

FORM A

1.	Name of the Company:	Arnav Corporation Limited
2.	Annual financial statements for the year ended:	31 st March, 2014
3.	Type of Audit of Observation:	Un-qualified
4.	Frequency of observation:	Not Applicable
5.	To be signed by-	Shivhari B. Garg M/s. S. H. Garg & Associates Chartered Accountants (Membership No. : 085517)
	• Auditor of the Company	 
	• CEO/Managing Director	D.V. Nayal 
	• Audit Committee Chairman	Rajikumar

ANNUAL REPORT
OF
ARNAV CORPORATION LIMITED
2013-14



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CORPORATE INFORMATION




BOARD OF DIRECTORS

Dhiren V Negandhi	: Managing Director
Jayesh R. Shah	: Executive Director
Dauji L Chaturvedi	: Executive Director
Pradeep B. Parmar	: Non- Executive Independent Director
Rajnish Kumar	: Non- Executive Independent Director
Chandrakant R. Shinde	: Non- Executive Independent Director

COMPLIANCE OFFICER

Dhiren Vitthaldas Negandhi

BANKERS

-  **ING Vysya Bank**
-  **Dhanlaxmi Bank**
-  **Axis 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

REGISTERED OFFICE

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

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present this Annual Report and the Audited Accounts of the Company for the Year ended 31st March 2014.

▪ **Financial Results:**

Particulars	(Amount in Rs.)	
	2013-2014	2012-2013
Revenue from Operations	3,26,45,049	2,82,31,500
Other Income	-	1,82,450
Total Income	3,26,45,049	2,84,13,950
Less: Total Expenses	(3,26,96,241)	(2,70,56,403)
Profit/ (Loss) before Tax	(51,192)	13,57,547
Less: Current Tax	-	258,680
Deferred Tax Liability/(Assets)	(15,819)	(858,786)
Profit/ Loss after Tax	(35,373)	19,57,653

▪ **Operational Review:**

For the financial year ended March 31, 2014, the Company has recorded strong revenue earnings for the year under review stood at Rs. 3,26,45,049/- as compared to Rs. 2,82,31,500 /- in the previous year, reflecting an increase of more than 15%. This growth in Earnings is to a large extent the result of the ability of the company to accept the challenges, improve the overall performance and capture the larger portion in the market.

The Company faced a reduction in Profit before Tax due to increase in the overall expenses, incurred during the year in order to explore the market. Loss before Tax for the year stood at Rs. 51,192/- as compared to the profit of Rs. 13,57,547/- in the previous year. The loss after Tax for the year was Rs. 35,373/- as compared to the profit of Rs. 19,57,653/- in the previous year. The Company, on its part, has taken various initiatives to improve its operating efficiency and revenue earning potential.

▪ **Equity infusion through Preferential Allotment:**

During the financial year 2013-14, the Company had issued and allotted 4,00,00,000 Convertible equity warrants to various allottees under the non-promoter category. These warrants were subsequently converted into Equity shares of the Company in the Board meeting held on 10th December, 2013. Pursuant to the issue the company raised an aggregate sum of Rs. 84,00,00,000/- .

▪ **Dividend:**

Considering the year's financial performance, the Directors of your Company decided not to recommend any dividend.

- **Directors:**

Liabale to retire by rotation:

In accordance with the applicable provisions of the Companies Act and the Articles of Association of the Company, **Mr. Jayesh Shah**, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible he has offered himself for re-appointment. Your directors recommend his appointment as an Executive Director of the Company.

Fresh Appointment:

In accordance with the applicable provisions of Section 149, Section 152 and Section 160 of the Companies Act, 2013 and the rules made there under, a notice proposing the candidature of Ms. Kajal Soni for the office of directorship of the Company has been received by the Company.

Considering her caliber and experience in the fields associated with the Company's business, the Board recommends the appointment of Ms. Kajal Soni as an Executive Director of the Company liable to retire by rotation.

A resolution to this effect has been put up in the notice calling the ensuing Annual General Meeting of the Company.

Independent Directors:

Mr. Pradeep B Parmar, Mr. Rajnish Kumar and Mr. Chandrakant R Shinde, have been holding the position of Independent Directors of the Company, liable to retire by rotation.

However, as per Companies Act, 2013, an independent director shall hold office for a fixed term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of upto five consecutive years.

In due compliance with the provisions of Section 149, Section 150 and Section 152 of the Companies Act, 2013, it is proposed to appoint **Mr. Pradeep B. Parmar, Mr. Chandrakant R. Shinde** and **Mr. Rajnish Kumar** as Independent Directors on the Board of the Company, who shall hold the office for a term of five consecutive years from the conclusion of the ensuing Annual General Meeting.

The appropriate resolutions for appointment of such Directors are placed for the approval of members.

- **Appointment of Auditors:**

M/s. S. H. Garg and Associates, Chartered Accountants (Firm Reg. No.- **103088W**), are the Statutory Auditors of the Company, who shall hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

As per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint **M/s. S. H. Garg and Associates**, Chartered Accountants (Firm Reg. No. **103088W**), as the Auditors of the Company for a period of three years commencing from the conclusion of ensuing Annual General Meeting up to the conclusion of the Annual General Meeting for the financial year 2016-17, subject to ratification of the

members at every annual general meeting, at a remuneration determined by the Board of Directors.

The Company has received a letter from **M/s. S. H. Garg and Associates** to the effect that their appointment, if made, would be in accordance with Section 139 of the Companies Act, 2013 and that, they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013.

▪ **Directors' Responsibility Statement:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on representations received from the Operating Management, confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed and that there are no material departures;
- they have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014, and of the profit of the Company for the year ended on that date;
- they have taken proper and sufficient care, to the best of their knowledge and ability, 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
- they have prepared the annual accounts of the Company 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.

▪ **Deposits:**

The Company has not accepted any Deposits, during the year under review.

