

**Form A as per Clause 31(a) of the Listing Agreement for the Financial  
Year ended 31<sup>st</sup> March, 2015:**

1.	Name Of The Company:	Arnav Corporation Limited
2.	Annual Financial Statements For The Year Ended	31 <sup>st</sup> March, 2015.
3.	Type Of Audit Of Observation:	Un-Qualified
4.	Frequency Of Observation:	Not Applicable
5.	To Be Signed By-	
	• Managing Director	<p><i>D. V. Naythi</i></p> <p>Dhiren Vitthal Das Negandhi Managing Director DIN: 03385812</p> 
	• CFO	<p><i>Jayesh Shah</i></p> <p>Jayesh Shah Director DIN: 03043286</p> 
	• Auditor of The Company	<p>M/s. Shiv Pawan &amp; Company Chartered Accountants Firm Reg. No.: 120121W</p> <p><i>Shivhari B. Garg</i></p> <p>Shivhari B. Garg Partner Membership No.: 085517</p> 
	• Audit Committee Chairman	<p><i>Rajnish Kumar</i></p> <p>Rajnish Kumar Director DIN: 03431287</p> 

ARNAV CORPORATION LIMITED

28<sup>TH</sup> ANNUAL REPORT

2014-15

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## CHAIRMAN SPEECH

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During the financial year 2014-15, we saw most macroeconomic indicators improving as far as India is concerned and it became visible in the GDP growth projections. The new base GDP for current FY is expected to be above 8% +. Inflation, as measured by CPI, which was at 10% for previous FY, has fallen drastically to 5.92% for FY15. This is way below the RBI's initial target of 8%, which was later revised downwards to 6%. Fall in global commodity prices, particularly crude oil and agri commodities have benefitted India. Index of Industrial Production (IIP), an indicator of economic growth, is slowly showing signs of revival as it grew 2.8% for FY15, which is higher than the preceding two years.

The only weak spot among the macro indicators currently is the exports sector which has barely grown over FY14 and missed FY15 target of USD 350 bn. Government has set up an ambitious target of USD 900 bn of exports by FY20. Recently, slew of measures have been announced by the Government to boost manufacturing sector at home through "Make in India" initiative but the dampener remains the lower global growth.

Your Company's continued focus on cost reduction and productivity enhancement initiatives, supported by market buoyancy which has resulted in considerable gains both in revenues as well as profitability. Further, we enhanced our product offerings and reached out to specific profitable segments successfully. Given the success with this strategy, we were able to expand our operations to multifold sectors.

Given the underlying potential of Indian markets in the long run, we continue to be positive on the long term potential in India and expect retail investors to grow in markets supported by higher purchasing power. Your Company will continue to work towards creating enduring value for its stakeholders and customers by converting the difficult times into opportunities.

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## **CORPORATE INFORMATION**

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### **ARNAV CORPORATION LIMITED**

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**CIN: L74900MH1987PLC044592**

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Listed at BSE Ltd., Scrip Code: 531467,

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Security ID: ARNAVCORP

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### **REGISTERED ADDRESS**

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

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

Website: - www.arnavcorp.com

Phone: - +91-022-64501225

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### **BOARD OF DIRECTORS**

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#### **Dhiren Negandhi**

Chairman, Managing Director  
Compliance Officer

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#### **Jayesh Shah**

Executive Director

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#### **Kajal Soni**

Executive Director

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#### **Pradeep Parmar**

Independent Director

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#### **Rajnish Kumar**

Independent Director

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#### **Chandrakant Shinde**

Independent Director

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### **BOARD OF COMMITTEES**

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<b>Audit Committee</b>	<b>Nomination &amp; Remuneration Committee</b>	<b>Stakeholder Relationship Committee</b>
Rajnish Kumar: Chairman	Rajnish Kumar: Chairman	Pradeep Parmar : Chairman
Pradeep Parmar : Member	Pradeep Parmar : Member	Rajnish Kumar : Member
Jayesh Shah: Member	Chandrakant Shinde: Member	Chandrakant Shinde: Member

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#### **Risk Management Committee**

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Chandrakant Shinde : Chairman

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Kajal Soni : Member

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Jayesh Shah : Member

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**CHIEF FINANCIAL OFFICER**

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Jayesh Shah

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**COMPLIANCE OFFICER**

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Mr. Dhiren Negandhi

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**AUDITORS**

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**STATUTORY AUDITOR**

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M/s. Shiv Pawan & Co.  
Chartered Accountants

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**SECRETARIAL AUDITOR**

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M/s. Mayank Arora & Co.  
Practicing Company Secretary

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**INTERNAL AUDITOR**

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M/s. Tejas Nadkarni & Associates  
Chartered Accountants

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**TAX AUDITOR**

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M/s. D. P. Agarwal & Co.  
Chartered Accountants

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**BANKERS**

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Axis Bank

Dhanlaxmi Bank

Kotak Mahindra Bank

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**REGISTRAR & SHARE TRANSFER AGENT**

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Universal Capital Securities Pvt. Ltd.

