit S. Lalbhai</b>
<b>Director</b>	<b>Director</b>

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

***DIRECTORS' REPORT***

**To,**  
**The Members,**

Your Directors are pleased to present their FIFTH Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2013.

**1. FINANCIAL RESULTS :**

During the year your Company has incurred a net loss of Rs. 7,80,75,037/- after depreciation and amortization of Rs. 1,38,12,259/- and provision of Taxation for Rs. 4,39,606/- and the same is carried forward to the Balance Sheet.

**2. OPERATIONS :**

Income from Operations and Other Income for the year ended 31st March, 2013 is Rs. 5,02,89,190/-.

**3. DIVIDENDS :**

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

**4. DEPOSITS :**

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

**5. SUBSIDIARY :**

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

**6. DIRECTORS :**

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

**7. PROPOSED SCHEME OF ARRANGEMENT IN THE NATURE OF DEMERGER AND TRANSFER OF WATER TREATMENT DIVISION OF COMPANY TO ARVIND ENVISOL PRIVATE LIMITED :**

Subsequent to year end, The Board of Directors of the Company have approved the scheme of arrangement in the nature of demerger and transfer of Water Treatment Division of Company to Arvind Envisol Private Limited (Wholly owned Subsidiary) as per the scheme tabled at the meeting. Pursuant to the authority vested to the directors of the Company by the Board, the Company has initiated requisite formalities in this regard and filed application before Hon'ble High Court of Gujarat on 8th April, 2013 which is pending for onward consideration.

**8. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;

2. Such accounting policies have been selected and applied consistently and such judgements and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for that period ;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The statements of accounts for the year ended on 31<sup>st</sup> March, 2013 have been prepared on a going concern basis.

#### **9. PARTICULARS OF EMPLOYEES :**

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

#### **10. INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

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

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

Foreign exchange Earning : ₹ 00.00 lacs  
Foreign exchange outgo : ₹ 62.41 lacs

#### **11. AUDITORS :**

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

#### **12. ACKNOWLEDGEMENTS :**

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

**FOR AND ON BEHALF OF THE BOARD**

Date : 27.04.2013  
Place : Ahmedabad

**Sd/**  
**Jayesh K. Shah**  
**Director**

**Sd/**  
**Punit S. Lalbhai**  
**Director**

# *G. K. Choksi & Co.*

*Chartered Accountants*

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

## **INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
**ARVIND ACCEL LIMITED,**  
Ahmedabad.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **ARVIND ACCEL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

*The accounts have been prepared on the basis that the company will continue as a Going Concern in spite of the fact that the accumulated losses as at 31st March, 2013 being ₹ 12,74,25,659/-, have exceeded the paid up share capital thus wiping off its capital base. This is not in accordance with Accounting Standard – 1 issued by the Institute of Chartered Accountant of India. The ability of the company to continue as a going concern is dependent upon availability of adequate continued finance future profitability.*



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207, Tolstoy House, Tolstoy Marg, Janpath, **NEW DELHI** - 110 001  
Dial : 91-11-43717773-74; Email : info@gkcco.com

Branches :

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

## Qualified Opinion

in our opinion and to the best of our information and according to the explanations given to us, *except for the matter described in the basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, *subject to paragraph above* proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) *Except for the matter described in the basis for Qualified Opinion paragraph* In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Forming an Opinion and Reporting on Financial Statements

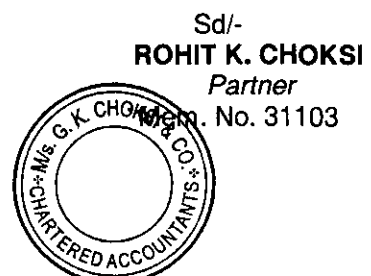
**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**TRUE COPY**