▪ **Listing:**

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

▪ **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:**

The Company 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:**

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to achieve 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.

▪ **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.

Place: Mumbai
Date: 4th September, 2014.

By Order of the Board
Sd/-
Dhiren Negandhi
Managing Director
DIN:- 03385812

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

Company's Philosophy on Corporate Governance:

The Company recognizes and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and ensure fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

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.

The Company believes that good corporate governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders. This can be analyzed through the following:

I. BOARD OF DIRECTORS

Board Composition:

The Board of Directors, along with the Committees of the Board, direct, supervise and control the activities of the Company.

The Board strength and representation as on date consists of 6 directors. The composition and the category of directors on the Board of the Company are as under:

Board of Directors	Category
Dhiren Negandhi	Managing Director & Chairman
Jayesh Shah	Executive Director
Dauji Laddo Chaturvedi	Executive Director
Pradeep Parmar	Non- Executive Independent Director
Rajnish Kumar	Non- Executive Independent Director
Chandrakant R. Shinde	Non- Executive Independent Director

Board Meeting:

During the financial year 2013-14; 8 Board meetings were held viz. on 3rd April, 2013; 30th May, 2013; 13th August, 2013; 4th September, 2013; 23rd October, 2013; 14th November, 2013; 10th December, 2013 and 12th February, 2014.

The details of Directors, their attendance at Board Meetings held during 2013-2014 and at the previous Annual General Meeting of the Company are, given below:

Name of the Director	Board Meetings Attended	Attendance at the previous AGM held on 30.09.2013	No. of Directorship held in other Companies #	No. of Companies in which he is Chairman	No. of Membership in other Board Committees ##
Dhiren Negandhi	8	Yes	Nil	Nil	Nil
Jayesh Shah	8	Yes	Nil	Nil	Nil
Dauji Laddoo Chaturvedi	8	Yes	1	Nil	Nil
Pradeep Parmar	8	Yes	Nil	Nil	Nil
Rajnish Kumar	8	Yes	1	Nil	Nil
Chandrakant Shinde*	4	No	0	Nil	Nil

* Appointed as a director in the Annual General meetings held on 30.09.2013.

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.

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 Nomination and Remuneration Committee (formerly called the Remuneration Committee) and ;
- The Stakeholders Relationship Committee (formerly called Shareholders/Investors Grievance 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:

A) THE AUDIT COMMITTEE:

- **Significance of the Committee:**

Clause 49 of the 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.

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

The Audit Committee so constituted exercises powers and discharges functions as stipulated in Section 292A of Companies Act, 1956 & Clause 49 of the Listing Agreement entered with Stock Exchange and other relevant statutory / regulatory provisions.

▪ **Constitution of the Audit Committee:**

The Audit Committee comprises of three Directors. An overview of the Members constituting the Audit Committee together with their designations is outlined as under:

Sr. No.	Name of the Director	Category	Designation
1	Rajnish Kumar	Non –Executive Independent Director	Chairman
2	Pradeep B. Parmar	Non –Executive Independent Director	Member
3	*Jayesh Shah	Executive Director	Member

**Mr. Jayesh Shah, Executive director of the Company was appointed as a member of the committee in place of Mr. Dauji Chaturvedi, w.e.f 24th May, 2013, who due to his other Company roles & responsibilities, couldn't continue to act as a member of the committee.*

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

The Audit Committee Meetings were held 5 times during the year viz. 24th May, 2013, 5th August, 2013, 27th August, 2013, 5th November, 2013 and 3rd February, 2014.

Sr. No.	Name of the Director	Number of Meetings held during the year	Number of Meetings attended
1	Rajnish Kumar	5	5
2	Pradeep B. Parmar	5	5
3	Jayesh Shah	5	5

**Mr. Jayesh Shah, Executive director of the Company was appointed as a member of the committee in place of Mr. Dauji Chaturvedi, w.e.f 24th May, 2013, who due to his other Company roles & responsibilities, couldn't continue to act as a member of the committee.*

B) NOMINATION AND REMUNERATION COMMITTEE:

(formerly known as Remuneration Committee)

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 30, 2014, have approved the change in nomenclature of the Nomination/Remuneration Committee to “**Nomination and Remuneration Committee**” and have revised their role as under:

- The revised role of the Nomination and Remuneration Committee, inter-alia, includes the following:
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee comprises of three Non Executive Independent Directors. They are Mr. Rajnish Kumar – (Chairman), Mr. Chandrakant R. Shinde and Mr. Pradeep Parmar.

Mr. Chandrakant Shah, Non-executive Independent director of the Company was appointed as a member of the committee in place of Mr. Dauji Chaturvedi, w.e.f 24th May, 2013, who due to his other Company roles & responsibilities, couldn't continue to act as a member of the committee.

This Committee met twice during the financial year i.e. on 24th May, 2013 and 27th August, 2013. The Minutes of the Remuneration Committee Meetings are noted by the Board.

The details of the composition of the Committee, meetings held, attendance at the meetings are given below:

Sr. No.	Name of the Member	Category of Director	Designation	No. of Meetings held	No. of Meetings attended
1	Rajnish Kumar	Non-Executive Independent	Chairman	2	2
2	Pradeep Parmar	Non-Executive Independent	Member	2	2
3	Chandrakant Shah	Non-Executive Independent	Member	2	2

C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

(formerly termed as Shareholders'/ Investors' Grievance Committee)

In accordance with Section 178(5) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 30, 2014, have approved the change in nomenclature of the Shareholders'/ Investors' Grievance Committee to "**Stakeholders Relationship Committee**" and enhanced their role.

The Committee deals with the following matters:

- Noting transfer/transmission of shares.
- Review of dematerialized/rematerialized shares and all other related matters.
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.
- All other matters related to shares/debentures.

The Stakeholders Relationship Committee comprises three Directors viz. Mr. Pradeep Parmar – (Chairman), Mr. Rajnish Kumar and Mr. Chandrakant Shah.