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

Tel No. 9820356405

Email: karlekar@unisec.in

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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### INDUSTRY STRUCTURE

The last year has been a fortuitously good one for the Indian economy with a sea change in the macroeconomic parameters and a sustainable turnaround on the cards. At a time when concerns have been raised about global growth prospects, the Indian economy has marched on and has in fact entered a sweet spot. As a start, Gross Domestic Product (GDP) growth, which had plummeted to around sub 5% levels in past two fiscal years, finally seems to have picked up on the back of a cyclical rebound and some genuine improvement. Growth in the current year, while not spectacular, has moved up firmly into the 8%+ bracket. This improvement has come on the back of improved performance in the industrial sector, stable growth in the services sector and a surprisingly resilient agriculture sector. Further, policy action on the quick environmental clearances and E –auction of mining licenses has helped prop up sentiment while a push to some stuck projects has aided growth prospects. Encouragingly, the pick-up in growth seems to be taking place at a time when inflation is on the downtrend as effects of the past slowdown and the massive fall in global commodity.

Inflation levels have continued to surprise on the downside and have printed comfortably under the Central Bank's comfort zone. Price levels have seen an across the board moderation as food, fuel and service price inflation has come down. This clearly shows that there is still some slack in the economy as it grows below its potential rate of growth. This moderation in inflation has also had an impact on interest rates as the Reserve Bank of India (RBI) has finally started its rate cutting cycle with its first rate cut in January earlier this year. The RBI had established targets for inflation under its new policy regime and as such those targets have been met comfortably and set the stage for a further easing of policy in the coming months. That said, the RBI continues to remain vigilant on the external front and the possible threat of capital outflows in response to the normalization of monetary policy in the US. Accordingly, while we do expect the RBI to continue easing, the cycle is unlikely to be as deep as some in the markets expect. This eventual has led to stable economic environment which promote new business and encourage expanding current projects. The trading or the retail business has both become prosperous due to high purchasing power in the hand of public.

Overall there is a real sense that a new set of reforms and the enthusiasm in the markets can lead India towards another prosperous era of high growth. That said, the government's job is not yet over. Given the high expectations of success it has now become imperative for the government to deliver in order for the growth momentum to be sustained.

### OPPORTUNITIES

Company operates through a very adaptable business model thereby enhancing its ability in dealing with various goods and products. Company has the flexibility of changing its product offerings based on the overall market scenario and changing consumer preferences. Company is constantly looking for expanding its products offerings and is hopeful of diversifying in resale of following products in future:

#### 1. School and Office Supplies

These products are in demand all year round, so entrepreneurs do not need to worry about making sales. With a large number of businesses and schools situated in the urban areas of India; products such as pencils, pens, paper of different varieties, notebooks, and others will always be in constant demand.

## **2. Customized Jewelry:**

People, especially women love to accessorize themselves; and since India is a religious, cultural yet fashionable place, customized jewelry businesses in India are sure to grow. You can invest in buying a small jewelry-making kit and create necklaces, earrings, and bracelets that are uniquely designed for each of your customers. Creativity and a good marketing tactic are two overwhelming factors that will determine our success.

## **3. Greeting Cards**

Special occasions happen all year round in India, thus the constant need for greeting cards. Even the advent of online greeting cards has not in any way decreased the demand of print greeting cards; as humans love, appreciate and connect more with tangible materials.

## **4. Home Decorations**

Creativity really pays off and pays well. People love decorating their homes with vases, chimes, figurines, and other things that can beautify houses. We plan to tie hand with artist located in rural and semi urban areas since the art form is not too expensive to buy. The products like these provide higher margin and good profitability, further artists can improvise and design their own art form waste material and sell them at low prices. People, especially woman, love to keep abreast with fashion and the changing home designs and lifestyle will keep this business “flowing”, so no need to worry about its running.

## **5. E-Commerce**

E-commerce presents a good opportunity to develop a parallel distribution channel for the company’s products. This shall help the Company to access huge market without substantial investment in physical infrastructure. This will entail enormous cost saving thereby allowing the company to fund its expansion aspirations.

### **THREATS:**

Despite large opportunity canvas, the business growth could be scuttled due to the various threats and challenges it faces. These include increasing competition from new avenues, change of consumer preferences, inability of the Company to ensure good distribution infrastructure, growth of e-commerce are some of the threats to the Company’s business.

Your Company is continuously tracking these threats and upgrading its operational, legal and financial strengths to successfully counter the same.

### **OUTLOOK:**

The company has experimented and has always believed that going with the flow shall always provide an opportunity to leverage the position. The company has always believed in such policy which is in alignment with governments policies. The overall improvement in business environment and consumer confidence presents an optimistic picture of the days to come. Introduction of new products and adoption of new business model may provide a cusp of opportunities to evolve as a prominent player in the industry.

### **FINANCIAL PERFORMANCE**

During the reporting year the company has made a profit of Rs 132,748/- which is a great positive in comparison to last year where it incurred a loss. The profit is result of capital infusion which has resulted in jump in income from operations by 71,855,051/- about 220.11% hike in income. The company has incentivized its employee for the impeccable effort for the turnaround situation. Employee benefit expenses for the period under review has escalated by Rs 360,824/-

the company also reports escalation in other expenses & cost of material consumed which is completely justified by turnover rise. EPS of company is positive but negligible, still it's a sigh of relief of the stakeholders.

