

ARNAV CORPORATION LIMITED

ANNUAL REPORT

2012-2013

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Dhiren V Negandhi	: Chairman and Additional Executive Director
Dauji Laddoo Chaturvedi	: Executive Director
Jayesh Ravinchandra Shah	: Additional Executive Director
Pradeep B. Parmar	: Non- Executive Independent Director
Rajnish Kumar	: Non- Executive Independent Director

REGISTERED OFFICE

: 101, C Wing, Ambika Darshan, C P Road, Kandivali (East), Mumbai- 400 101, Maharashtra.

BANKERS

: **ING Vysya Bank**

REGISTRAR AND SHARE TRANSFER

AGENTS:

: **Universal Capital Securities Pvt. Ltd.**
21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai- 400 093.

COMPLIANCE OFFICER

: Dhiren Vitthaldas Negandhi

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present this Annual Report on the operations of the Company and the Audited Statement of Accounts for the Year ended 31st March 2013.

▪ **Financial Results:**

Particulars	2012-2013	2011-2012
Sales/ Income from Operations	2,82,31,500	2,83,88,500
Other Income	1,82,450	(29,01,200)
Total Income	2,84,13,950	2,54,87,300
Less: Total Expenses	(2,70,56,403)	(2,71,36,139)
Profit/ (Loss) before Tax	13,57,547	(16,48,839)
Less: Current Tax	258,680	-
Deferred Tax Liability	(858,786)	(35,31,008)
Profit/ Loss after Tax	19,57,653	18,82,547

▪ **Operational Review:**

It is encouraging to state that during the financial year 2012-13, the company has achieved well rounded growth with steady profitability. During the year under review, our Company earned revenue of Rs. 2,84,13,950/- as compared to Rs. 2,54,87,300/- in F.Y. 2011-12 recording an increase in total revenue of 11.48%.

As a result of growth in total revenue, Profit before Tax and Profit after Tax have recorded manifold growth as compared to the previous year. The Company ended year with Net Profit before Tax Rs. 13,57,547/- as compared with the loss before tax of previous year of Rs. 16,48,839/-. The company's profitability after tax has risen during the year as compared to the previous year. The company was in a position to

stream down its expenses to the tune of Rs. 2,70,56,403 as compared to Rs. 2,71,36,139 of previous year.

- **Future Outlook:**

The Company has always maintained its game-plan to leverage the opportunities towards growth and change.

Its business prospects have always been to venture into new growth avenues and reap additional benefits for its stakeholders.

In order to keep its motive going, it has been decided by the Board of Directors to raise additional funds to the tune of Rs. 40 crores through preferential allotment and deploy such received funds into the business of the company. The said proposal has been proposed to the members for approval at the ensuing Annual General Meeting of the Company.

- **Dividend:**

In view of the losses, the Directors of your Company regret their inability to recommend any dividend for the year under consideration.

- **Changes in Directorship:**

Re-appointment of Directors retiring by Rotation:

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Pradeep Parmar and Mr. Dauji Laddoo Chaurvedi, Directors of your Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board wishes to place on record their appreciation for the services rendered by them as the Directors of the Company.

Necessary resolutions with regard to the above are being placed before the Shareholders for their approval.

None of the Directors, except Mr. Pradeep Parmar and Mr. Dauji Laddoo Chaurvedi are interested or concerned in the said resolutions.

Appointment of Additional Directors:

Mr. Jayesh Shah and Mr. Dhiren Negandhi, were appointed as Additional Directors on the Board of the company w.e.f. 4th December, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to the provisions of the aforesaid section, the above directors hold office up to the date of the ensuing Annual General Meeting and being eligible offer themselves for appointment as the Director of the Company. Your Company has received a notice in writing from the aforesaid directors proposing their candidature for appointment as the Director of the Company pursuant to the provisions of Section 257 of the Companies Act, 1956.

None of the Directors, except Mr. Jayesh Shah and Mr. Dhiren Negandhi, are concerned or interested in this resolution.

Appointment of Director pursuant to Section 257:

Mr. Chandrakant Shinde was appointed as a Director on the Board of the Company in accordance with the provisions of Section 257 of the Companies Act, 1956, in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of Director.

Necessary resolutions with regard to the above are being placed before the Shareholders for their approval.

▪ **Appointment of Auditors:**

M/s. Ranka Dargar & Co., Chartered Accountants are appointed as the Statutory Auditors of the Company in place of **M/s. S. H. Garg & Associates** to hold the office from the conclusion of the ensuing Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company.

Your Company has received a confirmation from **M/s. Ranka Dargar & Co.**, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

Furthermore, the observations and comments furnished by the Auditors in their report read together with the notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

▪ **Directors' Responsibility Statement:**

Based on the representations received from the operating management and pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- They have, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records, safeguarding the

assets of the Company and for preventing and detecting material fraud and other irregularities;

➤ They have prepared the Annual Accounts on a going concern basis.

▪ **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

In view of the nature of the activities which are being carried on by the Company, Rules 2A & 2B of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

During the year under review, neither the Company had any Foreign Exchange Earnings nor did it spend any foreign exchange on any account.

▪ **Fixed Deposits:**

The Company has not accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

▪ **Listing:**

The Company's Equity shares are listed on the Bombay Stock Exchange Limited.

▪ **Management Discussion and Analysis:**

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is presented in a separate section forming part of the Annual Report.

- **Corporate Governance:**

Your Company has documented internal governance policies and put in place a formalized system of Corporate Governance which sets out the structure, processes and practices of governance within the Company.

A separate section on Corporate Governance forming part of the Annual Report and a certificate from the Statutory Auditor confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is included in the Annual Report.

- **Corporate Social Responsibility:**

Corporate Social Responsibility (CSR) is the responsibility of an organization for the impacts of its decisions and activities on society, the environment and its own prosperity. For any organization, CSR begins by being aware of the impact of its business on society.

Further your Company also reaffirms its commitment to contribute towards a clean sustainable environment and continually enhancing its environmental performance as an integral part of its business philosophy and values.

- **Employees:**

During the year 2012-13, your Company continued to have cordial relations with all the employees at all its units. The Company also recognizes the importance of human capital and enrichment of professional and technical skills which is an ongoing process within the organization.

During the year under review there were no employees drawing a salary exceeding the limits specified under Section 217 (2A) of the Companies Act, 1956.

- **Human Resource Development:**

Your Company has always believed in the ideology of achieving excellence through investing in people and technology simultaneously and thus it continues to work for the development and realization of best potential of its people. To promote motivational climate and achieve growth, your Company has continued to undertake efforts for optimal utilization of manpower with focus on improvement in their productivity.

- **Internal Audit:**

The company has an adequate system of internal control to ensure compliance with the policies and procedures. This internal audit exercise enables the company to evaluate the adequacy of internal controls established by the company's management and acts as a checkmate mechanism in the event of any failure in the internal control operations.