Mr. Chandrakant Shah, Non-executive Independent director of the Company was appointed as a member of the committee in place of Mr. Dauji Chaturvedi, w.e.f. 28th May, 2013, who due to his other Company roles & responsibilities, couldn't continue to act as a member of the committee.

During 2013-14, the Committee met four times on viz. May 28, 2013, August 12, 2013, November 12, 2013 and February 10, 2014. The Minutes of the Shareholders' Committee are reviewed and noted by the Board.

The details of the composition of the Committee, meetings held, attendance at the meetings, are given below:

Sr. No.	Name of the Member	Category of directorship	Designation	No. of Meetings held	No. of Meetings attended
1	Pradeep Parmar	Non –Executive Independent	Chairman	4	4
2	Rajnish Kumar	Non –Executive Independent	Member	4	4
3	Chandrakant Shah	Non-Executive Independent	Member	4	4

III. GENERAL BODY MEETING:

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

Year	Date	Location	Time
2012-2013	30 th September, 2013	101, C Wing, Ambika Darshan, C P Road, Kandivali (East), Mumbai- 400 101	09.00 A.M.
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.

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

Year	Resolution
2012-2013	Approval for issue on preferential basis up to 4,00,00,000 Convertible Equity Warrants to the Non promoters for an amount aggregating to Rs. 84 crores with each warrant convertible in to One Equity share of Rs. 10/- each at a price of Rs. 21/- per share, as per the provisions of SEBI (ICDR) Regulations, 2009.
2011-2012	No Special Resolution was passed.
2010-2011	No Special Resolution was passed.

Postal Ballot:

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

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.

General Shareholder information:

▪ **Annual General Meeting:**

- Date : 29th September, 2014
- Day : Monday
- Time : 9.30 a.m.
- Venue: 101, C Wing, Ambika Darshan, C. P. Road, Kandivali (East), Mumbai 400 101, Maharashtra.

▪ **Financial Year:** 1st April, 2014 to 31st March, 2015.

Adoption of Quarterly Results for the Quarter ending	Tentative/ Actual date of the Meeting of the Board
June 30, 2014	13 th August, 2014
September 30, 2014	Second Week of November, 2014
December 31, 2014	Second Week of February, 2015
March 31, 2015	End of May 2015

▪ **Date of Book closure:**

The Book Closure period is from 16th September, 2014 to 18th September, 2014 **(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 2014-2015 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**

▪ **Corporate Identification Number :**

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is **L74900MH1987PLC044592.**

▪ **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, 2014 is given hereunder:

Month	High (Rs.)	Low (Rs.)
April 2013	17.00	13.41
May 2013	15.80	11.57
June 2013	16.63	11.21
July 2013	16.15	11.20
August 2013	15.29	12.74
September 2013	15.95	9.75
October 2013	20.00	12.85
November 2013	18.30	15.70
December 2013	18.50	15.70
January 2014	17.95	13.35
February 2014	15.20	12.69
March 2014	15.25	13.08

▪ **Registrars and Share Transfer Agents:**

Universal Capital Securities Pvt. Ltd.

21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (E),
Mumbai-400093, Maharashtra,
Tel.: 022-28257641/28207203-05
E-mail: karlekar@unisec.in

▪ **Distribution of shareholding as on 31st March, 2014:**

Shareholding of Nominal Value of Rs.	In Rs.	% of total shareholding
Up to - 500	3194260	0.71
501 - 1000	5498650	1.22
1001 - 2000	2037820	0.45
2001 - 3000	2174920	0.48
3001 - 4000	1424080	0.32
4001 - 5000	1868000	0.41
5001 - 10000	3255990	0.72
10001 - Above	432167280	95.69
Total	451621000	100.00

▪ **Shareholding Pattern as on 31st March, 2014:**

Category	Category of Shareholder	Number of shares held	% of shareholding
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	102638	0.23
(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)	102638	0.23
2	Foreign	0	0.00
	Sub Total(A)(2)	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	102638	0.23
(B)	Public shareholding		
1	Institutions	0	0.00
	Sub-Total (B)(1)	0	0.00
2	Non-institutions		
(a)	Bodies Corporate	41263612	91.37
(b)	Individuals		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1640083	3.63
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1090600	2.14
(c)	Any Other		
I	Clearing Member	748617	1.66
II	Non Resident Indians (Repat)	316550	0.70
	Sub-Total (B)(2)	45059462	99.77
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	45059462	99.77
	Total (A)+(B)	45162100	100.00
(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)	45162100	100.00

▪ **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	Share in %
NSDL	1146966	2.54
CDSL	2634314	5.83
PHYSICAL	41380820	91.63
TOTAL	45162100	100.00

▪ **Address of Correspondence:**

Arnav Corporation Limited

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

E-mail:-corp.arnav@gmail.com

Website: - www.arnavcorp.com

Date: 4th September, 2014

Place: Mumbai.

By Order of the Board

Sd/-

Dhiren Negandhi

Managing Director

DIN: 03385812

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE

The Indian Textile Industry counts among the leading textile industries in the world. Textile is one of the oldest, largest and significant industrial sectors in India. The Indian textile industry is in a stronger position now, than it was in the past few decades. The industrial growth for textiles has now accelerated to 9-10 per cent annually. Role of Indian textiles sector is manifold. It not only provides a basic necessity, but is an important contributor to the GDP, employment, industrial output and exports of India.

The industry is expected to touch US \$220 billion by 2020. The Government of India plans to set up a Rs. 100/- Crores venture capital fund to provide equity support to start-ups in the textile sector, in order to encourage innovative ideas.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

▪ **FDI in Textile Sector:**

The Government has allowed 100 per cent FDI in the sector through the automatic route. Government is implementing various schemes to ensure the maximum utilisation of FDI in textile sector like Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Parks (SITP), Integrated Skill Development Scheme (ISDS), Scheme for development of Technical Textiles and Schemes for the development of the power loom Sector etc.