### **INTERNAL CONTROL AND ADEQUACY**

The Company has adequate internal control systems appropriate for the business process having regard to efficiency of operations - both systems, finance and for compliance with applicable laws. The controls are reviewed periodically BY management and strengthened in view of changed processes, systems and regulations. Key issues if any are specifically brought to the attention of the Audit Committee and deliberated in detail along with the action plan for closure.

### **HUMAN RESOURCE**

One of the key pillars of the Company's business is its people. The Company's HR policies and practices are built on core values of Integrity, Commitment and hard work. The Company's focus is on recruitment of good talent and retention of the talent pool. The Company is hopeful and confident of achieving the same to be able to deliver results and value for our shareholders.

### **FORWARD LOOKING STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations Actual results could differ materially from those expressed or implied. Important factors that could influence the company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation.

## **REPORT OF THE BOARD OF DIRECTOR'S**

To,  
The Members  
Arnav Corporation Limited

Your Directors are pleased to present the Twentieth Eight Annual Report on the business and operations of the Company and statement of accounts for the year ended 31<sup>st</sup> March, 2015.

### **1. FINANCIAL RESULTS:**

During the year the performance of the Company is as under:

<b>Particulars</b>	<b>Current Year 31-03-2015 (Rs.)</b>	<b>Previous Year 31-03-2014 (Rs.)</b>
Revenue from Operations	104,500,100	32,645,049
Other Income	-	-
<b>Total Income</b>	<b>104,500,100</b>	<b>32,645,049</b>
<b>Less:</b> Total Expenses	104,223,207	(32,696,241)
<b>Profit/ Loss Before Taxation</b>	<b>276,893</b>	<b>(51,192)</b>
Less: Provision for Tax	58,584	-
Deferred Tax	85,561	(15,819)
<b>Profit After Taxation</b>	<b>132,748</b>	<b>(35,373)</b>

### **2. OPERATION AND BUSINESS PERFORMANCE:**

Your Company has had a phenomenal year with both top line and bottom line soaring to new levels. Your company registered revenue of Rs. 104,500,100/- which was three times higher than the last years revenue which stood at Rs. 32,645,049/-. Further, the company recorded net after tax profit of Rs. 132, 748/- against a loss of Rs. 35,373/- in the previous year. Your company shall endeavour to improve the margins and increase the revenues in the current year.

### **3. DIVIDEND:**

In light of the encouraging performance and bright future prospects, the Board has decided to preserve the resources for any business requirements. Hence, the Board has not recommended dividend.

### **4. TRANSFER TO RESERVE:**

Your Company has not transferred any amount to Reserves in the year under review.

### **5. SHARE CAPITAL STRUCTURE:**

The paid up Equity Share Capital as at 31<sup>st</sup> March, 2015 stood at Rs. 894,209,580/- consisting of 89,420,958 Equity Shares of Rs. 10/- each fully paid up.

Details of issue of shares in the current financial year are as under:

Sr. No.	Date of issue	Particulars	No. of Shares	Issue Price
1	April 01, 2014	Opening balance	45162100	N.A
2.	October 21, 2014	Bonus issue (49:50)	44258858	N.A
3.	March 31, 2015	Closing Balance	89420958	N.A

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31<sup>st</sup> March, 2015, none of the Directors of the Company hold instrument convertible into equity shares of the Company.

#### 6. **DEPOSIT:**

During the year under the review the Company has neither invited nor accepted deposit from the public.

#### 7. **EXTRACT OF THE ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Sub- Section (3) of Section 92 of the Companies Act, 2013, is included in this Report as **Annexure-A** and forms an integral part of this Report.

#### 8. **DIRECTORS:**

##### a. **RETIREMENT BY ROTATION**

In terms of Section 152 of the Companies Act, 2013, **Mr. Jayesh Shah**, Executive Director would retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

##### b. **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**Mr. Dhiren Negandhi** has been the Managing Director of the Company since 14<sup>th</sup> December, 2012 and pursuant to the terms of his appointment his tenure as Managing Director will end on 13<sup>th</sup> December, 2015. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, proposes to re-appoint **Mr. Dhiren Negandhi** as Managing Director of the Company for a period of five years effective from 14<sup>th</sup> December, 2015 to 13<sup>th</sup> December, 2020.

Further, Board of Directors of the Company has proposed to appoint Mr. Gopal Vyas and Mr. Nitin Shanichara as Independent Directors of the Company for a period of five years.

#### 9. **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors of your Company have submitted the declaration of Independence as required under Section 149(7) of the Companies Act, 2013, confirming that they meet criteria of independence under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### 10. **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually and collectively. A structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

#### **11. NUMBER OF MEETINGS OF THE BOARD**

Board meets regularly to make and review policies, board's role, functions and responsibility. There were six meetings of the Board of Directors held during the year Financial Year 2014-2015 and details description for the meeting of the committee and others meeting is given in the Corporate Governance Report form part of this Annual Report.

#### **12. NOMINATION AND REMUNERATION POLICY**

Pursuant to the Provision of the Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy is forms part of this report as **Annexure-B**. The details of this policy cum terms of reference and committee are explained in the Corporate Governance Report.