**For G. K. CHOKSI & Co.**  
(Firm Registration No. 101895W)  
Chartered Accountants

Place : Ahmedabad  
Date : 27<sup>th</sup> April, 2013

  
**P. P. PATEL**  
Partner  
Membership No. 32780



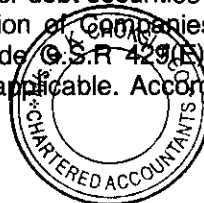
**Annexure to the Auditors' Report**

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

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

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

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



- (ix) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and the Company had no arrears of such outstanding statutory dues as at 31<sup>st</sup> March, 2013 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31<sup>st</sup> March, 2013, except as enumerated here under.
- (x) The company has accumulated losses exceeding fifty percent of its net worth. The company has incurred any cash losses to the tune of ₹ 22,74,538/- during the year under review. It has incurred cash losses to the of ₹ 41,51,808/- in the immediate preceding year
- (xi) According to the records of the company examined by us and on the basis of information and explanations given to us, the company has neither taken any loans from a financial institutions and a bank nor issued any debentures. Accordingly paragraph 4(xi) of the order is not applicable.
- (xii) The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities. Accordingly paragraph 4(xii) of the order is not applicable.
- (xiii) The company is not Chit fund, Nidhi, Mutual Benefit Funds or a Society. Accordingly paragraph 4(xiii) of the order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments and hence the requirements of paragraph 4 (xiv) are not applicable to the company.
- (xv) In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year. Accordingly paragraph 4(xv) of the order is not applicable..
- (xvi) The company has not taken any term loans during the year and accordingly clause 4(xvi) of the report is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that company has utilised funds to the tune of ₹ 25,68,69,530/-raised on short term basis for long term investments.
- (xviii) The company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of The Companies Act, 1956 during the year. Accordingly paragraph 4(xviii) of the order is not applicable.
- (xix) During the period covered by audit report, the company has not issued any debentures. Accordingly paragraph 4(xix) of the order is not applicable
- (xx) The company has not raised any money by public issues during the year. Accordingly paragraph 4(xx) of the order is not applicable
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

*Chartered Accountants*

**TRUE COPY**

**For G. K. CHOKSI & Co.**  
(Firm Registration No. 101895W)  
*Chartered Accountants*

*A. D. PATEL*  
Partner  
Membership No. 32780

Sd/-

**ROHIT K. CHOKSI**

*Partner*

Mem. No. 31103

Place : Ahmedabad  
Date : 27<sup>th</sup> April, 2013





**ARVIND ACCEL LIMITED**

**Balance Sheet as at 31st March, 2013**

[Amount in ₹]

Particulars	Notes	As at 31st March, 2013	As at 31st March, 2012
<b>Equity and Liabilities</b>			
<b>Shareholders' Fund</b>			
Share Capital	2	5 00 000	5 00 000
Reserves and Surplus	3	( 12 74 25 658)	( 4 93 50 622)
		( 12 69 25 658)	( 4 88 50 622)
<b>Non-Current liabilities</b>			
Deferred tax liabilities (Net)	4	0	5 65 532
Long term provisions	5	2 49 997	7 74 389
Other Long term Liabilities	6	2 93 947	8 61 792
		5 43 944	22 01 713
<b>Current liabilities</b>			
Short term borrowings	7	11 14 15 513	19 04 30 300
Trade payables	8	62 67 808	1 05 65 651
Other current liabilities	9	19 72 50 388	7 57 38 283
Short term provisions	10	1 07 582	1 62 927
		31 50 41 291	27 68 97 161
<b>Total</b>		<b>18 86 59 577</b>	<b>23 02 48 252</b>
<b>Assets</b>			
<b>Non-Current assets</b>			
Fixed assets			
Tangible assets	11	1 37 97 416	1 08 85 858
Intangible assets	12	11 21 42 573	4 18 035
Intangible assets under development	13	0	12 42 42 254
		12 59 39 989	13 55 46 147
Non-current investments	14	1 00 000	1 00 000
Long Term Loans and Advances	15	44 67 827	67 96 645
<b>Current Assets</b>			
Inventories	16	14 24 903	1 06 64 732
Trade receivables	17	1 60 78 879	2 86 06 061
Cash & cash equivalents	18	85 42 848	68 30 506
Short term - Loans & advances	19	75 99 866	1 71 79 283
Other current assets	20	2 45 05 265	2 45 24 878
		5 81 51 761	8 78 05 460
<b>Total :</b>		<b>18 86 59 577</b>	<b>23 02 48 252</b>

**Significant Accounting Policies**

1

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

As per our attached report of even date

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

Chartered Accountants

**TRUE COPY**

**For G. K. CHOKSI & Co.**

[Firm Registration No. 101895W]

Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103



*[Signature]*  
**S. D. BATEL**  
Partner  
Membership No. 32780

Sd/-  
Director

Sd/-  
Director

Place : Ahmedabad  
Date : 27th April, 2013

Place : Ahmedabad  
Date : 27th April, 2013

**ARVIND ACCEL LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2013**

[Amount in ₹]

Particulars	Notes	2012-2013	2011-2012
<b>Income</b>			
Revenue from operations	21	4 85 15 333	17 40 17 915
Other Income	22	17 73 857	5 32 674
<b>Total Revenue</b>		<b>5 02 89 190</b>	<b>17 45 50 589</b>
<b>Expenses</b>			
Cost of Material Consumed/Sold	23	1 34 14 366	-
Operating Expenses	24	2 90 98 772	17 31 57 701
Purchase of Stock-in-Trade		46 46 298	64 47 427
Changes in inventories	25	( 13 80 480)	-
Employee benefits expenses	26	1 80 15 176	1 63 42 901
Finance costs	27	3 09 80 606	1 12 24 895
Depreciation and amortization expenses		1 38 12 259	7 15 647
Administrative and other expenses	28	2 02 16 835	1 64 76 997
<b>Total Expenses</b>		<b>12 88 03 832</b>	<b>22 43 65 568</b>
<b>Profit / (Loss) before tax</b>		<b>( 7 85 14 642)</b>	<b>( 4 98 14 979)</b>
<b>Tax Expenses</b>			
Current Tax		1 25 926	0
[Including Income Tax Expense of ₹ 1,25,926 (P.Y. NIL)]			
Deferred Tax		( 5 65 532)	2 22 287
		( 4 39 606)	2 22 287
<b>Profit/(Loss) for the year carried to Balance sheet</b>		<b>( 7 80 75 036)</b>	<b>( 5 00 37 266)</b>
<b>Earnings per equity share:</b>			
Basic and diluted (₹)	29	( 1 561.50)	( 1 000.75)