- **Acknowledgements and Appreciation:**

Your Directors wish to place on record their gratitude for the continued support and patronage rendered by the Government of India, various State Government departments, Financial Institutions, Banks and various stakeholders, such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

**By Order of the Board
For Arnav Corporation Limited
Sd/-
Director**

Date : 4th September, 2013

Place: Mumbai.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a mode of ensuring maximum returns to its stakeholders by adhering to best practices and codes of conduct in letter and spirit.

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

Your Company has formulated best management practices to bring about an atmosphere of accountability and also adheres to the provisions on Corporate Governance as stipulated under Clause 49 of the Listing Agreement. Thus it not only aims at achievement of highest possible standards of legal and regulatory compliances, but also aims for an effective management. This can be analyzed through the following:

I. BOARD OF DIRECTORS

1. Board Composition:

Board's efficiency depends on the overall performance of its functions, Board Composition and structure and the procedures followed by it. The Board strength and representation as on date consists of 5 directors. The composition of and the category of directors on the Board of the Company are as under:

Board of Directors	Category
Dauji Laddoo Chaturvedi	Chairman & Executive Director
Jayesh Shah	Executive Director
Dhiren Negandhi	Executive Director
Rajnish Kumar	Non- Executive Independent Director
Pradeep Parmar	Non- Executive Independent Director

2. Board Meeting:

The Board held 7 Meetings during 2012-13 on 15th May, 2012, 30th July, 2012, 4th September 2012, 31st October, 2012, 4th December, 2012, 14th December, 2012 and 14th February, 2013,

Furthermore, the Meetings are normally held at the Registered Office of the Company wherein the compliance reports of all the laws applicable to the Company is reviewed on a periodical basis.

3. Attendance of Directors:

Attendance of Directors at the Board Meetings held during 2012-2013 and the last Annual General Meeting held on 29th September, 2012 along with the details of directorships, Committee Chairmanships and the Committee memberships held by the directors is as follows:

Name of the Director	Board Meetings Attended	Attendance at the previous AGM held on 29.09.2012	No. of Directorship held in other Companies #	No. of Companies in which he is Chairman	No. of Memberships in other Board Committees ##
Dauji Laddoo Chaturvedi	7	Yes	1	Nil	Nil
Jayesh Shah	2	No	Nil	Nil	Nil
Dhiren Negandhi	2	No	Nil	Nil	Nil
Rajnish Kumar	7	Yes	1	Nil	Nil
Pradeep Parmar	7	Yes	1	Nil	Nil

- Excluding Directorships in Foreign Companies, Private Companies and Section 25 of the Companies Act, 1956. #
- Represents Memberships/ Chairmanships of the Audit Committee/ Investor Grievance Committee. ##

4. Other directorships:

None of the Directors on the Board hold the office of Director in more than 15 Companies.

5. Membership of Board Committees:

None of the Directors on the Board holds Membership of the Committees of the Board in more than 10 committees or Chairmanship of more than 5 Committees across all the Companies.

II. COMMITTEES OF THE BOARD

Functioning of the Boards through Committees, result in enhanced quality of decisions taken with focused approach. Such committees assist the Board in discharging its responsibilities in a better manner.

In compliance with the mandatory requirements under the Listing Agreement, and the applicable laws, the Board of your Company has constituted the following committees namely:

- The Audit Committee,
- The Investor Grievances Committee and
- The Nomination/ Remuneration Committee.

A brief description of the Role and Composition of these Committees, including the number of Meetings held during the financial year and the related attendance, are provided below:

Audit Committee:

▪ Significance of the Committee:

Clause 49 of Listing Agreement deals with Corporate Governance and prescribes the setting up of a qualified and independent Audit Committee which can aid the Board in implementing, monitoring and continuing good corporate governance practices to the benefit of the Company and its stakeholders.

▪ Scope of Audit Committee:

The Audit Committee as a tool for review and oversight of Board's auditing and accounting functions has scope in following five functional areas of management.

- Financial Management
- Internal Auditing
- External Auditing
- Legal Processes
- Communication

▪ Constitution of the Audit Committee:

An overview of the Members constituting the Audit Committee together with their designations and their roles and responsibilities is outlined as under:

Sr. No.	Name of the Director	Category	Designation
1	Rajnish Kumar	Non –Executive Independent Director	Chairman
2	Dauji Laddoo Chaturvedi	Executive Director	Member
3	Pradeep Parmar	Non –Executive Independent Director	Member

▪ **Number of Audit Committee Meetings held during the year under review:**

The Audit Committee Meetings were held 5 times during the year viz. 14th May, 2012, 27th July, 2012, 1st September, 2012, 30th October, 2012, 13th February, 2013.

Sr. No.	Name of the Director	Number of Meetings held during the year	Number of Meetings attended
1	Rajnish Kumar	5	5
2	Dauji Laddoo Chaturvedi	5	5
3	Pradeep Parmar	5	5

▪ **Terms of reference of the Audit Committee:**

The terms of reference of the Audit Committee include:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external Auditor, fixation of Audit fee and also approval for payment for any other service.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - φ Any changes in Accounting policies and practices.
 - φ Major accounting entries based on exercise of judgment by management.
 - φ Qualifications in draft Audit Report.
 - φ Significant adjustments arising out of Audit.
 - φ The going concern assumption.
 - φ Compliance with accounting standards.
 - φ Compliance with Stock Exchange and legal requirements concerning financial statements.
 - φ Any related party transactions.
- Reviewing with the management, external and internal Auditors, and the adequacy of internal control systems.

- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Reviewing the Company's financial and risk management policies.

Shareholders/ Investors Grievances Committee:

The scope and function of Shareholders/ Investors Grievances Committee includes-

- Approval of transfer and transmission of Shares and
- Other matters like consolidation and split of certificates, issue of duplicate Share certificates, and rematerialisation of Shares.

The Committee also monitors the system of redressal of investor grievances and ensures cordial investor relation. Furthermore, it also approves the issue of duplicate certificates and reviews all the matters connected with the transfer of securities of the Company.

▪ **Composition:**

Sr. No.	Name of the Director	Category	Designation
1	Pradeep Parmar	Non –Executive Independent Director	Chairman
2	Rajnish Kumar	Non –Executive Independent Director	Member
3	Dauji Laddoo Chaturvedi	Executive Director	Member

▪ **Number of Shareholders / Investors Grievances Committee Meetings held during the year under review:**

The Shareholders / Investors Grievances Committee Meeting were held 4 times during the year viz., 9th May, 2012, 13th July, 2012, 12th November, 2012 and 12th February, 2013. Attendance of the Directors at the Investor Grievance Committee Meeting is given hereunder:

Sr. No.	Name of the Director	Number of Meetings held during the year	Number of Meetings attended
1	Pradeep Parmar	4	4
2	Rajnish Kumar	4	4
3	Dauji Laddoo Chaturvedi	4	4

▪ **Terms of Reference of the Investor Grievance Committee and:**

- To approve and issue duplicate Share Certificates.
- To redress the shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.
- To oversee the performance of the Registrar and Transfer Agents of the Company, and recommend measures for overall improvement in the quality of investor services.