#### **13. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Provisions of Section 134(3) (C) read with Section 134 (5) of the Companies Act, 2013, with respect to the Directors Responsibility Statement, it is hereby confirmed that:

- A. in preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March, 2015, the applicable accounting standards read with the requirements set out under Schedule III to the Companies Act, 2013 have been followed along with proper explanation relating to material departures, if any;
- B. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and the profit of the Company for the year ended on that date;
- C. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- D. the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2015 on "going concern" basis;
- E. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively ; and
- F. the Directors had devised proper systems to ensure Compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **14. AUDITORS AND AUDIT REPORTS**

##### **a. Statutory Audit**

M/s. **Shiv Pawan & Co, Chartered Accountants**, Chartered Accountants, Statutory Auditors of the Company, having Firm Registration No: 120121W, have expressed their inability to continue as the statutory auditors of the company due to other commitments.

The Board, in consultation with the audit committee, proposes to appoint M/s Verma Mehta and Associates, (Firm Registration No.: 112118W) as the statutory auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of thirty third AGM, subject to the ratification of their appointment by members in every AGM.

##### **b. Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board of Directors has appointed **M/s. Mayank Arora & Co.**, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report as issued by the Secretarial Auditor of the Company as forms part of this report as **Annexure-C**.

#### **15. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:**

The Company does not have any subsidiary and associate Company.

The Statement in the prescribed format AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, related to the associate Companies and Joint Ventures, is annexed as “**Annexure-D**” to this report.

#### **16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:**

Company has not made any Investments or given any Loans or Guarantees covered under the provisions of Section 186 of the Companies Act, 2013. Enclosed **Annexure-E**.

#### **17. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

Generally related party transactions entered by the company are at arm’s length price and in the ordinary course of business. All related party transactions are placed in the meetings of Audit Committee and the Board of Directors for their necessary review and approval.

Disclosures pursuant to Accounting Standards (AS 18) on related party transactions have been made in the notes to the Financial Statements and the policy on dealing with Related Party Transactions has been uploaded on the company’s website.

Further, during the financial year, your Company has not entered into any material transaction with any of its related parties which may have potential conflict with the interest of the Company at large. Enclosed as “**Annexure-F**” to this report.

#### **18. MATERIAL CHANGES AND COMMITMENTS:**

There are no material changes or transactions, between the end of the financial year of the Company to which the financial statements relate and the date of the report, that could affect the financial position of the Company.

**19. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has formulated Whistle Blower Policy in conformity with clause 49 of the Listing Agreement executed with the stock exchange to provide a mechanism for any concerned person of the Company to approach the chairman of Audit Committee of the Company for the purpose of dealing with instance of fraud and mismanagement, if any and also to ensure that whistleblowers are protected from retribution, whether within or outside of the organization.

**20. INTERNAL FINANCIAL CONTROL:**

The Company has adequate system of internal financial control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the management. The company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company also checks and verifies the internal financial control and monitors them.

**21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

Pursuant to section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, the following information is provided:

**a. Conservation of Energy:**

The Company is not an energy intensive unit, hence alternate source of energy may not be feasible. However, regular efforts are made to conserve the energy.

**b. Technology Absorption:**

The company is conscious of implementation of the latest technologies in key working areas. Technology is ever changing and employees of the company are made aware of the latest working techniques and technologies through workshops, group e-mails, and discussion sessions for optimum utilization of available resources and to improve operational efficiency.

Your Company is not engaged in manufacturing activities, therefore, certain disclosures on technology absorption and conservation of energy etc. are not applicable.

There is no expenditure on Research and Development and no earnings or out go of foreign currency.

**22. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the Regulators/Courts that would impacts the going concern status of the Company and its future operations.

**23. CORPORATE SOCIAL RESPONSIBILITY:**

As a part of its initiative under the “Corporate Social Responsibility” (CSR) drive, the regulators made the Corporate to take the part in society development by fixing the criteria in the provision of the statutory laws. Since your Company does not fit in the criteria as set under the Companies Act, 2013, it is not required to form a CSR policy, CSR Committee and spend on CSR activities.

However, the Board of Directors periodically review the applicability of the said regulations.

**24. CORPORATE GOVERNANCE REPORT:**

Your Company is committed to good Corporate Governance Practice and following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its major stipulations as applicable to the Company. The Statutory Auditor's Certificate dated August 30, 2015 in accordance with Clause 49 of the Listing Agreement and report on Corporate Governance is annexed to Report on Corporate Governance.

**25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to the Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report, as required under Clause 49 of the Listing Agreement, is presented in a separate section forming part to the this Annual Report.

**26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The company has not employed any person drawing remuneration in excess of limits prescribed under Rules 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**27. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:**

The Company has also put in place a Code of Conduct for Prevention of Insider Trading "code". The necessary Preventive actions, including Closure of Trading Window around the time of any price sensitive events or information, are taken. All Directors have given declaration affirming compliance with the said code for the year ended 31<sup>st</sup> March, 2015. The code has been uploaded on the Company's website.

**28. HUMAN RESOURCES AND INDUSTRIAL RELATION:**

Your Company believes that its employees are one of the most valuable assets of the Company. The employees are deeply committed to the growth of the Company and the Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

**29. FAMILIARIZATION PROGRAMME WITH INDEPENDENT DIRECTORS:**

The Company organizes various programs and presentations for the Board of Directors in order to familiarize them with their roles, rights, responsibilities in the company, nature of industry in which it operates, business model of the company and related matters. Details of such program are available on the company's website.