**Significant Accounting Policies**

1

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

As per our attached report of even date

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD**

**TRUE COPY**

**For G. K. CHOKSI & Co.**

(Firm Registration No. 101895W)

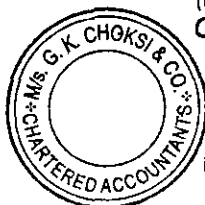
Chartered Accountants

Sd/-

**ROHIT K. CHOKSI**

Partner

Mem. No. 31103



*J. D. PATEL*  
Partner  
Membership No. 32780

Sd/-  
Director

Sd/-  
Director

Place : Ahmedabad

Date : 27th April, 2013

Place : Ahmedabad

Date : 27th April, 2013

**ARVIND ACCEL LIMITED**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2013**

[Amount in ₹]

Particulars	For the year ended 31/03/2013	For the year ended 31/03/2012
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year before taxation and exceptional items	<b>(7 86 40 568)</b>	(4 98 14 979)
<b>Adjustments for</b>		
Depreciation and amortisation	<b>1 38 12 259</b>	7 15 647
Loss on Sale of Assets	<b>92 841</b>	1 35 330
Interest Expenses	<b>3 09 80 606</b>	1 26 49 425
Interest Income	<b>( 2 81 346)</b>	( 2 88 920)
Operating profit before working capital changes	<b>(3 40 36 208)</b>	(3 66 03 497)
<b>Adjustments for</b>		
Inventories	<b>92 39 829</b>	59 62 120
Trade and other receivables	<b>1 25 27 182</b>	( 4 00 201)
Short term Loans and Advances	<b>95 79 418</b>	( 64 44 120)
Current Liabilities and long term provisions	<b>3 70 51 893</b>	18 08 11 417
Cash generated from operations	<b>3 43 62 114</b>	14 33 25 719
Direct taxes Refund/(paid)	<b>23 28 819</b>	( 22 47 103)
<b>Net Cash from Operating Activities</b>	<b>(A) 3 66 90 933</b>	14 10 78 616
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets	<b>( 75 41 195)</b>	( 72 12 898)
Intangible Asset under development	<b>0</b>	(12 42 42 254)
Sale of Fixed Assets	<b>32 42 252</b>	87 800
Interest Received	<b>3 00 958</b>	6 09 972
<b>Net cash used in investing activities</b>	<b>(B) ( 39 97 985)</b>	(13 07 57 380)
<b>C. Cash flow from financing activities</b>		
Purchase of investment	<b>0</b>	( 1 00 000)
Interest Paid	<b>(3 09 80 606)</b>	(1 26 49 424)
<b>Net cash flow from financial activities</b>	<b>(C) (3 09 80 606)</b>	(1 27 49 424)
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(A+B+C) 17 12 342</b>	( 24 28 188)
Cash and cash equivalents opening	<b>68 30 506</b>	92 58 694
Cash and cash equivalents closing	<b>85 42 848</b>	68 30 506

**Explanatory Notes to Cash Flow Statement**

- The Cash Flow Statement is prepared in accordance with the format prescribed by Accounting Standard 3 as prescribed by The Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our attached report of even date

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]  
Chartered Accountants

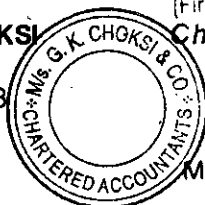
Sd/-

**ROHIT K. CHOKSI**  
Partner

Mem. No. 31103

Place: Ahmedabad

Date : 27th April, 2013



**TRUE COPY**

**For G. K. CHOKSI & Co.**

[Firm Registration No. 101895W]

Chartered Accountants

**M. PATEL**  
Partner

Membership No. 32780

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
Director

Sd/-  
Director

Place: Ahmedabad

Date : 27th April, 2013

## ARVIND ACCEL LIMITED

### Notes forming part of accounts

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#### 1. Summary of 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 presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/determined.