In order to make textile processing units more environment-friendly and globally competitive, the Cabinet Committee on Economic Affairs (CCEA) has approved an Integrated Processing Development Scheme (IPDS) with an investment of Rs. 500 crore.

▪ **Government Measures:**

The Government of India has promoted a number of export promotion policies for the textiles sector. Government is providing grants under Market Access Initiative and Market Development Assistance Scheme to explore new markets. Government implements several export promotion measures including incentives under Focus Market Scheme and Focus Product Scheme; enhancing the coverage of Market Linked Focus Product Scheme for textile products to increase India's share in various countries. Financial Assistance is provided under Market Development Assistance (MDA) Scheme for a range of export promotion activities implemented by Textiles Export Promotion Councils on the basis of annual action plan.

▪ **Export-driven Growth:**

With the recent depreciation of the rupee which has mitigated the severe real exchange rate appreciation over the earlier years, textile exports have grown by 13% in 2013-14 over 6% in 2012-13 (dollar terms).

Continuing rupee depreciation and India's improving position as a preferred supplier for value-added garments would aid continued growth in exports during FY15. Rupee depreciation has improved the competitiveness of Indian exporters in global textile trade.

▪ **Investments:**

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth Rs 6,710.94 crore (US\$ 1.11 billion) during April 2000 to February 2014.

▪ **Company Overview:**

For the financial year ended March 31, 2014, the Company has recorded strong revenue earnings for the year under review stood at Rs. 3,26,45,049/- as compared to Rs. 2,82,31,500 /- in the previous year, reflecting an increase of more than 15%. This growth in Earnings is to a large extent the result of the ability of the company to accept the challenges related to the industry, improve the overall performance and capture the larger portion in the market.

▪ **Opportunities**

The Indian textiles industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand for the textiles industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods.

The organized apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

▪ **Strategy**

The Company's strategy for long-term growth is based on continuing to scale, strengthen core business and grow in new areas of business. The Company has made a structured attempt to look for new dimensions of growth. The Company continues to look for new ways to strengthen customer relationships, expand services portfolio by continuously introducing new services.

▪ **Risks and Concerns:**

The Textile sector is hampered by shortage of trained and specialized human capital. Besides this the high volatile raw material prices, foreign exchange fluctuation, higher interest cost, labour cost and power cost are some of the major challenges the textile industry is facing. Your company makes all efforts to meet the challenges.

▪ **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.

▪ **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:**

Certain statements in the “Management Discussion and Analysis” section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors’ envisage in terms of future performance and outlook.

Date: 4th September, 2014
Place: Mumbai.

By Order of the Board
Sd/-
Dhiren Negandhi
Managing Director
DIN:- 03385812

MD'S CERTIFICATION ON FINANCIAL STATEMENTS

**To,
The Board of Directors,
Arnav Corporation Limited.**

I, the Managing Director 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.

**Date: 30th May, 2014
Place: Mumbai.**

**By Order of the Board
Sd/-
Dhiren Negandhi
Managing Director
DIN:- 03385812**

CORPORATE GOVERNANCE COMPLIANCE
CERTIFICATE

To,
The Members,
Arnav Corporation Limited

I have examined the compliance of conditions of Corporate Governance by **Arnav Corporation Limited** for the year ended **31st March, 2014** 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 my opinion and to the best of my knowledge and according to the explanations/ information 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.

I 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/-
(S. H. GARG)
Proprietor
Mem. No. 085517
Firm No. 103088W

Date : 2nd September, 2014
Place : Navi Mumbai

INDEPENDENT AUDITORS REPORT

To,
The Members of,
Arnav Corporation Limited.

Report on the financial statements

We have audited the accompanying financial statements of **M/s. Arnav Corporation Limited**, which comprise the Balance Sheet as at 31st March, 2014, 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

The Company's 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 notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 judgement, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014;
- ii) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows of the Company 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 Companies Act, 1956, we give in the Annexure 'A', the 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 proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place : Navi Mumbai
Date: 30th May, 2014

For S. H. Garg & Associates
Chartered Accountants
Sd/-
Proprietor
(S. H. GARG)
Mem. No. 085517
Firm No. 103088W

ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE

(Referred to in paragraph 1 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 not disposed off any of the fixed assets during the year.

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 loans to companies, firms or other parties covered in the register mentioned in Section 301 of the Act.
- b) The company has taken loans from companies, firms or other parties covered in the register mentioned in Section 301 of the Act.
- c) The terms and conditions of the loans taken and the rate of interest is not prima facie prejudicial to the interest of the company.
- d) According to the information provided to us, the payment of the loans are on call basis.

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 not 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.

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. 7 and 11 of Note No. 15 to the Balance Sheet.
 - b) There are disputed statutory dues pending to be paid as mentioned in Point No. 11 of the Note No. 15 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 does not have any accumulated losses as at the end of the financial year.
 - b) The company has incurred the cash losses during the financial year into consideration.
 - c) The company has not incurred the cash losses 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, securities and debentures during the year into consideration..
- 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 have been raised on short-term basis which were used for long term investment and vice versa.

xviii) As per information and explanations given to us, the Company has made preferential allotment of shares during the year to parties and companies not covered 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/-

S. H. GARG

Proprietor

Mem. No. 085517

Firm No. 103088W

Place : Navi Mumbai

Date: 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rupees)