**30. ACKNOWLEDGEMENTS:**

Your Directors would like to express their grateful appreciation for the assistance, support and co-operations received from Banks, Authorities and Shareholders during the year under review.

Your Directors would also like to take this opportunities to express their appreciation, for the contribution made by the employees at all levels. Your Directors also wish to thanks its customers, dealers, agents and suppliers, investors for their continued supports and faith reposed in the Company.

**For and on behalf of the Board of Directors**

**Sd/-**

**Dhiren Negandhi**

**Chairman & Managing Director**

**DIN: 03385812**

**Date: 5<sup>th</sup> September, 2015**

**Place: Mumbai**

**ANNEXURE-A****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

<b>I REGISTRATION &amp; OTHER DETAILS:</b>		
<b>i</b>	<b>CIN</b>	L74900MH1987PLC044592
<b>ii</b>	<b>Registration Date</b>	07-09-1987
<b>iii</b>	<b>Name of the Company</b>	<b>Arnav Corporation Limited</b>
<b>iv</b>	<b>Category/Sub-category of the Company</b>	Company Limited by Shares/ India Non - Government Company
<b>v</b>	<b>Address of the Registered office &amp; contact details</b>	101, C Wing, Ambika Darshan, C P Road, Kandivali (East), Mumbai- 400 101. E-mail:- corp.arnav@gmail.com Website: - www.arnavcorp.com Phone: - +91-022-64501225/24
<b>vi</b>	<b>Whether listed company</b>	Listed on BSE Limited
<b>vii</b>	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	<b>Universal Capital Securities Pvt. Ltd.</b> 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri(E), Mumbai-400093. Tel No.: 022-28257641/28207203-05 Email: karlekar@unisec.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

<b>Sr. No.</b>	<b>Name and description of main Product/Services</b>	<b>NIC code of the Product/Service</b>	<b>% to the total turnover of the Company</b>
1	Non-Specialized Wholesale trade	46909	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

<b>Sr. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/ GLN</b>	<b>Holding / Subsidiary / Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
Not Applicable					

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 1st April, 2014				No. of Shares held at the end of the year 31st March, 2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	102638	0	102638	0.23	202074	0	202074	0.23	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Directors/Relatives	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>102638</b>	<b>0</b>	<b>102638</b>	<b>0.23</b>	<b>202074</b>	<b>0</b>	<b>202074</b>	<b>0.23</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>102638</b>	<b>0</b>	<b>102638</b>	<b>0.23</b>	<b>202074</b>	<b>0</b>	<b>202074.00</b>	<b>0.23</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00

h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (A body incorporated under the state govt)	0	0	0	0.00	0	0	0	0.00	0.00
								0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate	1075612	40188000	41263612	91.37	74627013	366300	74993313	83.87	-7.50
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	872663	767420	1640083	3.63	1227318	1402134	2629452	2.94	-0.69
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	975400	115200	1090600	2.41	8912503	294624	9207127	10.30	7.88
c) Others (specify)									
i) N.R.I. (Repat & Non-Repat)	6350	310200	316550	0.70	10733	612216	622949	0.70	0.00
ii) Trust	0	0	0	0.00	0	0	0	0.00	0.00
iii) Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
iv) Clearing Member	748617	0	748617	1.66	1766043	0	1766043	1.97	0.31
v) Director's Relatives	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	<b>3678642</b>	<b>41380820</b>	<b>45059462</b>	<b>99.77</b>	<b>86543610</b>	<b>2675274</b>	<b>89218884</b>	<b>99.77</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3678642</b>	<b>41380820</b>	<b>45059462</b>	<b>99.77</b>	<b>86543610</b>	<b>2675274</b>	<b>89218884</b>	<b>99.77</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>3,781,280</b>	<b>41,380,820</b>	<b>45,162,100</b>	<b>100.00</b>	<b>86,745,684</b>	<b>2,675,274</b>	<b>89,420,958</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Jayesh Shah</b>				
	At the beginning of the year	102058	0.23	202074	
	Increase/Decrease during the year	100016	0.11	202074	
	At the end of the year	202074	0.23	<b>202074</b>	<b>0.23</b>

(iii) Change In Promoter's Shareholding (Specify if there is no Change)

Sl. No.	Shareholders Name	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Jayesh Shah</b>				
	At the beginning of the year	102058	0.23	202074	
	Increase/Decrease during the year	100016	0.11	202074	
	At the end of the year	202074	0.23	<b>202074</b>	<b>0.23</b>

(iv) Shareholding Pattern of Top Ten shareholders (other than Directors, Promoters and Holders of GDR's and ADR's )