Nomination / Remuneration Committee:

The Remuneration Committee is entrusted with the power to determine Company's policy on specific remuneration packages, including pension rights and other compensation for Executive Directors and other employees of our Company.

▪ **Composition:**

Sr. No.	Name of the Director	Category	Designation
1	Rajnish Kumar	Non –Executive Independent Director	Chairman
2	Dauji Laddoo Chaturvedi	Executive Director	Member
3	Pradeep Parmar	Non –Executive Independent Director	Member

- Number of Remuneration Committee Meeting held during the year under review:

Sr. No.	Name of the Director	Number of Meetings held during the year	Number of Meetings attended
1	Rajnish Kumar	1	1
2	Dauji Laddoo Chaturvedi	1	1
3	Pradeep Parmar	1	1

III. GENERAL BODY MEETING:

1. The Company held its last three Annual General Meetings as under:

Year	Date	Location	Time
2011-2012	29 th September, 2012	32/115, Laxmi Industrial Estate, New Linking Road, Andheri (W), Mumbai- 400053.	10.00 A.M.
2010-2011	30 th September, 2011	32/115, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai- 400053.	11.00 A.M.
2009-2010	30 th September, 2010	32/115, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai- 400053.	11.00 A.M.

2. Details of the Special Resolutions passed during the last 3 AGMs:

Year	Resolution
2011-2012	No Special Resolution was passed.
2010-2011	No Special Resolution was passed.
2009-2010	No Special Resolution was passed.

3. Postal Ballot:

Your Company did not conduct any Postal Ballot Business during the year under review.

4. Disclosures:

▪ Accounting treatment:

In the preparation of financial statements, the Company has followed the Accounting treatment as prescribed under the Companies (Accounting Standards) Rules, 2006, as applicable.

▪ Risk Management:

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organizational, Legal and Regulatory risks within a well defined framework.

▪ Code of conduct:

The Company has adopted the Code of Conduct and ethics for all the Board Members and senior management of the Company. The said code has been circulated to all the Members of the Board and Senior Management and they have affirmed their compliance with the code.

▪ Policy on Insider Trading:

The Company has formulated a Code of Conduct for Prevention of Insider Trading in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

5. Compliance with non-mandatory requirements:

The Company has complied with the mandatory requirements of Clause 49 of the

Listing Agreement and every effort has been made to comply with the non-mandatory requirements of the Clause.

The details of such compliances are mentioned hereunder:

- **Nomination / Remuneration Committee:**

The Company has set up a Remuneration Committee to review the overall Compensation Policy, Service agreements and other employment conditions of Executive Director(s) and senior management. The Committee also discharges the duties and responsibilities as described under the non-mandatory requirements of clause 49 of the Listing Agreement.

- **Shareholder Rights:**

The quarterly, half-yearly and annual financial results of the Company are published in newspapers.

Furthermore, a copy of the Annual Report is also sent to every shareholder of the Company. In addition to this, the Company also discloses the details of any event that may have a material bearing upon the operations of the Company to the stock exchanges where the securities of the Company are listed.

- **Whistle Blower Policy:**

Clause 49 of the Listing Agreement between listed Companies and the Stock Exchanges has been amended which is effective from December 31, 2005. It inter alia, provides for a non-mandatory requirement for all listed Companies to establish a mechanism called '**Whistle Blower Policy**' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.

6. General Shareholder information:

▪ Annual General Meeting:

- Date : 30th September, 2013
- Day : Monday
- Time : 9.00 a.m.
- Venue : 101, C Wing, Ambika Darshan, C. P. Road,
Kandivali (East), Mumbai 400 101

▪ Financial Year: 1st April, 2013 to 31st March, 2014.

Adoption of Quarterly Results for the Quarter ending	Tentative date of the Meeting of the Board
June 30, 2013	Second Week of August, 2013
September 30, 2013	Second Week of November, 2013
December 31, 2013	Second Week of February, 2014
March 31, 2014	End of May 2014

▪ Date of Book closure:

The Book Closure period is from 27th September, 2013 to 30th September, 2013 **(Both days inclusive)** for the purpose of the Annual General Meeting of the Company.

▪ Listing on Stock Exchange:

The Bombay Stock Exchange Limited (BSE)

▪ Payment of Listing Fees:

The Listing fee for the financial year 2013-2014 has already been paid to the Stock Exchanges.

▪ Stock Code and ISIN:

- The Bombay Stock Exchange Limited, Mumbai: **531467**
- ISIN No for Dematerialized Shares.: **INE647D01014**

▪ **Stock Market Data:**

The Monthly High and Low prices and trading volumes of the Company's shares at the BSE Stock Exchange Mumbai for the year ended 31st March, 2013 is given hereunder:

Month	High (Rs.)	Low (Rs.)	Volume
April 2012	13.3	9.42	82194
May 2012	12.78	10.05	141025
June 2012	12.79	9.72	550043
July 2012	13.99	11.8	1334483
August 2012	13.5	11.75	1241607
September 2012	14.2	11.75	1215132
October 2012	14.49	11.9	1430197
November 2012	15.8	12	1660646
December 2012	15.24	11.1	1438313
January 2013	15.1	12.25	1779556
February 2013	18.5	13.54	1461209
March 2013	16.9	13.65	229858

▪ **Registrars and Share Transfer Agents: Universal Capital Securities Pvt. Ltd.**

21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai, Maharashtra, 400093

Tel.: 022-28257641/28207203

E-mail: karlekar@unisec.in

▪ Distribution of shareholding as on 31st March, 2013:

Shareholding of Nominal Value of Rs.	In Rs.	% of holding
Up to - 500	3235040	6.27
501 - 1000	5538890	10.73
1001 - 2000	2031910	3.94
2001 - 3000	2163530	4.19
3001 - 4000	1419300	2.75
4001 - 5000	1832620	3.55
5001 - 10000	2996830	5.81
10001 - Above	32402880	62.77
Total	51621000	100

▪ Shareholding Pattern as on 31st March, 2013:

Partly paid- up Shares	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company
Held by promoter/ promoter group	0	0	0
Held by public	145200	100	2.81
Total	145200	100	2.81
Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the Company assuming full conversion of the convertible securities
Held by promoter/ promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0

Warrants	No. of warrant	As a % of total no. of warrants	As a % of total no. of shares of the Company assuming full conversion of warrants
Held by promoter/ promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Total Paid-up capital of the Company assuming full conversion of warrants and convertible securities	5162100	-	100

Category	Category of Shareholder	Number of shares held	percentage of shareholding
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	86717	1.68
(b)	Central Government/ State Government(s)	0	0.00
(c)	Bodies Corporate	0	0.00
(d)	Financial Institutions/ Banks	0	0.00
(e)	Any Others(Specify)	0	0.00
	Sub Total(A)(1)	86717	1.68
2	Foreign	0	0.00
	Sub Total(A)(2)	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	86717	1.68
(B)	Public shareholding		
1	Institutions	0	0.00
	Sub-Total (B)(1)	0	0.00
2	Non-institutions		
(a)	Bodies Corporate	1044911	20.24
(b)	Individuals		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1639035	31.75
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	955751	18.51
(c)	Any Other		
I	Clearing Member	1117636	21.65
II	Non Resident Indians (Repat)	318050	6.16

	Sub-Total (B)(2)	5075383	98.32
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	5075383	98.32
	Total (A)+(B)	5162100	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0.00
	Sub-Total (C)	0	0.00
	Grand Total (A)+(B)+(C)	5162100	100

▪ **Dematerialization of shares and liquidity:**

The Company has established connectivity with Central Depository Services (India) Limited and National Securities Depository Limited for dematerialization of shares and the same are available in electronic segment under ISIN No. INE647D01014.