##### (c) Inventories

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

##### (d) Recognition of Revenue from Contractual Projects:

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

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

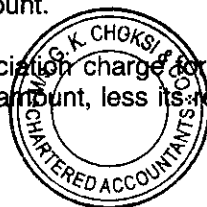
- (iv) Sale of traded goods is recognized when the company has transferred to the buyer, the property in the goods, for a price, or all significant risks and rewards of ownership have been transferred to the buyer without the company retaining any effective control over the goods. Sales are stated at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

##### (e) Fixed Assets

Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

After recognition of impairment loss, the depreciation charge for the assets is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.



## ARVIND ACCEL LIMITED

### Notes forming part of accounts

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**(f) Depreciation**

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

**(g) Investments**

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

**(h) Retirement Benefits**

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

**(i) Segment Reporting**

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

**(j) Taxation**

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

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

**(k) Provisions, Contingent Liabilities and Contingent Assets**

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



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**2 Share Capital**

[Amount in ₹]

Particulars	As at	As at
	31st March, 2013	31st March, 2012
<b>(a) Authorised</b>		
10,00,000 (P.Y.50,000) Equity Shares of ₹10/- each	1 00 00 000	5 00 000
<b>(b) Issued, Subscribed and fully Paidup</b>		
50,000 (P.Y.50,000) Equity Shares of ₹10/- each	5 00 000	5 00 000
Fully Paid up		

**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	
	2012-2013	2011-2012
<b>As at April 1, 2012</b>	50 000	50 000
<b>Add</b>		
Shares issued for Cash or Right Issue or Bonus	0	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	50 000	50 000
<b>Less</b>		
Shares bought back / Redemption etc.	0	0
<b>As at March 31, 2013</b>	50 000	50 000

**(d) Rights, Preferences and Restrictions**

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

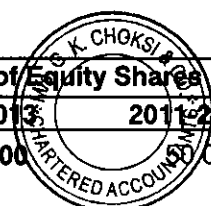
**(e) Details of Shareholdings**

**Number of Shares held by Holding Enterprise**

Partiuculars	Number of Equity Shares		Value ₹	
	2012-2013	2011-2012	2012-2013	2011-2012
Holding Company (With Nominees)	50 000	50 000	5 00 000	5 00 000

**Shareholders holding more than 5% shares**

Partiuculars	Number of Equity Shares		Value ₹	
	2012-2013	2011-2012	2012-2013	2011-2012
Arvind Limited (With Nominees)	50 000	50 000	5 00 000	5 00 000



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**3 Reserves and surplus**

Particulars	[Amount in ₹]	
	As at 31st March, 2013	As at 31st March, 2012
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>		
Balance as per previous financial statements	(4 93 50 622)	6 86 644
Add : Profit/(Loss) for the year	(7 80 75 036)	(5 00 37 266)
Balance available for appropriation	(12 74 25 658)	(4 93 50 622)
Less : Appropriations	0	0
<b>Net Surplus / (Deficit)</b>	<b>(12 74 25 658)</b>	<b>(4 93 50 622)</b>

**4 Deferred tax liabilities (Net)**

Particulars	[Amount in ₹]	
	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liabilities</b>		
Difference of book depreciation and tax depreciation	71 40 575	5 65 532
<b>Deferred Tax Assets</b>		
Carried forward losses/Unabsorbed Depreciaton	71 40 575	0
	<u>71 40 575</u>	<u>0</u>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>0</b>	<b>5 65 532</b>

**5 Long term provisions**

Particulars	[Amount in ₹]	
	As at 31st March, 2013	As at 31st March, 2012
For Employee Benefits Gratuity (Net)	2 49 997	7 74 389
	<u>2 49 997</u>	<u>7 74 389</u>

**6 Other Long term Liabilities**

Particulars	[Amount in ₹]	
	As at 31st March, 2013	As at 31st March, 2012
Security deposits - Employees	2 93 947	8 61 792
	<u>2 93 947</u>	<u>8 61 792</u>



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**7 Short term borrowings**

[Amount in ₹]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Unsecured</b>		
Loans Repayable on demand		
Intercompany Deposit		
Related parties	2 37 15 403	1 18 30 300
Others	8 77 00 110	17 86 00 000
	<u>11 14 15 513</u>	<u>19 04 30 300</u>

**8 Trade payables**

[Amount in ₹]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>For Goods and Services</b>		
Related party	4 29 482	0
(Refer Note No.34)		
Others	58 38 326	1 05 65 651
	<u>62 67 808</u>	<u>1 05 65 651</u>

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

**9 Other current liabilities**

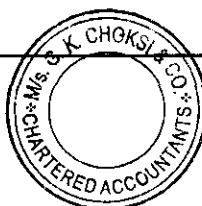
[Amount in ₹]