ARNAV CORPORATION LIMITED

DETAILS OF TOP TEN SHAREHOLDERS

Sr. No.	Name of the Shareholder	SHAREHOLDING											
		As on 01.04.2014		Changes During the Year						Cumulative Shareholding		As on 31.03.2015	
		shares	%	Date	Type of Transaction Purchase / Sale	No. of shares	%	Mode of Purchase/Sale (off market / market / subscription , Bonus, etc)	Reasons for purchase /sale	shares	%	Shares	%
1	Bullext Reality Pvt Ltd	5160000	11.43	21.10.2014	Purchase	5056800	-	Bonus	-	10216800	11.43	7816800	8.74
				3.12.2014	Sale	400000	0.45	Off Market	-	9816800	10.98		
				09.03.2015	Sale	2000000	2.24	Off Market	-	7816800	8.74		
2	Orange Mist Productions Pvt Ltd	4795000	10.62	21.10.2014	Purchase	4699100	-	Bonus	-	9494100	10.62	5013600	5.61
				05.02.2015	Sale	4500000	5.03	Market	-	4994100	5.58		
				25.02.2015	Purchase	19500	0.02		-	5013600	5.61		
3	Aprateem Trading Pvt Ltd	4667000	10.33	21.10.2014	Purchase	4573660	-	Bonus	-	9240660	10.33	9240660	10.33
4	Parkway Properties Pvt Ltd	3175000	7.03	21.10.2014	Purchase	3111500	-	Bonus	-	6286500	7.03	6286500	7.03
5	Anumita Infrastr	3000000	6.64	21.10.2014	Purchase	2940000	-	Bonus	-	5940000	6.64	5940000	6.64

	ucture Pvt Ltd														
6	Jabeen Tradeli nk Pvt Ltd	2925000	6.48		21.10.2014	Purchase	2866500	-	Bonus	-		5791500	6.48	5791500	6.48
7	Adamina Traders Pvt Ltd	2900000	6.42		21.10.2014	Purchase	2842000	-	Bonus	-		5742000	6.42	4572000	5.11
					09.12.2014	Sale	1200000	1.34	Off Market	-		4542000	5.08		
					25.02.2015	Purchase	30000	0.03	Market	-		4572000	5.11		
8	Radford Real Estate Pvt Ltd	2690000	5.96		21.10.2014	Purchase	2636200	-	Bonus	-		5326200	5.96	4276200	4.78
					23.03.2015	Sold	250000	0.28	Off Market			5076200	5.68		
					23.03.2015	Sold	200000	0.22	Off Market			4876200	5.45		
					23.03.2015	Sold	500000	0.56	Off Market			4376200	4.89		
					31.03.2015	Sold	100000	0.11	Off Market	-		4276200	4.78		
9	Varad Vinayak	2380000	5.27		21.10.2014	Purchase	2332400	-	Bonus	-		4712400	5.27	4712400	5.27
	Trading Pvt Ltd														
10	Jeshna Multitrade Pvt Ltd	2380500	5.27		21.10.2014	Purchase	2332890	-	Bonus	-		4713390	5.27	4713390	5.27
11	Meritorious Realty Pvt Ltd	2380500	5.27		21.10.2014	Purchase	2332890	2.61	Bonus	-		4713390	5.27	2963390	3.31
					03.11.2014	Sold	500000	0.56	Off Market	-		4213390	4.71		
					03.11.2014	Sold	200000	0.22	Off Market	-		4013390	4.49		
					13.02.2015	Sold	50000	0.06	Off Market	-		3963390	4.43		
					24.02.2015	Sold	1000000	1.12	Off Market	-		2963390	3.31		
12	Black Horse Media & Entertainment Pvt Ltd	2380500	5.27		21.10.2014	Purchase	2332890	-	Bonus	-		4713390	5.27	2713390	3.03
					9.12.2014	Sold	2000000	2.24	Off Market	-		2713390	3.03		
13	Shriram Credit Company Limited	0	0.00		05.02.2015	Purchase	4500000	5.03	Off Market	-		4500000	5.03	4500000	5.03

**(V) Shareholding of Directors & KMP**

Sl. No	Shareholders Name	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Jayesh Shah</b>				
	At the beginning of the year	102058	0.23	202074	
	Increase/Decreases during the year	100016	0.11	202074	
	At the end of the year	202074	0.23	<b>202074</b>	<b>0.23</b>

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (in Rs.)

No Remuneration was paid to any Directors and Key Managerial Personnel in the year under review.

## VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NONE (Under the Companies Act)

For and on behalf of the Board of Directors  
Sd/-

Dhiren Negandhi  
Chairman & Managing Director  
DIN: 03385812

Date: 5<sup>th</sup> September, 2015  
Place: Mumbai

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## **NOMINATION AND REMUNERATION POLICY**

Our policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to section 178(4) of the Companies Act, 2013 and Clause 49(IV) (B) (4) of the Listing Agreement.

### **Introduction**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMP) has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

### **Definitions:-**

- “Board”:- Board means Board of Directors of the Company as constituted from time to time.
- “Director”:- Director means Directors of the Company.
- “Committee”:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- “Company”:- Company means Arnav Corporation Limited.
- “Independent Director”:- As provided under Clause 49 of the Listing Agreement and/or under the Companies Act, 2013, ‘Independent Director’ shall mean a Non Executive Director, other than a Nominee Director of the Company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;  
(ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;
  - c. apart from receiving Director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- e. who, neither himself nor any of his relatives —
- i. holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —  
A. a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - iii. holds together with his relatives two per cent or more of the total voting power of the Company; or
  - iv. is a Chief Executive or Director, by whatever name called, of any non profit organisation that receives twenty five per cent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;
  - v. is a material supplier, service provider or customer or a lesser or lessee of the Company;
- f. who is not less than 21 years of age.