Particulars	No of shares	%
CDSL	2658556	51.50
NSDL	1110924	21.52
PHYSICAL	1392620	26.98
TOTAL	5162100	100.00

▪ **Address of Correspondence:**

Arnav Corporation Limited

101, C Wing, Ambika Darshan, C P Road,
Kandivali (East), Mumbai 400 101.

corp.arnav@gmail.com

**By Order of the Board
For Arnav Corporation Limited**

**Sd/-
Director**

Date : 4th September, 2013

Place: Mumbai.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Forward-Looking Statements:**

This report contains forward-looking statements, which may be identified by their use of words like 'expects', 'anticipates', 'believes', 'intends', 'projects', 'estimates' etc. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditure, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

- **Print Industry**

The print industry has evolved dramatically in the last few years. Technology is changing every day. End users are becoming more and more discerning.

The compounded annual growth rate of the Indian Printing Industry is estimated to be 12.2% for the period 2007-12. The objective is to achieve 60% growth by the year 2014. The printing industry in India is highly fragmented. Newspapers and magazine publishing section have the large printers apart from a few in package, label and commercial printing. About 77% of the printing houses are family owned. From 2002 onwards the government allowed foreign investment. Printing sector has evolved from a manufacturing industry into a service industry in India of late. Publishing have come up to the international standards as well.

The industry has once again had a challenging year less on account of economic slowdown but more on account of fluctuating sentiments and perceptions caused by

uncertainties. Frequency of experiencing a bad year after couple of good years seems to be reality till the time, Indian economy comes out of cyclic downturn.

The newspaper industry, which is hugely dependent on performance of overall economy and thrives on positive outlook, suffered and could not maintain its profitability. Besides lower than expected GDP growth coupled with negative outlook that slowed down growth in advertisement revenue, depreciating rupee and increased newsprint cost put further pressure on its profitability.

- **Human Resources Development:**

Major focus areas for the Company are talent management, leadership development and succession planning. The individual business units have been focusing on acquiring and retaining the talent with requisite competencies. The Company has taken several initiatives to ensure that people are well-trained and motivated.

- **Opportunities and Threats:**

With many developments in the economy and severe competition amongst the companies, the prime opportunity lies in meeting the customers' expectations in terms of high quality, prompt response in time, services & performance and the same opportunities were regularly grabbed by your Company. The threats faced by the Company include competitive risks and technology obsolescence risks.

- **Foreign investment in India:**

A booming Indian economy, growing need for content and government initiatives that have opened the sector to foreign investment are factors driving growth in the print media. The print medium, in particular, has become one of the favorite segments for overseas investors with maximum overseas investment within this industry. Joint ventures and licensing of titles from international publishers are daily coming to the newsstands and local publishers are also seen collaborating to form joint publications.

Now, in this industry, 100 percent foreign direct investment (FDI) is allowed for non-news publications and 26 percent FDI is allowed for news publications. India now permits the printing of facsimile editions of foreign journals.

▪ **Internal Controls:**

The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic review of business to ensure timely decision making.

▪ **Cautionary Statement:**

The Management Discussion and Analysis describing the Company's outlook, projections, expectations and estimates regarding future performance are based on current economic scenario. The management believes this scenario to follow as per its expectation to the best of its knowledge at the time of preparation of this report. However, these economic conditions are subject to uncertainties, which could cause actual results to differ materially from those which may be indicated in the above analysis.

**By Order of the Board
For Arnav Corporation Limited
Sd/-
Director**

Date : 4th September, 2013

Place: Mumbai.

CHAIRMAN'S CERTIFICATION ON FINANCIAL STATEMENTS

To,
The Board of Directors,
Arnav Corporation Limited.

I, the Chairman of **Arnav Corporation Limited**, to the best of my knowledge and belief certify that,

1. I have reviewed the financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:-
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps which have been taken or proposed to be taken in order to rectify these deficiencies. Further I have also, indicated to the Auditors and the Audit Committee-

- significant changes in internal control over financial reporting during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**By Order of the Board
For Arnav Corporation Limited
Sd/-
Dhiren Negandhi
Chairman**

Date : 30th May, 2013

Place: Mumbai.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**To,
The Members,
Arnav Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by **Arnav Corporation Limited** for the year ended **31st March, 2013** as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby report that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have examined that no investor grievances are pending for a period exceeding one month, as at 31st March, 2013 against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. H. Garg & Associates
Chartered Accountants

Sd/-

Proprietor
(S. H. GARG)

Mem. No. 085517

Firm No. 103088W

Place : Navi Mumbai

Date: 4th September, 2013

AUDITORS REPORT

To,

The Members of,

Arnav Corporation Limited.

We have audited the attached Balance Sheet of **M/s. Arnav Corporation Limited**, Mumbai, as on 31st March, 2013 and also the Profit and Loss Account of the Company 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financing statement presentation. We believe that our audit provides reasonable basis for our opinion.
2. As required by Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 1 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 accounts as required by law have been kept by the Company so far as it appears from our examination of the books;

- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the above books of accounts;
- d) In our opinion, the Profit and Loss Account and Balance Sheet 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 presentation received from directors as on 31st March, 2012 and taken on records by the Boards of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (i) of section 274 of the Companies Act, 1956 on the accounts for the year ended on 31st March, 2012.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view
- i. insofar as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2012 and
 - ii. insofar as it relates to the Profit & Loss account, of the Loss of the company for the year ended on that date.
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. H. Garg & Associates**

Chartered Accountants

Sd/-

Proprietor

(S. H. GARG)

Mem. No. 085517

Firm No. 103088W

Place : Navi Mumbai

Date: 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 2 thereof)

i) In respect of fixed assets:

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. We are informed that no material discrepancies were noticed by the management on such verification.

c) The company has disposed off two fixed assets during the year but the sale has not affected any substantial part of fixed assets or the going concern.

ii) In respect of Inventories:

a) The physical verification of inventory has been conducted at regular intervals by the management.

b) 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) The company has been maintaining proper records of the inventory and no material discrepancies were noticed.

iii) In respect of loans secured or unsecured, granted or taken by the company, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act according to the information and explanation given to us.

a) The company has not granted/taken loans to/from companies, firms or other parties covered in the register mentioned in Section 301 of the Act.

iv) In our opinion and according to the 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 the purchase of inventory and fixed assets and for the sale of goods.