Particulars	As at 31st March, 2013	As at 31st March, 2012
HDFC Bank (Book Overdraft)	16 98 67 886	0
Advances from Customers		
Related parties	3 01 954	5 38 59 560
Others	0	40 93 860
	<u>3 01 954</u>	<u>5 79 53 420</u>
Interest Accrued and due on short term borrowings		
Related parties	2 15 40 480	1 31 42 062
Other parties - Intercompany Deposit	31 10 735	2 69 735
	<u>2 46 51 215</u>	<u>1 34 11 797</u>
Other Payables		
Retention money	-	26 15 939
Statutory dues	24 29 333	17 57 127
	<u>24 29 333</u>	<u>43 73 066</u>
	<u>19 72 50 388</u>	<u>7 57 38 283</u>

**10 Short term provisions**

[Amount in ₹]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Employee Benefits</b>		
Leave Encashment	1 07 582	1 62 927
	<u>1 07 582</u>	<u>1 62 927</u>





ARVIND ACCEL LIMITED

Notes forming part of accounts

11 Non Current Assets

Tangible Assets

[Amount in ₹]

Description of Assets	Gross Block (At Cost)				Depreciation				Net Book Value	
	As at 01/04/2012	Additions during the year	Deletions/ Adjustment during the year	As at 31/03/2013	Up to 31/03/2012	For the year	Deletions/ Adjustment during the year	Up to 31/03/2013	As at 31/03/2013	As at 31/03/2012
Plant and Machinery	36 93 145	50 32 130	4 67 806	82 57 469	3 44 041	2 38 586	59 018	5 23 609	77 33 860	33 49 104
Furniture & Fixture	3 84 145	3 19 420	0	7 03 565	25 616	38 980	0	64 596	6 38 969	3 58 529
Office Equipments	0	0	0	0	0	0	0	0	0	0
	1 37 783	0	0	1 37 783	7 206	6 528	0	13 734	1 24 049	1 30 577
Computer	0	0	0	0	0	0	0	0	0	0
	26 88 533	47 700	33 300	27 02 933	2 62 417	4 36 785	6 710	6 92 492	20 10 441	24 26 116
Vehicle	0	0	0	0	0	0	0	0	0	0
	49 82 206	21 41 944	32 56 790	38 67 360	3 60 674	5 73 664	3 57 075	5 77 263	32 90 097	46 21 532
Total :	1 18 85 812	75 41 194	37 57 896	1 56 69 110	9 99 954	12 94 543	4 22 803	18 71 694	1 37 97 416	1 08 85 858
Previous Year	53 05 975	68 29 137	2 49 300	1 18 85 812	3 55 423	6 70 701	26 170	9 99 954	1 08 85 858	



**ARVIND ACCEL LIMITED**

Notes forming part of accounts

**12 Non Current Assets**

**Intangible assets**

[Amount in ₹]

Description of Assets	Gross Block (At Cost)				Amortisation				Net Book Value	
	As at 01/04/2012	Additions during the year	Deletions/ Adjustment during the year	As at 31/03/2013	Up to 31/03/2012	For the year	Deletions/ Adjustment during the year	Up to 31/03/2013	As at 31/03/2013	As at 31/03/2012
Softwares	4 67 495	0	0	4 67 495	49 460	93 492	0	1 42 952	3 24 543	4 18 035
Patent (Technical Know-	0	12 42 42 254	0	12 42 42 254	0	1 24 24 224	0	1 24 24 224	11 18 18 030	0
<b>Total :</b>	4 67 495	12 42 42 254	0	12 47 09 749	49 460	1 25 17 716	0	1 25 67 176	11 21 42 573	4 18 035
<b>Previous Year</b>	83 734	3 83 761	0	4 67 495	4 514	44 946	0	49 460	4 18 035	



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**13 Intangible Asset Under Development**

[Amount in ₹]

<b>Particulars</b>	<b>As at 01/04/2012</b>	<b>Additions</b>	<b>Deductions/ Adjustment</b>	<b>Capitalised</b>	<b>As at 31/03/2013</b>
Patent(Technical Know-How)	12 42 42 254	0	0	12 42 42 254	0
<b>Total:</b>	12 42 42 254	0	0	12 42 42 254	0



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**14 Non current investments**

[Amount in ₹]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Unquoted, Trade</b>		
In Subsidiary Company		
Arvind Envisol Private Limited (10,000 Equity Shares at ₹ 10 each)	1 00 000	1 00 000
Refer Note No. 1(g)		
	<u>1 00 000</u>	<u>1 00 000</u>

**15 Long Term Loans and Advances**

[Amount in ₹]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Advance Tax and TDS (Net of Provision)	44 67 827	67 96 645
	<u>44 67 827</u>	<u>67 96 645</u>

**16 Inventories**

(As taken, valued and certified by the Management)

[Amount in ₹]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Bought out Materials	29 821	0
Stock-in-Trade	13 80 480	0
Material at Site	14 602	1 06 64 732
	<u>14 24 903</u>	<u>1 06 64 732</u>