• **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole Time Director;
- iv. the Chief Financial Officer; and
- v. such other officer as may be prescribed under the applicable statutory provisions/ regulations.

• **“Senior Management Personnel”**:- The expression “Senior Management Personnel” (SMP) means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability** :-

The Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel (KMP)
- Senior Management Personnel (SMP)

**Purpose**:-

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, KMP and officials comprising the SMP. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, KMP and SMP.

**Accountabilities:-**

- i. The Board is ultimately responsible for the appointment of Directors and KMP.
- ii. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, KMP and the SMP of the Company to the Nomination and Remuneration Committee which makes recommendations and nominations to the Board.

**Nomination and Remuneration Committee:-**

**a) Objectives of the Committee**

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees.
- ii. Formulation of criteria for evaluation of Independent Director and the Board
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in KMP and SMP positions in accordance with the criteria laid down in this policy.
- v. Recommend to the Board, appointment and removal of Director, KMP and SMP.

**b) Constitution of the Committee**

- i. The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.
- ii. The Nomination and Remuneration Committee comprises of the following:
  - a. The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.
  - b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
  - c. Membership of the Committee shall be disclosed in the Annual Report.
  - d. Term of the Committee shall be continued unless terminated by the Board of Directors.

**CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### **COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **VOTING:**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### **Appointment of Directors/ KMP's/ SMP :-**

#### **a) General Appointment Criteria:**

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his/ her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ SMP shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force. iii. The Director/ Independent Director/ KMP/ SMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

#### **b) Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Clause 49 of the Listing Agreement (as amended from time to time) and Companies Act, 2013.

#### **c) Term/ Tenure :**

The Term/ Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

#### **d) Removal :**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

#### **e) Letters of Appointment :**

Each Director/ KMP/ SMP is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

### **Criteria for Evaluation/ Assessment of Directors/ KMP's/ SMP of the Company:-**

The evaluation/ assessment of the Directors, KMPs and the SMP's of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

**a) Executive Directors :**

The following criteria may assist in determining how effective the performances of the Directors/ KMPs/ SMP have been:

- Leadership and stewardship abilities;
- Contributing to clearly define corporate objectives and plans;
- Communication of expectations and concerns clearly with subordinates;
- Obtain adequate, relevant and timely information from external sources;
- Review and approval achievement of strategic and operational plans, objectives, budgets;
- Regular monitoring of corporate results against projections;
- Identify, monitor and mitigate significant corporate risks;
- Assess policies, structures and procedures;
- Direct, monitor and evaluate KMPs, Senior Officials;
- Review management's succession plan;
- Effective meetings;
- Assuring appropriate board size, composition, independence, structure;
- Clearly defining roles and monitoring activities of committees;
- Review of corporation's ethical conduct.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors in a separate meeting of the Independent Directors.

**b) Non-Executive Directors :**

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a bona fide manner in the interest of the Company; devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that would lead to loss of his independence;
- Inform the Board immediately when they lose their independence;
- Assist the Company in implementing the best Corporate Governance practices;
- Strive to attend all meetings of the Board of Directors and the Committees;
- Participate constructively and actively in the Committees of the Board in which they are Chairpersons or members;
- Strive to attend the general meetings of the Company;
- Keep themselves well informed about the Company and the external environment in which it operates;
- Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

The Executive Director/ Non-Independent Directors along with the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

### **Remuneration of Directors, KMP's and SMP :-**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMP and other SMP. The Directors, KMP and other SMP's salary shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nomination and Remuneration Committee determines individual remuneration packages for Directors, KMP and SMP of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable Companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/ other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the workings of the Company and its goods:

#### **I. Director/ Managing Director:**

##### **a. Base Compensation (fixed salaries):**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/ non-statutory benefits which are normal part of remuneration package in line with market practices).

##### **b. Variable salary:**

The Nomination and Remuneration Committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and nonfinancial metrics.

#### **II. Non Executive Independent Directors :**

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the Members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other Directors provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

#### **III. KMPs/ SMP etc:**

The remuneration payable to the KMP and the SMP shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

**Policy on Board diversity:-**

The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like Production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources, etc. or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

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**ANNEXURE-C**

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**Secretarial Audit Report**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

To,

**The Members,**

**ARNAV CORPORATION LIMITED**

Office No. 101, C Wing, Ambika Darshan

C P Road, Kandivali –East

Mumbai - 400 101.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s Arnav Corporation Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Arnav Corporation Limited** (“the Company”) for the financial year ended on 31st March, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 (not applicable to the Company during the Audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);
  - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (not applicable to the Company during the Audit period), and
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period), and;
- vi. Other Laws applicable to the Company as per the representations made by the Company.

I have also examined compliance with the applicable clause of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India. (not notified hence not applicable the Company during the Audit Period); and
- b. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

*During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.*

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. Further the Company is in the process of appointing a whole time Company Secretary and filing necessary Forms & Returns.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with my letter of even date which is annexed as **Annexure I** and form an integral part of this report.

**For Mayank Arora & Co.**  
Sd/-

**Date:** 5<sup>th</sup> September, 2015  
**Place:** Mumbai

**Mayank Arora**  
**Proprietor**

**Annexure I**

To,  
**The Members,**  
**ARNAV CORPORATION LIMITED**  
Office No. 101, C Wing, Ambika Darshan  
C P Road, Kandivali –East  
Mumbai - 400 101

My report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. I have reported, in my audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in my opinion, are material and having major bearing on financials of the Company.