- v) In respect of transactions that need to be entered in the register maintained in pursuance of Section 301 of the Act in our opinion and according to the explanations given to us:
- a) The company has entered into transactions with parties mentioned in the register maintained in pursuance of Section 301. The company has maintained the necessary records for the same.
 - b) According to the information provided to us, the company has entered in the transaction which are reasonable and at prevailing market prices.
- vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits covered under section 58A and 58AA of the Act during the year. Hence, the question of compliance with the provisions of Section 58A and 58AA of the Act does not arise.
- vii) The Company has an internal audit system commensurate with its size and nature of the business.
- viii) The Central Government has not prescribed maintenance of cost records for the Company under section 209(1)(d) of the Act.
- ix) According to the information and explanation given to us in respect of statutory and other dues:
- a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, ESIC, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues with appropriate authorities when applicable subject to point no. 8 of Note No. 17 to the Balance Sheet.
 - b) There are disputed statutory dues pending to be paid as mentioned in point no. 12 of the Note No. 17 to the Balance Sheet.
- x) According to the information and explanation given to us in respect of Loss :
- a) Since, the company has been registered for a period of more than five years and it has the accumulated profit of ` 1,41,917/- at the end of the financial year.

- b) The company has incurred the cash losses of ` 14,56,383/- during the financial year into consideration.
- c) The company has incurred the cash losses of ` 27,61,794/- during the financial year immediately preceding the financial year into consideration.
- xi) The Company has not taken any loan from any bank or financial institution. Hence, the question of default on repayment of dues to any bank or financial institution doesn't arise. The company has not issued any debentures.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on basis of security by way of pledge of shares, debenture and other securities.
- xiii) As per information and explanations given to us, the nature of the Company's activities during the year under review is such that the provisions of any special statute applicable to chit fund are not applicable to the Company.
- xiv) As per information and explanations given to us, the Company has not dealt in shares. However, It has invested ` 1,50,00,000/- in Arnav Capital Limited and ` 50,16,000/- in share application money of Status Equity & Finance Pvt. Ltd. However, the Company has not dealt in debentures and other securities.
- xv) As per information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) As per information and explanations given to us, the company has not obtained any term loans during the year.
- xvii) According to the information and explanations given to us, no funds has been raised on short-term basis which were used for long term investment and vice versa.
- xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) No debentures have been issued by the Company during the year.

xx) During the year, the Company has not raised any money by way of public issue.

xxi) According to the information and explanations given to us, no fraud on or by the Company have been noticed or reported during the financial year under review.

For **S. H. Garg & Associates**

Chartered Accountants

Sd/-

Proprietor

(S. H. GARG)

Mem. No. 085517

Firm No. 103088W

Place : Navi Mumbai

Date: 30th May, 2013

BALANCE SHEET AS ON 31ST MARCH, 2013

(Amount in Rupees)

Particulars	Note No.		Current Year 31-03-13		Current Year 31-03-12
I. <u>EQUITY AND LIABILITIES</u>					
(1) <u>Shareholder's Funds</u>					
(a) Share Capital	1	5,08,88,641		5,08,88,641	
(b) Reserves and Surplus	2	38,59,198		19,01,545	
(c) Money received against share warrant		-	5,47,47,839	-	5,27,90,186
(2) <u>Share Application Money Pending Allotment</u>		-		-	
(3) <u>Non- Current Liabilities</u>					
(a) Long Term Borrowings		-		-	
(b) Deferred tax Liabilities (Net)		-		-	
(c) Other Long term Liabilities		-		-	
(d) Long- Term Provisions		-	-	-	-
(4) <u>Current Liabilities</u>					
(a) Short term Borrowings		16,40,282		-	
(b) Trade payables		-		8,000	
(c) Other Current Liabilities	3	5,87,802		15,63,252	
(d) Short- Term provisions	4	7,46,480	29,74,564	16,48,213	32,19,465
TOTAL (1+2+3+4)			5,77,22,403		5,60,09,651

II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets	5				
i. Tangible Assets		1,99,707		40,06,054	
ii. Intangible Assets		-		-	
iii. Capital Work-in-Progress		-		-	
iv. Intangible Assets under Development		-		-	
(b) Non- Current Investments	6	-		1,50,00,000	
(c) Deferred tax Assets (Net)		21,09,599		12,50,813	
(d) Long Term Loans and Advances		-		-	
(e) Other Non-Current Assets	7	2,56,00,191	2,79,09,497	2,56,16,739	4,58,73,606
(2) Current assets					
(a) Current Investments	8	0		50,16,000	
(b) Inventories	9	0		0	
(c) Trade Receivables		2,82,31,500		0	
(d) Cash and cash Equivalents	10	82,934		22,12,190	
(e) Short Term Loans and Advances	11	14,98,472		29,07,855	
(f) Other Current Assets		0	2,98,12,906	0	1,01,36,045
Total			5,77,22,403		5,60,09,651

The schedules and notes refer to above form an integral part of the Accounts

As per our report of even date

For S. H. GARG & ASSOCIATES

For Arnav Corporation Limited

Chartered Accountants

Sd/-

Sd/-

Sd/-

Proprietor

Director

Director

(S. H. GARG)

Membership No : 085517

Firm Reg. No :- 103088W

Place : Navi Mumbai

Date : 30th May, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING
31ST MARCH, 2013**

(Amount in Rupees)

Particulars	Note No.	AS AT 31.3.2013	AS AT 31.3.2012
I. Revenue from Operations	12	2,82,31,500	2,83,88,500
II. Other Income	13	1,82,450	(29,01,200)
III. Total Revenue (I+II)		2,84,13,950	2,54,87,300
IV. Expenses:			
a) Cost of Materials Consumed	14	2,56,65,000	2,60,70,000
i. Purchases of Stock-in-Trade			
ii. Change in inventories of finished Goods, Work-in Progress & Stock-in- trade			
b) Employee Benefit Expenses	15	7,89,000	2,49,380
c) Financial costs		0	0
d) Depreciation & Amortisation Expenses		76,322	1,92,078
e) Other expenses	16	5,26,081	6,24,681
Total Expenses		2,70,56,403	2,71,36,139
V. Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)		13,57,547	(16,48,839)
VI. Exceptional Items		0	378
VII. Profit/ (Loss) Before Extraordinary Items and Tax (V-VI)		13,57,547	(16,48,461)
VIII. Extraordinary Items		0	0
IX. Profit/ (Loss) before tax (VII-VIII)		13,57,547	(16,48,461)
X. Tax expense:			
(1) Current tax		2,58,680	0
(2) Deferred tax Liability/ (Assets)		(8,58,786)	(35,31,008)
		19,57,653	18,82,547

XI. Profit(Loss) from the period from Continuing Operations (XI-X-XIV)		0	0
XII. Profit/(Loss) from Discontinuing Operations		0	0
XIII. Tax expense of Discounting Operations			
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0	0
XV. Profit/(Loss) for the period (XI + XIV)		19,57,653	18,82,547
XVI. Earning per equity share:			
(1) Basic		0.38	0.36
(2) Diluted		0.38	0.36