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

**17 Trade Receivables**

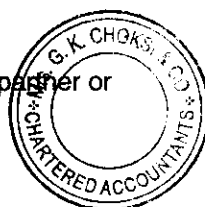
(Unsecured, considered good, unless otherwise stated)

[Amount in ₹]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Debt outstanding for the period exceeding six months	22 19 193	24 74 021
Others debts	1 38 59 686	2 61 32 040
	<u>1 60 78 879</u>	<u>2 86 06 061</u>

The amount dues by :

Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	35 35 236	15 920



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**18 Cash and Cash Equivalents**

Particulars	[Amount in ₹]	
	As at 31st March, 2013	As at 31st March, 2012
Balances with scheduled banks		
Current	71 21 054	37 39 742
Cash in hand	1 08 597	4 14 201
Other bank Balances		
Fixed Deposit With maturity for more than 3 months but less than 12 months	13 13 197	26 76 563
	<u>13 13 197</u>	<u>26 76 563</u>
	<u>85 42 848</u>	<u>68 30 506</u>

**Note**

The Fixed Deposits includes ₹ 13,13,197/- (P.Y. ₹ 26,76,563) deposit placed as a margin money.

**19 Short-term loans and advances**

(Considered good, unsecured unless otherwise stated)

Particulars	[Amount in ₹]	
	As at 31st March, 2013	As at 31st March, 2012
Advances to Suppliers	9 68 548	67 76 005
Advances to Staff	13 635	43 741
Others		
Balance with Revenue Authorities	58 21 931	87 62 403
Prepaid Expenses	4 14 107	8 21 804
Deposits	3 81 645	7 75 330
	<u>66 17 683</u>	<u>1 03 59 537</u>
	<u>75 99 866</u>	<u>1 71 79 283</u>

The amount dues by :

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

**20 Other Current Assets**

Particulars	[Amount in ₹]	
	As at 31st March, 2013	As at 31st March, 2012
Interest accrued but not not due :	10 330	29 942
Unbilled Cost	2 44 84 935	2 44 84 936
Other bank Balances		
Fixed Deposit with maturity for more than 12 months	10 000	10 000
	<u>2 45 05 265</u>	<u>2 45 24 878</u>



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**21 Revenue from operations**

	[Amount in ₹]	
Particulars	2012-2013	2011-2012
Sale of Products		
Components	2 20 86 973	0
Traded Goods	37 97 183	74 22 250
	<u>2 58 84 156</u>	<u>74 22 250</u>
Sale of Services		
Contract Revenue	1 34 99 278	15 84 95 067
Consultancy Income	1 90 100	23 31 004
	<u>1 36 89 378</u>	<u>16 08 26 071</u>
Other Operating Revenue		
Royalty on Patents	86 36 322	0
Commission	3 05 477	9 28 304
Scrap Sales	0	48 41 290
	<u>89 41 799</u>	<u>57 69 594</u>
	<u><u>4 85 15 333</u></u>	<u><u>17 40 17 915</u></u>

**22 Other Income**

	[Amount in ₹]	
Particulars	2012-2013	2011-2012
Interest Income		
From Bank	4 84 731	2 88 920
Other Non-Operating Income		
Sundry Credit Balance Written Back	12 16 493	2 13 849
Excess Provision for Income Tax	0	29 747
Foreign Exchange Fluctuation	42 835	0
Miscellaneous	29 798	158
	<u>12 89 126</u>	<u>2 43 754</u>
	<u><u>17 73 857</u></u>	<u><u>5 32 674</u></u>

**23 Cost of Material Consumed/Sold**

	[Amount in ₹]	
Particulars	2012-2013	2011-2012
Boughtout Materials	1 34 14 366	-
	<u>1 34 14 366</u>	<u>-</u>



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**24 Operating Expenses**

[Amount in ₹]

Particulars	2012-2013	2011-2012
Contract Expenses	2 45 16 981	16 86 29 196
Labour charges	0	1 03 544
Liquidated damages	4 32 352	26 00 000
Registration and Renewal Fees	40 34 353	0
Site Expenses	75 086	3 51 133
Consultancy Charges	40 000	14 73 828
	<u>2 90 98 772</u>	<u>17 31 57 701</u>

**25 Changes in Inventories**

[Amount in ₹]

Particulars	2012-2013	2011-2012
Closing Stock		
Stock-in-Trade	( 13 80 480)	0
Opening Stock		
Stock-in-Trade	0	0
<b>Decrease / (Increase) in Inventories</b>	<u>( 13 80 480)</u>	<u>0</u>

**26 Employees Benefits Expenses**

[Amount in ₹]

Particulars	2012-2013	2011-2012
Salary, Allowances, Wages & Bonus	1 66 03 246	1 49 08 809
Contribution to Provident & other funds	13 81 930	14 34 092
Staff Welfare Expenses	30 000	0
	<u>1 80 15 176</u>	<u>1 63 42 901</u>