Particulars	Note No.	Current Year 31-03-14	Previous Year 31-03-13
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	450,888,641	50,888,641
(b) Reserves and Surplus	2	443,823,825	3,859,198
(c) Money received against share warrant		-	-
		894,712,466	54,747,839
(2) Share Application Money Pending Allotment			
		-	-
(3) Non- Current Liabilities			
(a) Long Term Borrowings		-	1,640,282
(b) Deferred tax Liabilities (Net)		-	-
(c) Other Long term Liabilities		-	-
(d) Long- Term Provisions		-	-
		-	1,640,282
(4) Current Liabilities			
(a) Short term Borrowings		-	-
(b) Trade payables		31,817,307	-
(c) Other Current Liabilities	3	2,291,804	587,802
(d) Short- Term provisions	4	746,480	746,480
		34,855,591	1,334,282
TOTAL		929,568,057	57,722,403
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	5		
i. Tangible Assets		156,661	199,707
ii. Intangible Assets		-	-
iii. Capital Work-in-Progress		-	-
iv. Intangible Assets under Development		-	-
(b) Non Current Investment		-	-
(c) Deferred Tax Assets (Net)		2,125,418	2,109,599
(d) Long Term Loans and Advances		-	-
(e) Other Non- Current Assets	6	25,600,191	25,600,191
		27,882,270	27,909,497
(2) Current assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	7	60,057,071	28,231,500
(d) Cash and cash Equivalents	8	313,732	82,934
(e) Short Term Loans and Advances	9	841,314,984	1,498,472
(f) Other Current Assets		-	-
		901,685,787	29,812,906
Total(I+II)		929,568,057	57,722,403

The Schedules & Notes referred 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

Place: Mumbai

Date : 30th May, 2014

Date : 30th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in Rupees)

Particulars	Note No.	Current Year 31-03-14	Previous Year 31-03-13
I. Revenue from Operations	10	32,645,049	28,231,500
II. Other Income	11	-	182,450
III. Total Revenue(I+II)		32,645,049	28,413,950
IV. Expenses:			
a) Cost of Materials Consumed	12	31,817,307	25,665,000
i) Purchases of Stock-in-Trade		-	-
ii) Change in inventories of finished Goods, Work-in Progress & Stock-in-trade		-	-
b) Employee Benefit Expenses	13	149,176	789,000
c) Financial Costs		-	-
d) Depreciation & Amortization Expenses		43,046	76,322
e) Other expenses	14	686,712	526,081
Total Expenses		32,696,241	27,056,403
V. Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)		(51,192)	1,357,547
VI. Exceptional Items		-	-
VII. Profit/ (Loss) Before Extraordinary Items and Tax (V-VI)		(51,192)	1,357,547
VIII. Extraordinary Items		-	-
IX. Profit/ (Loss) before tax (VII-VIII)		(51,192)	1,357,547
X. Tax expense:			
(1) Current tax		-	258,680
(2) Deferred tax Liability/ (Assets)		(15,819)	(858,786)
XI. Profit(Loss) for the period from Continuing Operations (XI-X-XIV)		(35,373)	1,957,653
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (After Tax)(XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(35,373)	1,957,653
XVI. Earning per equity share:			
(1) Basic		(0.00)	0.38
(2) Diluted		(0.00)	0.38

Notes to Accounts

15

The Schedule & Notes referred 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/-

S.H.Garg

Director

Director

Proprietor

Membership No : 085517

Firm Reg. No :- 103088W

Place : Navi Mumbai

Place : Mumbai

Date : 30th May, 2014

Date : 30th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rupees)

Particulars	Current Year 31.03. 14	Previous Year 31.03. 13
A. Cash Flow from Operating Activities :		
Net Profit After tax and extraordinary items	35,373	1,943,436
<u>Add:</u>		
Depreciation	43,046	76,322
Deferred Tax Liability during the year	(15,819)	-
Provision for Tax during the year	-	-
Profit/Loss on sale of Investment	-	-
<u>Add:</u> Items considered separately		
Interest Paid	-	-
<u>Less:</u> Items considered separately		
Dividend Received	-	-
Interest Received	-	-
Operating Profit before Working Capital Changes	(8,146)	2,019,758
Changes in Working Capital		
Increase in Sundry Debtors	(31,825,571)	(28,214,952)
Increase in Short Term Loans & Advances	(839,816,512)	1,463,494
Increase in Sundry Creditors	31,817,307	(8,000)
Increase in Other Current Liabilities	1,704,002	-
Increase in Short Term Provision	-	-
Decrease in Other Current Liabilities		512,632
Net Changes in Working Capital	(838,120,774)	(26,246,826)
Cash Flow from Operating Activities	(838,128,920)	(24,227,068)
<u>Less:</u> Taxes Paid	-	-
Net Cash Flow from Operating Activities	(838,128,920)	(24,227,068)
B. Cash Flow from Investment Activities :		
Sale of Investment	-	2,898,800
Purchase of Investment	-	(5,800,000)
Purchase of Investment	-	(20,016,000)
Net Cash Flow from Investment Activities	-	(22,917,200)
C. Cash Flow from Financing Activities :		
Proceeds from issue of Equity Shares including Securities Premium	840,000,000	-
Long Term Borrowings	(1,640,282)	-
Net Cash Flow from Financing Activities	838,359,718	-
Net Increase/(Decrease) in Cash & Cash Equivalents	230,798	(47,144,268)
Cash & Cash Equivalents –Opening Balance	82,934	2,212,190
Cash & Cash Equivalents –Closing Balance	313,732	82,934

For S. H. Garg & Associates
Chartered Accountants

For Arnav Corporation Limited

Sd/-
S. H. GARG
Proprietor
Membership No : 085517
Firm Reg. No :- 103088W

Sd/- Sd/-
Director Director

Place : Navi Mumbai
Date : 30th May, 2014

Place :Mumbai
Date : 30th May, 2014

NOTES FORMING PART OF BALANCE SHEET

NOTE NO.1- Share Capital

Particulars	(Amount in Rupees)	
	Current Year 31/03/2014	Previous Year 31/03/2013
<u>Authorized Capital</u>		
1,10,00,000 Equity Shares of Rs. 10/- each	110,000,000	110,000,000
Total	110,000,000	110,000,000
<u>Issued, Subscribed & Paid- Up Capital</u>		
51,62,100 Equity shares of Rs. 10/- each fully paid up	51,621,000	51,621,000
4,00,00,000 Equity shares of Rs. 10/- each fully paid up	400,000,000	-
Less: Calls unpaid by other than Directors	(732,359)	(732,359)
Total	450,888,641	50,888,641