The schedules and notes refer to above form an integral part of the Accounts

As per our report of even date

For S. H. GARG & ASSOCIATES

For Arnav Corporation Limited

Chartered Accountants

Sd/-

Sd/-

Sd/-

Proprietor

Director

Director

(S. H. GARG)

Membership No : 085517

Firm Reg. No :- 103088W

Place : Navi Mumbai

Date : 30th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rupees)

Particulars	31.03. 13 Rs.	31.03. 12 Rs.
A. Cash Flow from Operating Activities :		
Net Profit After tax and extraordinary items	24.15	18.83
Add:		
Depreciation	0.76	1.92
Deferred Tax Liability during the year	(4.72)	(35.31)
Provision for Tax during the year	-	-
Loss on sale of Investment	-	29.01
Add: Items considered separately		
Interest Paid	-	-
Less: Items considered separately		
Dividend Received	-	-
Interest Received	-	-
Operating Profit before Working Capital Changes	20.19	14.45
Changes in Working Capital		
Decrease in Sundry Debtors	(282.15)	1.34
Decrease in Short Term Loans & Advances	14.63	2.66
Increase in Sundry Creditors	(0.08)	0.08
Decrease in Other Current Liabilities	5.13	12.64
Net Changes in Working Capital	(262.47)	16.72
Cash Flow from Operating Activities	(242.28)	31.17
Less: Taxes Paid		
Net Cash Flow from Operating Activities	(242.28)	31.17
B. Cash Flow from Investment Activities :		
Purchase of Fixed Assets	-	(0.22)
Sale of Fixed Assets	-	127.35
Sale of Investment	-	71.78
Sale of Investment	28.99	28.99
Purchase of Investment	(58.00)	(58.00)

Purchase of Investment	200.16	(200.16)
Decrease in Loans & Advances	-	-
Net Cash Flow from Investment Activities	171.15	(30.26)
C. Cash Flow from Financing Activities :		
Share Application money Pending for Allotment refunded	-	(31.80)
Net Cash Flow from Financing Activities	-	(31.80)
Net Increase/(Decrease) in Cash & Cash Equivalents	(71.13)	(30.89)
Cash & Cash Equivalents –Opening Balance	22.12	53.01
Cash & Cash Equivalents –Closing Balance	(49.01)	22.12

The schedules and notes refer to above form an integral part of the Accounts

As per our report of even date

For S. H. GARG & ASSOCIATES

For Arnav Corporation Limited

Chartered Accountants

Sd/-

Sd/-

Sd/-

Proprietor

Director

Director

(S. H. GARG)

Membership No : 085517

Firm Reg. No :- 103088W

Place : Navi Mumbai

Date : 30th May, 2013

NOTES FORMING PART OF BALANCE SHEET

NOTE NO.1- SHARE CAPITAL

(Amount in Rupees)

Particulars	As at March 31,	
	2013	2012
<u>Authorized Shares</u>		
1,10,00,000 (1,10,00,000 Equity Shares of Rs. 10/- each)	110,000,000	1,10,000,000
Total	110,000,000	110,000,000
<u>Issued, Subscribed & Fully Paid- Up Capital</u>		
51,62,100 (51,62,100) Equity shares of Rs. 10/- each fully paid up	51,621,000	51,621,000
Less: Calls unpaid by other than directors	(732,359)	(732,359)
Total	50,888,641	50,888,641

NOTE NO. 2: RESERVES AND SURPLUS

Particulars	As at March 31,	
	2013	2012
a) Securities Premium Account		
Opening Balance	1,753,500	1,753,500
Add: Securities Premium Credited on Share Issue	-	-
Less: <u>Premium Utilized for Various Reasons</u>		
i) Premium on Redemption of Debentures	-	-
ii) For Issuing Bonus Shares		
Closing Balance (A)	1,753,500	1,753,500
b) Surplus		
Opening Balance	148,045	(1,734,502)

(+) Net Profit /(Net Loss) for the current Year	1,957,653	1,882,547
(+) Transfer From Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer To Reserves	-	-
Closing Balance (B)	2105698	148,045
Total (A) + (B)	3,859,198	1,901,545

Note 3: Other Current Liabilities

Particulars	As at March 31,	
	2013	2012
<u>Other Payables</u>		
i) T.D.S. on Professional Fees Payable F.Y. 2009-10	7984	7984
ii) T.D.S on Professional Fess Payable F.Y. 2010-11	17,244	17,244
iii) T.D.S on Professional Fees Payable F,Y. 2011-12	-	17,121
iv) T.D.S on Professional Fees Payable F.Y. 2012-13	19,106	-
v) Profession Tax (E) Payable F.Y. 2010-11	5000	5000
vi) Profession Tax Payable F. Y. 2009-10	2820	2820
vii) Profession Tax Payable F. Y. 2010-11	6300	6300
viii) Profession Tax Payable F.Y. 2012-13	2200	-
ix) Sales Tax Payable F.Y. 2009-10	1,82,707	1,82,707
x) Sales Tax Payable F.Y. 2010-11	13,689	13,689
xi) Shiv Pawan & Company	61,500	55,000
xii) S.H. Garg & Associates	70,786	57,912
xiii) Provisions for Fringe Benefit Tax A.Y. 2008-09	-	475
xiv) Status Publications Pvt. Ltd.	-	11,82,000
xv) Shivhari Infotech Pvt. Ltd.	28,748	15,000
xvi) Arnav Capital Ltd.	19,718	-
xvii) Rent Payable	1,50,000	-
Total	587,802	1,563,252

Note No. 4: Short Term Provisions

Particulars	As at March 31,	
	2013	2012
A) Provisions for Employee Benefits		
i) Director's Remuneration Payable	487,800	-
B) Others		
i) Provisions for Income –Tax A.Y. 2008-09	-	1,075,000
ii) Provisions for Income –Tax A.Y. 2010-11	-	573,213
iii) Provisions for Income –Tax A.Y. 2013-14	258,680	-
Total (A) + (B)	746,480	1,648,213

Note No. 5: Depreciation Chart as per Straight Line Method (In the Books of Accounts) for the year ended on 31/03/2013

Disclosure pursuant to Note No. 6 (D)(i), 6(D)(ii) and 6(D)(iii); Note No. J(i), J(ii) and J(iii); of Part I of Schedule VI to the Companies Act, 1956