**27 Finance Cost**

[Amount in ₹]

Particulars	2012-2013	2011-2012
Interest on:		
Short Term Borrowings	3 09 80 606	1 12 24 895
	<u>3 09 80 606</u>	<u>1 12 24 895</u>



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**28 Administration and other Expenses**

[Amount in ₹]

<b>Particulars</b>	<b>2012-2013</b>	<b>2011-2012</b>
Rent	0	82 000
Repairs and Maintenance		
Buildings	61 877	87 970
Equipments	18 606	41 680
Others	2 36 864	0
	<u>3 17 347</u>	<u>1 29 650</u>
Legal and Professional Fees	19 34 568	1 00 697
Insurance	6 81 584	2 28 925
Bank Gurantee Commission	7 00 697	14 24 530
Rates and Taxes	10 21 931	86 58 107
Auditors Remuneration	1 12 360	1 10 300
Travelling Expenses	33 56 043	10 61 871
Selling and Distribution Expense		
Advertisement	3 13 414	3 89 352
Others	1 14 763	18 170
	<u>4 28 177</u>	<u>4 07 522</u>
Interest on Service Tax	0	15 77 643
Excess provision of income written off	96 75 574	10 92 397
Loss on Sale of Fixed assets	92 841	1 35 330
Miscellaneous Expenses	18 95 713	14 68 025
	<u>2 02 16 835</u>	<u>1 64 76 997</u>
<b>Auditor's Remuneration is made of</b>		
Statutory Audit Fees	<u>1 12 360</u>	<u>1 10 300</u>

**29 Earning per Share**

[Amount in ₹]

<b>Particulars</b>	<b>2012-2013</b>	<b>2011-2012</b>
Net Profit/(Loss) for the year (Amount in ₹)	(7 80 75 036)	(5 00 37 266)
Number of equity shares (Weighted Average )	50 000	50 000
Nominal value of the share	10	10
Basic and diluted Earning per Share (₹)	<u>(1561.50)</u>	<u>(1000.75)</u>





**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**30 Contingent Liabilities and Capital commitments**

[Amount in ₹]

Particulars	2012-2013	2011-2012
Contingent Liabilities	NIL	NIL
Bank Guarantee	55,64,000	2,25,99,796
Capital Commitments and Other Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL

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

[Amount in ₹]

Particulars	2012-2013	2011-2012
Contract Revenue recognized as revenue in the year	1,34,99,278	15,84,95,067
Contract Cost incurred and recognized Profits (less recognized losses) upto the reporting date	1,34,99,278	15,84,95,067
Advance Received	--	5,79,53,420
Gross amount due from customers for contract work including unrealized debtors	1,60,78,879	2,86,21,981

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.

**32 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 ₹ 19,06,332/- (P. Y. ₹ 13,62,811/-) as expense towards contribution to this plan.



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

(b) Liability for gratuity

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

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2013:

[Amount in ₹]

Particulars	2012-2013	2011-2012
<b>Changes in Present Value of Obligations</b>		
Present Value of Obligation as at the beginning of the year	10,42,441	2,42,133
Interest Cost	NIL	NIL
Current Service Cost	2,17,707	6,49,992
Actuarial (gain) / Loss on obligations	(7,30,546)	1,50,316
Benefits paid	NIL	NIL
Present value of Obligation as at the end of the year	5,29,602	10,42,441
<b>Changes in fair value of plan assets</b>		
Fair Value of Plan Assets at the beginning of the year	2,68,052	1,32,453
Expected Return on Plan Assets	11,553	10,599
Contributions	NIL	1,25,000
Actuarial Gain / (loss) on Plan Assets	NIL	NIL
Benefits paid	NIL	NIL
Fair Value of Plan Assets at the end of the year	2,79,605	2,68,052
<b>Amount recognized in balance sheet</b>		
Present Value of Obligations as at the end of the year	5,29,602	10,42,441
Fair value of plan Assets as at the end of the year	2,79,605	2,68,052
Net Liability / (Asset) recognized in Balance sheet	2,49,997	7,74,389
<b>Expenses recognized in the Profit and loss account</b>		
Current Service Cost	2,17,707	6,49,992
Interest Cost	NIL	NIL
Expected Return on Plan Assets	11,553	10,599
Net actuarial (gain) / loss recognized in the year	(7,30,546)	1,50,316
Expenses Recognized in the statement of Profit & Loss*	(5,24,392)	7,89,709
<b>Assumptions</b>		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	7%	7%
Rate of return on plan assets	9%	6.75%
Age of Retirement	58 Years	58 Years