NOTE NO. 2: Reserves And Surplus

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
a) Securities Premium Account		
Opening Balance	1,753,500	1,753,500
Add: Securities Premium Credited on Share Issue	440,000,000	-
Less: Premium Utilized for Various Reasons		
i) Premium on Redemption of Debentures	-	-
ii) For Issuing Bonus Shares	-	-
Closing Balance (A)	441,753,500	1,753,500
b) Surplus		
Opening Balance	2,105,698	148,045
(+) Net Profit / (Net Loss) for the current Year	(35,373)	1,957,653
(+) Transfer From Reserves	0	0
(-) Proposed Dividends	0	0
(-) Interim Dividends	0	0
(-) Transfer To Reserves	0	0
Closing Balance (B)	2,070,325	2,105,698
Total (A) + (B)	443,823,825	3,859,198

Note No. 3: Other Current Liabilities

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
a) T.D.S. on Professional Fees Payable F.Y. 2009-10	7984	7984
b) T.D.S on Professional Fess Payable F.Y. 2010-11	17,244	17,244
c) T.D.S on Professional Fees Payable F.Y. 2012-13	19,106	19,106
d) T.D.S on Professional Fees Payable F.Y. 2013-14	3,762	-
e) Profession Tax (E) Payable	7,500	5000

f) Profession Tax Payable F. Y. 2009-10	2,820	2820
g) Profession Tax Payable F. Y. 2010-11	6,300	6300
h) Profession Tax Payable F.Y. 2012-13	2,200	2,200
i) Profession Tax Payable F.Y. 2013-14	2,500	-
j) Sales Tax Payable F.Y. 2009-10	1,82,707	1,82,707
k) Sales Tax Payable F.Y. 2010-11	13,689	13,689
l) Shiv Pawan & Company	91,500	61,500
m) S.H. Garg & Associates	104,494	70,786
n) Shivhari Infotech Pvt. Ltd.	28,748	28,748
o) Arnav Capital Ltd.	-	19,718
p) Rent Payable	-	1,50,000
q) Mala Global Trading Co. (Advance received from Customers)	1,765,000	-
r) Others	36,250	-
Total	2,291,804	587,802

Note No. 4 Short Term Provisions

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
A) <u>Provision for Employee Benefits</u>		
i) Director's Remuneration Payable	4,87,800	4,87,800
B) <u>Others</u>		
i) Provision for Income Tax A.Y. 2013-14	258,680	258,680
Total (A+B)	746,480	746,480

Note No. 5: Depreciation Chart as per Straight Line Method (In the Books of Accounts) for the year ended on 31/03/2014
Disclosure pursuant to Note No. 6 (i)(i), 6(i)(ii) and 6(i)(iii); Note No. J(i), J(ii) and J(iii); of Part I of Schedule VI to the Companies Act, 1956

Sr N	Name of the Assets	Rate (%)	Gross Block			Accumulated Depreciation				Net Block		
			Gross Value As on 01/04/13	Addition during the Year	Disposals during the Year	Gross Value as on 31/03/2014	Op. Balance As on 01/04/13	Depreciation during the Year	On Disposal during the Year	Balance as on 31/03/2014	Bal. As on 31/03/13	Bal. As on 31/03/2014
(A)	Tangible Assets											
	1. Land	0.00	-	-	-	-	-	-	-	-	-	-
	2. Franking Machine	4.75	26,140	-	-	26,140	19,872	1,242	-	21,114	6,268	5,026
	3. Transformer	4.75	-	-	-	-	-	-	-	-	-	-
	4. Furniture & Fixtures	6.33	750,700	-	-	750,700	736,457	14,243	-	750,700	14,243	-
	5. Office Equipment	4.75	293,184	-	-	293,184	186,726	13,926	-	200,652	106,458	92,532
	6. Fax Machine	4.75	51,677	-	-	51,677	35,428	2,455	-	37,883	16,249	13,794
	7. Factory Building	3.34	-	-	-	-	-	-	-	-	-	-
	8. Bore well	4.75	-	-	-	-	-	-	-	-	-	-
	9. Electrical Installation	4.75	-	-	-	-	-	-	-	-	-	-
	10. Computers	16.21	-	-	-	-	-	-	-	-	-	-
	11. 12/3/D Wada	0.00	-	-	-	-	-	-	-	-	-	-
	12. Refrigerator	4.75	23,472	-	-	23,472	17,840	1,115	-	18,955	5,632	4,517
	13. Air Conditioner	4.75	211,897	-	-	211,897	161,040	10,065	-	171,105	50,857	40,792
	14. Computers	0.00	252,648	-	-	252,648	252,648	-	-	252,648	-	-
	Sub Total(A)		1,609,718	-	-	1,609,718	1,410,011	43,046	-	1,453,057	199,707	156,661
(B)	Intangible Assets		-	-	-	-	-	-	-	-	-	-
	Sub Total (B)		-	-	-	-	-	-	-	-	-	-
(C)	Capital Work In Progress		-	-	-	-	-	-	-	-	-	-
	Sub Total (C)		-	-	-	-	-	-	-	-	-	-
(D)	Intangible Assets under Development		-	-	-	-	-	-	-	-	-	-
	Sub Total (D)		-	-	-	-	-	-	-	-	-	-
	Total (A) +(B)+(C)+(D)		1,609,718	-	-	1,609,718	1,410,011	43,046	-	1,453,057	199,707	156,661
	Previous Year Total		7,086,255	-	12,747,124	1,609,718	3,080,201	76,322	1,746,512	1,410,011	4,006,054	199,707