Sr. No.	Name of the Assets	Rate (%)	Gross Block				Accumulated Depreciation				Net Block		
			Gross Value As on 01/04/12	Addition during the Year	Disposals during the Year	Gross Value as on 31/03/2013	Op. Balance As on 01/04/12	Depreciation during the Year	On Disposals during the Year	Balance as on 31/03/2013	Bal. As on 31/03/12	Bal. As on 31/03/2013	
(A)	Tangible Assets												
	1. Land	0.00	2,454,038	-	2,454,038	-	-	-	-	-	-	2,454,038	-
	2. Franking Machine	4.75	26,140	-	-	26,140	18,630	1,242	-	19,872	-	7,510	6,268
	3. Transformer	4.75	224,236	-	224,236	-	159,765	-	159,765	-	-	64,471	-
	4. Furniture & Fixture	6.33	750,700	-	-	750,700	688,988	47,519	-	736,457	-	61,762	14,243
	5. Office Equipments	4.75	293,184	-	-	293,184	172,800	13,926	-	186,726	-	120,384	106,458
	6. Fax Machine	4.75	51,677	-	-	51,677	32,973	2,455	-	35,428	-	18,704	16,249,
	7. Factory Building	3.34	1,972,493	-	1,972,493	-	1,011,043	-	1,011,043	-	-	961,450	-
	8. Bore well	4.75	17,500	-	17,500	-	6,648	-	6,648	-	-	10,852	-
	9. Electrical Installation	4.75	808,270	-	808,270	-	569,056	-	569,056	-	-	239,214	-
	10. Computers	16.21	-	-	-	-	-	-	-	-	-	-	-
	11. 12/3/D Wada	0.00	-	-	-	-	-	-	-	-	-	-	-
	12. Refrigerator	4.75	23,472	-	-	23,472	16,725	1,115	-	17,840	-	6747	5,632
	13. Air Conditioner	4.75	211,897	-	-	211,897	150,975	10,065	-	161,040	-	60,922	50,857
	14. Computers	0.00	252,648	-	-	252,648	252,648	-	-	252,648	-	-	-
	Sub Total(A)		7,086,255	-	5,476,537	1,609,718	3,080,201	76,322	1,746,512	1,410,011	-	4,006,054	199,707
(B)	Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
	Sub Total		-	-	-	-	-	-	-	-	-	-	-
(C)	Capital Work In		-	-	-	-	-	-	-	-	-	-	-
	Sub Total		-	-	-	-	-	-	-	-	-	-	-
(D)	Intangible Assets under Development		-	-	-	-	-	-	-	-	-	-	-
	Sub Total		-	-	-	-	-	-	-	-	-	-	-
	Total (A) +(B)+(C)+(D)		7,086,255	-	5,476,537	1,609,718	3,080,201	76,322	1,746,512	1,410,011	-	4,006,054	199,707
	Previous Year Total		19,811,379	22,000	12,747,124	7,086,255	2,900,625	192,078	12,502	3,080,201	-	16,910,754	4,006,054

Note No. 6: Non-Current Investments

Particulars	As at March 31,	
	2013	2012
A) Trade Investments	-	-
Total (A)	-	-
B) Other Investments		
Share Application Money in Arnav Capital Limited	-	-
Shares in Arnav Capital Limited	-	15,000,000
Total (B)	-	15,000,000
Total (A) +(B)	-	15,000,000

Note No. 7: Other Non-Current Assets

Particulars	As at March 31,	
	2013	2012
a) Long Term Trade Receivables (including Trade Receivables on deferred credit terms)		
1) Secured, considered good	-	-
2) Unsecured, considered Good	25,600,191	25,600,191
3) Doubtful	-	-
4) Less: Provision For Doubtful	-	-
Total	25,600,191	25,616,739

Note No. 8: Current Investments

Particulars	As at March 31,	
	2013	2012
Share Application in Status Equity & Finance Pvt. Ltd.	-	5,016,000
Total	-	5,016,000

Note No. 9:

Particulars	As at March 31,	
	2013	2012
A) Trade Receivables outstanding for a period less than six months from the date they are due for payment		
1) Secured, considered good	-	-
2) Unsecured, considered Good	17,754,000	-
3) Unsecured, considered doubtful	-	-
4) Less: Provision For Doubtful	-	-
Total (A)	17,754,000	-
B) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
1) Secured, considered good	-	-
2) Unsecured, considered Good	10,477,500	-
3) Unsecured, considered doubtful	-	-
4) Less: Provision For Doubtful	-	-
Total (B)	10,477,500	-
Total (A) + (B)	28,231,500	-

Note No. 10: Cash and Cash Equivalent

Particulars	As at March 31,	
	2013	2012
A) Balance With Banks		
Canara Bank	-	86,295
Axis Bank Ltd.	1000	37,711
B) Cash on hand	81,934	2,088,184
Total	82,934	2,212,190

Note No. 11: Short Terms and Advances

Particulars	As at March 31,	
	2013	2012
A) To Related Parties		
1) Secured, considered good	-	-
2) Unsecured, considered Good	-	-
3) Doubtful	-	-
4) Less: Provision For Doubtful Loans & Advances	-	-
Total (A)	-	-
B) Others		
1) Secured, considered good	-	-
2) Unsecured, considered Good		
a) Advances Receivables in cash or Kind	269,710	658,204
b) Advances to staff	-	-
c) Income Tax A.Y. 2008-09	1,174,556	2,249,556
d) Income Tax A. Y. 2012-13	95	95
e) Provision for I. T. A.Y. 2010-11	54,111	-
3) Doubtful	-	-
4) Less: Provision for Doubtful Loans & Advances	-	-
Total (B)	1,498,472	2,907,855
Total(A) + (B)	1,498,472	2,907,855

Note No. 12: Revenue from Operation

Particulars	As at March 31,	
	2013	2012
a) Sale of Products	28,231,500	28,388,500
b) Sale of Services	-	-
c) Other Operating Revenues	-	-
d) Less: Excise Duty	-	-
Total	28,231,500	28,388,500

Note No. 13: Other Income

Particulars	As at March 31,	
	2013	2012
a) Interest Income	-	-
b) Dividend	-	-
c) Net Gain/(Loss) on sale of Investment	-	(2,901,200)
d) Other Non-Operating Income (net of expenses directly attributable to such income)		
i) FBT Written Off A.Y. 2008-09	475	-
ii) Profit on sale of Fixed Assets	181,975	-
Total	182,450	(2,901,200)

Note No.14: Cost of Material Consumed

Particulars	As at March 31,	
	2013	2012
1) Opening Stock	-	-
2) Purchase	25,665,000	26,070,000
Total	25,665,000	26,070,000
3) Less: Closing Stock	-	-
Total	25,665,000	26,070,000

Note No.15: Employee Benefits Expense

Particulars	As at March 31,	
	2013	2012
a) Salaries and Incentives	2,39,000	2,49,380
b) Director's Remuneration	5,50,000	0
c) Staff welfare Expenses	0	0
Total	7,89,000	2,49,380

Note No.16: Other Expenses

Particulars	As at March 31,	
	2013	2012
i) <u>Payment to Auditor</u>		
a) Statutory Audit Fees	39,326	33,708
b) In any Other Manner	0	0
ii) Power & Fuel	14,335	8,840
iii) Rent	1,50,000	0
iv) <u>Repairs & Maintenance</u>		
a) Building	0	0
b) Others	2,688	2,12,919
v) Insurance Charges	0	0
vi) Rates & Taxes	62,944	73,920
vii) <u>Misc. Expenses</u>		
a) Tax Audit Fees	35,000	30,000
b) Telephone Expenses	10,200	3,509
c) Transfer Charges	25,564	18,073
d) Interest on TDS	2,597	0
e) Legal & Professional Charges	1,67,721	2,10,148
f) Balances w/off	0	517
g) Office Expenses	0	4,500
h) Bank Charges	15,706	28,547
Total	5,26,081	6,24,681