**33 Segment Reporting**

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



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

**34 Related Party Disclosures**

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

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

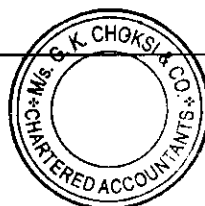
Sr. No.	Name of related party	Relationship
1	Arvind Limited	Holding Company
2	Arvind Envisol Private Limited	Wholly owned Subsidiary
3	Anup Engineering Limited	Fellow Subsidiary
4	Arvind Infrastructure Limited	Fellow Subsidiary

(b) *Transactions with related parties*

[Amount in ₹]

Sr. No.	Nature of transaction	2012-2013	2011-2012
(i)	Sale of goods - Holding Company	23,18,083	95,13,863
(ii)	Sale of Services - Holding Company - Fellow Subsidiary	1,08,21,991	3,56,56,372 4,09,491
(iii)	Royalty Income - From wholly owned subsidiary	86,36,322	--
(iv)	Interest Expenses - Holding Company	2,39,47,925	1,09,25,189
(v)	Liquidated Damages - Fellow Subsidiary	82,352	6,53,735
(vi)	Reimbursement of Expenses - Holding Company - Wholly owned subsidiary	3,47,130 73,575	4,65,231 15,920
(vii)	Employee Cost - Wholly owned subsidiary	3,25,00,000	--
(ix)	Excess provision for income/(Expenses) written off - Holding Company	--	4,38,662
(x)	Reimbursement of Tax Deducted at Source - Holding Company	--	1,18,05,300

...Continued..



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

(b) *Transactions with related parties.... Continued..*

[Amount in ₹]

Sr. No.	Nature of transaction	2012-2013	2011-2012
(xi)	Loans Taken - Holding Company	32,71,34,196	25,26,50,189
(xii)	Loans Repaid - Holding Company	30,66,44,651	24,38,87,219
(xiii)	Advance received from Customers - Holding Company - Wholly owned Subsidiary Company	-- --	3,85,67,210 1,50,00,000
(xiv)	Investment in Wholly owned subsidiary Company	--	1,00,000

(c) Outstanding Balances as at March, 31<sup>st</sup> 2013

[Amount in ₹]

Sr. No.	Nature of transaction	2012-2013	2011-2012
	Due to Holding Company - As Advances against Materials - As Advances against contract - As Unsecured Loans - As Trade payable	3,01,954 -- 4,52,55,883 3,47,130	-- 3,85,67,210 2,49,72,362 --
	Due from Holding Company - As Short term Advances - As Sundry Debtors	-- --	19,46,419 17,70,027
	Due to Fellow Subsidiary Company - As Trade Payable	82,352	--
	Due to Subsidiary Company - As Advances against contract	--	1,50,00,000
	Due from Subsidiary Company - As Sundry Debtors	35,35,168	15,920
	Investment in wholly owned subsidiary Company	1,00,000	1,00,000

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



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

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

**(A) Composition of Raw / Bought out Materials Consumption:**

[Amount in ₹]

Particulars	2012-2013		2011-2012	
	Value (₹)	Percentage (%)	Value (₹)	Percentage (%)
Imported	28,02,225	20.89	--	--
Indigenous	1,06,12,141	79.11	--	--
Total :	1,34,14,366	100.00	--	--

**(B) Value of Imports on CIF Basis:**

[Amount in ₹]

Particulars	2012-2013	2011-2012
Boughtout Materials	28,02,225	--
Traded Goods	3,49,890	--

**(C) Earning in Foreign Currency:**

[Amount in ₹]

Particulars	2012-2013	2011-2012
Commission Income	--	9,28,304

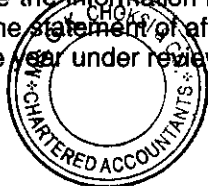
**(D) Expenditure in Foreign Currency (on payment basis):**

[Amount in ₹]

Particulars	2012-2013	2011-2012
Technical know how	--	16,23,750
Patent Registration and Renewal Charges	30,88,441	--

**37. Statement of Management**

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



**ARVIND ACCEL LIMITED**

**Notes forming part of accounts**

- 38.** Subsequent to year end, The Board of Directors of the company of their meeting approved the scheme of arrangement in the nature of demerger and transfer of Water Treatment Division of Company to Arvind Envisol Private Limited as per the scheme tabled at the meeting. Pursuant to the authority vested to the directors of the company by the Board, the company has initiated requisite formalities in this regard and filed application before Hon'ble High Court of Gujarat on 8<sup>th</sup> April 2013 which is pending for onward consideration.
- 39.** 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*

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
Mem. No. 31103

Sd/-  
*Director*

Sd/-  
*Director*

Place : Ahmedabad  
Date : 27<sup>th</sup> April, 2013

Place : Ahmedabad  
Date : 27<sup>th</sup> April, 2013



**TRUE COPY**  
**For G. K. CHOKSI & Co.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

  
**J. PATEL**  
*Partner*  
Membership No. 32780