DETAILS OF DEFERRED TAX LIABILITIES/ (ASSETS):

Particulars			As per books (SLM)	As per Income-tax Rules	Timing difference	Deferred Tax Liability/(Assets)
Net Block of Assets as on 31.03.2014			156,661	577,949	(421,288)	(130,178)
Carry Forward Losses						-
A.Y.	Total Loss	Business	Short Term Capital Loss	Long Term Capital Loss	Depreciation	
2002-03	2,193,012	-	-	-	2,193,012	
2003-04	1,152,781	-	-	915,331	237,450	
2004-05	1,741,019	-	-	-	1,741,019	
2005-06	1,311,186	-	-	-	1,311,186	
2011-12	262,557	-	-	-	262,557	
2014-15	101,642	-	-	-	101,642	
Total	6,762,197	-	-	915,331	5,846,866	
Deferred Tax Assets on Depreciation Loss @30.90%					1,806,682	
Deferred Tax Assets on Business Loss @30.90%					-	
Deferred Tax Assets on Long Term Capital Loss @20.60%					188,558	(1,995,240)
Total Deferred Tax Liabilities/(Assets) as on 31.03.2014						(2,125,418)
Less : Deferred Tax Liabilities/(Assets) as on 31.03.2013						(2,109,599)
Deferred Tax Liabilities/(Assets) created during the year ended on 31.03.2014						(15,819)

Note No. 6 Other Non Current Assets

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
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	25,600,191

Note No.7 Trade Receivable

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
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	10,930,365	17,754,000
3) Unsecured, considered Doubtful	-	-
4) Less: Provision for Doubtful debts	-	-
Total (A)	10,930,365	17,754,000
B) Trades receivables outstanding for a period of exceeding six months from the date they are due for payment		
1) Secured, considered good		

2) Unsecured, considered good	-	-
3) Unsecured, considered Doubtful	49,126,706	10,477,500
4) Less: Provision for Doubtful	-	-
Total (B)	-	-
	49,126,706	10,477,500
Total (A) + (B)	60,057,071	28,231,500

Note No. 8 Cash & Cash Equivalents

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
A) Balances With Banks		
Dhanlaxmi Bank Ltd.	34,970	-
ING Vysya Bank Ltd.	112,830	-
Axis Bank Ltd.	14,017	1,000
B) Cash on Hand	151,915	81,934
Total (A+B)	313,732	82,934

Note No. 9 Short term Loans and Advances

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
A) To Related Parties		
1) Secured, considered good	-	-
2) Unsecured, considered good	-	-
3) Unsecured, considered Doubtful	-	-
4) Less: Provision for Doubtful loans & Advances	-	-
Total.....(A)	-	-
B) Others		
1) Secured, considered good	-	-
2) <u>Unsecured, considered good</u>		
a) Advances receivable in cash or kind	840,086,222	269,710
b) Advances to Staff	-	-
c) Income- Tax A.Y. 2008-09	1,174,556	1,174,556
d) Income- Tax A.Y. 2012-13	95	95
e) Income- Tax A.Y. 2010-11	54,111	54,111
3) Doubtful	-	-
4) Less: Provision for Doubtful	-	-
Total.....(B)	841,314,984	1,498,472
Total (A+B)	841,314,984	1,498,472

Note No. 10 Revenue from Operation

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
a) Sale of Products	31,825,571	28,231,500
b) Sale of Services	-	-
c) Other Operating Revenues	819,748	-
d) Less: Excise Duty	-	-
Total	32,645,049	28,231,500

Note No. 11 Other Income

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
a) Interest Income	-	-
b) Dividend	-	-
c) Net Gain/(Loss) on sale of Investment	-	-
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

Note No. 12 Cost of Material Consumed

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
1) Opening Stock	-	-
2) Purchases	31,817,307	25,665,000
3) Less : Closing Stock	-	-
Total	31,817,307	25,665,000

Note No. 13 Employee Benefits Expense

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
a) Salary and Incentives	126,000	239,000
b) Directors Remuneration	-	550,000
c) Staff Welfare Expenses	23,176	-
Total	149,176	789,000

Note No. 14 Other Expenses

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
a) <u>Payment to Auditor</u>		
1) Statutory Audit Fees	33,708	39,326
2) In any other manner	-	-
b) Power & Fuel	36,318	14,335
c) Rent	120,000	150,000
d) <u>Repairs & Maintenance</u>		
1) Building	-	-
2) Others	-	2,688
e) Rates & Taxes	-	62,944
f) <u>Misc. Expenses</u>		
1) Tax Audit fees	30,000	35,000
2) Telephone Expenses	24,206	10,200
3) Transfer Charges	-	25,564
4) Interest on TDS	-	2,597
5) Legal & Professional Charges	2000	167,721

6) Professional tax (E)	2,500	-
7) Office Expenses	9,273	-
8) Advertisement Expenses	28,475	-
9) Conveyance Expenses	29,311	-
10) Listing Fees-BSE Ltd.	286,518	-
11) Printing & Stationery	12,693	-
12) RTA Charges	37,611	-
13) Bank Charges	34,099	15,706
Total	686,712	526,081

NOTE No. 15

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	5,162,100	51,621,000	-	-
Shares Issued during the year	40,000,000	400,000,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	45,162,100	451,621,000	-	-
Particular	PRECEDING YEAR			
	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	5,162,100	51,621,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,162,100	51,621,000	-	-

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 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Anumita Infrastructure Pvt. Ltd.	3,000,000	6.64	-	N.A.
Aprateem Trading Pvt. Ltd.	4,667,000	10.33	-	N.A.
Varad Vinayak Trading Pvt. Ltd.	2,380,000	5.27	-	N.A.
Jeshna Multitrade Pvt. Ltd.	2,380,500	5.27	-	N.A.
Adamina Traders Pvt. Ltd.	2,900,000	6.42	-	N.A.
Meritorious Reality Pvt. Ltd.	2,380,500	5.27	-	N.A.
Orange Mist Productions Pvt. Ltd.	4,795,000	10.62	-	N.A.
Radford Real Estate Pvt. Ltd.	2,690,000	5.96	-	N.A.
Jabeen Tradelink Pvt. Ltd.	2,925,000	6.48	-	N.A.
Parkway Properties Pvt. Ltd.	3,175,000	7.03	-	N.A.
Bullext Reality Pvt. Ltd.	5,160,000	11.43	-	N.A.
Black Horse Media & Entertainment Pvt. Ltd.	2,380,500	5.27	-	N.A.