Note No.17

1) Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act,1956

Particular	CURRENT YEAR			
	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the Year	51,62,100	5,16,21,000	0	0
Shares issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the Year	51,62,100	5,16,21,000	0	0

Particular	PRECEDING YEAR			
	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the Year	51,62,100	5,16,21,000	0	0
Shares issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the Year	51,62,100	5,16,21,000	0	0

2) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ajay Ravindra Shah	2,60,084	5.04	0	0
Ashika Stock Brocking Ltd.	2,91,843	5.65	2,57,661	4.99
Indianivesh Securities Pvt. Ltd.	3,13,004	6.06	0	0
Jainam Share Consultants Pvt. Ltd.	3,82,754	7.41	0	0
Forever Merchants Pvt. Ltd.	3,24,431	6.28	3,24,431	6.28

3) Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956

Contingent liabilities and commitments (to the extent not provided for)	As at 31/03/2013	As at 31/03/2012
i) Contingent Liabilities		
a) Claims against the company not acknowledged as debt	-	-
b) Guarantees	-	-
c) Other money for which the company is contingently liable	-	-
Total.....(i)	-	-
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
b) Uncalled liability on shares and other investments partly paid	-	-
c) Other commitments	-	-
Total.....(ii)	-	-
TOTAL . . . (i) + (ii)	-	-

4) Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956

In the opinion of the Board, all assets other than fixed assets and non current investments have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

5) Disclosure pursuant to Note no. 5(i)(g) of Part II of Schedule VI to the Companies Act, 1956

Payments to the auditor as	Current Year 31/03/2013	Previous Year 31/03/2012
	Rs.	Rs.
a) Auditor	39,326	33,708
b) for taxation matters	0	0
c) for company law matters	0	0
d) for management services	0	0
e) for other services	5,618	0
f) The Proprietor of the Auditing firm has Charged the Fees in his Partnership capacity during the year into consideration	35,000	30,000
TOTAL	79,944	63,708

6) Disclosure pursuant to Note no. 5(2)(viii) of Part II of Schedule VI to the Companies Act, 1956

Expenditure/Income in Foreign Currency	Current Year 31/03/2013	Previous Year 31/03/2012
	Rs.	Rs.
Expenditure in Foreign Currency	0	0
Income in Foreign Currency	0	0

7) The following undisputed statutory dues has not been paid as on 31/03/2013 till the date of audit.

Particulars	Amount (₹)
T. D. S. on Professional Charges	44,334
ProfessionTax	16,320
Sales Tax	196,396
Total	257,050

8) Significant Accounting Policies :-

- (A) The Company generally follows mercantile method of accounting except the following which are accounted on cash basis.
- i) Gratuity and incentives to employees
 - ii) Income from investment
 - iii) Claims and interest due on overdue bills.

(B) Stock Valuation :-

The Stock has been valued at cost or market value whichever is less as valued and certified by the director.

- (C) Depreciation on fixed assets have been provided on straight line method as per schedule XIV of the Companies Act, 1956, on Single Shift Basis.

9) Income Tax :-

- (A) Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for taxes on Income. Taxes comprise both current and deferred tax.
- (B) Current tax is measured at amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.
- (C) The tax effect of the timing difference that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a Deferred tax assets or liability.
- (D) They are measured using the substantively enacted rates and tax regulations.

10) During the year the Company created Deferred Tax Assets of Rs. 8,58,786/-.

11) The Assessing Officer had raised the demand of Rs. 82,90,782/- against the Assessment Year 2008-09. However, the Company has filed an appeal to Commissioner of Income-tax (Appeals). In spite of the said appeal, the company has paid Rs. 22,49,556/- to the Income-tax department which is shown in the Balance Sheet as advances.

12) Pursuant to compliance of Accounting Standard (AS) 18 'Related Party Disclosures', provisions of section 301 of the Companies Act, 1956, as per Point (iii)(a) of the Annexure to the Companies (Auditor's Report) Order, 2003 and also the loans granted by the Company which is covered under section 372A of the Companies Act, 1956, the relevant information is provided hereunder:

A) Related Parties where control exists

Sr. No.	Name of Party	Relationship
1	D. J. Chaturvedi	Managing Director
2	Dhiren Negandhi	Director
3	Pradeep B. Parmar	Director
4	Rajnish Kumar	Director
5	Jayesh N. Shah	Director

B) The details of the related parties with whom transactions have taken place in the current and the preceding year.

i) Loan Transaction

Sr. No.	Name of the Party	Current Year(Rs.)			Preceding Year (Rs.)		
		Laon Given (Dr.)	Laon taken (Cr.)	Closing Balance Dr./Cr.)	Laon Given (Dr.)	Laon taken (Cr.)	Closing Balance Dr./Cr.)
1	Arnav Green Energy Limited	1,88,02,000	2,04,42,282	- 1640282	-	-	-

ii) Director Remuneration

Sr. No.	Name of Party	Current Year (Rs.)	Preceding Year (Rs.)
1	D. J. Chaturvedi	60,000	-
2	Mr. Dhiren Negandhi	250,000	-
3	Jayesh N. Shah	240,000	-

13) The company during the year has done only sale and purchases of the Panchang Books. There is no other business, that is why no segment reporting is required.

14) Figures in brackets represent the figures of the previous year and have been regrouped / rearranged wherever necessary.

15) There is no practice of the Company to obtain confirmation of the sundry debtors and sundry creditors. Hence, the said accounts are subject to confirmation and reconciliations, if any.

16) Pursuant to compliance of Accounting Standard (AS) 20 "Earnings per Share", the relevant information is provided here below :

	Particulars	Amount (Rs.)
a)	Net profit / (loss) after tax as per Profit & Loss A/c	19,57,653
b)	No. of Equity shares of Rs.10/- during the year	51,62,100
c)	Earnings/(Loss) per equity share of Rs.10/- Each Basic/Diluted (1)/(2) (EPS)	0.38

17) Quantitative details for Educational Books :

Particulars	Current Year (In Nos.)	Previous Year (In Nos.)	Current Year (Rs.)	Previous Year (Rs.)
Opening	0	0	0	0
Purchases	17,110	15,800	25,665,000	26,070,000
Sales	17,110	15,800	28,231,500	28,388,500
Closing	0	0	0	0

Signature to Note '1' to '17'

As per our report of even date

For S. H. GARG & ASSOCIATES

For Arnav Corporation Limited

Chartered Accountants

Sd/-

Sd/-

Sd/-

Proprietor

Director

Director

(S. H. GARG)

Membership No : 085517

Firm Reg. No :- 103088W

Place : Navi Mumbai

Date : 30th May, 2013

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