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 31/03/2014	As at 31/03/2013
	Rs.	Rs.
i) Contingent Liabilities		
a) Claims against the company not acknowledged as a 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 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

Payment to the Auditor as	Current Year 31/03/2014	Previous Year 31/03/2013
	Rs.	Rs.
a) Auditor	33,708	39,326
b) For taxation matters	-	-
c) For company law matters	-	-
d) For management services	-	-
e) For other services	-	5,618
f) The Proprietor of the Auditing firm has Charged the Fees in his Partnership capacity during the year into consideration	30,000	35,000
TOTAL	63,708	79,944

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 31/03/2014 Rs.	Previous Year 31/03/2013 Rs.
Expenditure in Foreign Currency	-	-
Income in Foreign Currency	-	-

7) The following undisputed statutory dues have not been paid as follows:

Particulars	Amount (Rs.) Current Year	Amount (Rs.) Previous Year
T.D.S on Professional Charges	48,096	44,334
Profession Tax	21,320	16,320
Sales Tax	196,396	196,396
TOTAL	265,812	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 has 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. 15,819/-.

11) (A) The Assessing Officer of the Income Tax Department 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.

(B) However, the company has not paid Income tax liability of Rs. 2,58,680/- for the Assessment year 2013-14 excluding interest u/s. 234A, 234B and 234C of the Income tax Act, 1961.

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, the relevant information is provided hereunder:

A) Related Parties where control exists

Sr. No.	Name of Party	Relationship
1	Dhiren Negandhi	Managing Director
2	D. J. Chaturvedi	Executive Director
3	Pradeep B. Parmar	Independent Director
4	Rajnish Kumar	Independent Director
5	Jayesh N. Shah	Independent 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.)		
		Loan Given (Dr.)	Loan taken (Cr.)	Closing Balance Dr/(Cr)	Loan Given (Dr.)	Loan taken (Cr.)	Closing Balance Dr./(Cr.)
1	Arnav Capital Limited	1,660,000	(1,660,000)	-	18,802,000	(20,462,000)	(1,660,000)

- 13)** As the Management has given the representation that the Company has given advances to its suppliers. However, balances are subject to confirmation and company is in process to obtain balance confirmation till the completion of audit.

Sr. No.	Name of Company	Amount (Rs.)
1	Aadhaar Ventures India Ltd.	2,500,000
2	Acacio Tradelink Pvt. Ltd.	8,700,000
3	Akansha Media & Entertainment Pvt. Ltd.	7,500,000
4	Anvita Real Estate Pvt. Ltd.	1,500,000
5	Aristo Media & Entertainment Pvt. Ltd.	229,950,000
6	ASBN Commodities & Finserve Pvt. Ltd.	11,500,000
7	Grantview Properties Pvt. Ltd.	50,000,000
8	Imperious Merchantile Pvt. Ltd.	7,781,750
9	Indivar Traders Pvt. Ltd.	50,000,000
10	Jadav Jewellers Pvt. Ltd.	8,000,000
11	Lahoti Computers Pvt. Ltd.	30,000,000
12	Lifecode Mercantile Pvt. Ltd.	40,925,000
13	Offerlink Infracore Pvt. Ltd.	28,589,000
14	Purpal Merchantile Pvt. Ltd.	50,000,000
15	Shivam Mall Management Co. Pvt. Ltd.	24,500,000
16	Silvercade Trading Pvt. Ltd.	75,184,000
17	Southmint Real Estate Pvt. Ltd.	50,000,000
18	Suhasit Star Trading Pvt. Ltd.	129,993,000
19	Vihar Infrastructure Pvt. Ltd.	20,000,000
20	Apex Apparels Pvt. Ltd.	2,500,000
21	Cashman Consultants Pvt. Ltd.	8,000,000
22	Drolia Investments & Finance Pvt. Ltd.	2,500,000
23	R P Mehta & Associates	90,000
24	Geeta Ajay Shah	100,000
	TOTAL	839,622,750

- 14)** The company during the year has done only sale and purchases of the Fabrics. There is no other business that is why no segment reporting is required.
- 15)** Figures in brackets represent the figures of the previous year and have been regrouped / rearranged wherever necessary.
- 16)** 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.
- 17)** 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	(35,373)
b)	No. of Equity shares of Rs.10/- during the year	45,162,100
c)	Earnings/(Loss) per equity share of Rs.10/- Each Basic/Diluted (1)/(2) (EPS)	(0.000783)

18) Quantitative details for Fabrics :

Particulars	Current Year (In Meters.)	Previous Year (In Nos.)	Current Year (Rs.)	Previous Year (Rs.)
Opening	-	-	-	-
Purchases	5,32,975	-	31,817,307	-
Sales	5,32,975	-	31,825,571	-
Closing	-	-	-	-

Signature to Note '1' to '15'
As per our report of even date
For S. H. Garg & Associates
Chartered Accountants
Sd/-
S.H.Garg
Proprietor
Membership No.: 085517
Firm Reg. No.: 103088W

For Arnav Corporation Limited

Sd/- Sd/-
Director Director

Place: Navi Mumbai
Date: 30th May, 2014

Place: Mumbai
Date: 30th May, 2014

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