**For Mayank Arora & Co.**  
**Sd/-**

**Date: 5<sup>th</sup> September, 2015**  
**Place: Mumbai**

**Mayank Arora**  
**Proprietor**

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**Annexure-D****FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate  
companies/joint ventures**

**Part "A": Subsidiaries**

Sr. No.	Particulars	Details
1	Name of the subsidiary	N.A
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4	Share capital	
5	Reserves & surplus	
6	Total assets	
7	Total Liabilities	
8	Investments	
9	Turnover	
10	Profit before taxation	
11	Provisions for taxation	
12	Profit after taxation	
13	Proposed Dividend	
14	% of shareholding	

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associates  
Companies and Joint Ventures

Particulars	Details
Name of associates/ Joint Ventures	N.A
Latest Audited Balance Sheet Date	
Shares of Associates/ Joint Ventures held by the Company on the year end	
No. of Shares	
Amount of Investment in Associates/ Joint Ventures	
Extend of Holding%	
Description of how there is significant influence	
Reason why the associates/joint ventures is not consolidated	
Net worth attributable to shareholding as latest audited Balance Sheet	
Profit/Loss for the year	
<ul style="list-style-type: none"> <li>Considered in Consolidation</li> </ul>	
<ul style="list-style-type: none"> <li>Not Considered in Consolidation</li> </ul>	

For and on behalf of the Board of Directors

Sd/-

Dhiren Negandhi

Chairman & Managing Director

DIN: 03385812

Date: 5<sup>th</sup> September, 2015

Place: Mumbai

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**Annexure–E**

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**Particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013**

<b>Amount outstanding as at March 31, 2015</b>	<b>Particulars</b>	<b>Amount (in Rs.)</b>
Loans given		0
Guarantee given		0
Investments made		0

**Loans, Guarantees and Investments made:**

<b>Name of the Entity</b>	<b>Relation</b>	<b>Amount (in Rs.)</b>	<b>Particulars of Loan, Guarantee and Investment</b>	<b>Purpose for which the loans, guarantee and investments are proposed to be utilized</b>
N.A	N.A	N.A	N.A	N.A

For and on behalf of the Board of Directors

Sd/-

Dhiren Negandhi

Chairman & Managing Director

Date: 5<sup>th</sup> September, 2015

Place: Mumbai

DIN: 03385812

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**Form No. AOC-2**

(Pursuant to *clause (b) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no such contracts or arrangements or transactions entered with related parties which were not at arm's length during the year ended 31<sup>st</sup> March, 2015.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

There were no such material contracts or arrangement or transactions entered with related parties which were not at arm's length during the year ended 31<sup>st</sup> March, 2015.

**For and on behalf of the Board of Directors**

**Sd/-**

**Dhiren Negandhi**

**Chairman & Managing Director**

**Date: 5<sup>th</sup> September, 2015**

**Place: Mumbai**

**DIN: 03385812**

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## **CORPORATE GOVERNANCE REPORT**

**[Pursuant to Clause 49 of the Listing Agreement]**

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### **1. A Brief statement on Company's Philosophy on Code of Governance**

The Company believes that good Corporate Governance is essential for achieving long term corporate goals and to enhance stakeholder's value. Corporate Governance is a system by which an organization is managed and controlled within the parameters laid down by regulatory bodies.

Your Company's Governance processes and practices ensure that the interest of all stakeholders are taken into account in a balanced and transparent manner and are firmly embedded into the culture of the organization. Your Company has complied with all applicable rules & regulations as stipulated by Securities and Exchange Board of India and the Listing Agreement entered with the Stock Exchange(s) including the compliance of the provisions of Clause 49 pertaining to the Corporate Governance.

The Company has been adhering to the principal of Corporate Governance conducting its affairs in a transparent manner with regularity, responsibility and accountability.

In terms of Clause 49 of the Listing Agreement, the details of Compliance by the company for the year ended 31<sup>st</sup> March, 2015 are mentioned hereunder:

### **2. Board of Directors:**

#### **A] Composition**

The Board of Directors provides strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders. The Board of Directors of the Company has an ideal combination of Executive and Non Executive Directors and is in conformity with Clause 49 of the Listing Agreement. The Board comprises of Six Directors, out of which three are Executive and three are Non Executive Independent including a Woman Director.

None of the Directors hold directorships in more than 20 Companies and more than 10 Public Companies pursuant to the provisions of the Companies Act, 2013. Further, in compliance with Clause 49(II) (B) (2) of the Listing Agreement, none of the Independent Directors hold directorship in more than seven listed

None of the Directors is a member of more than ten committees of the prescribed nature or holds Chairmanship of more than five such committees across all Public Limited Companies in which they are Directors, thereby complying with the provisions of Clause 49(II) (D) of the Listing Agreement.

The current composition of Board of Directors:

Name of the Director	Category
Mr. Dhiren Negandhi (DIN: 03385812)	Chairman & Managing Director
Mr. Jayesh Shah (DIN: 03043286)	Executive Director
Ms. Kajal Soni (DIN: 06965706)	Executive Director
Mr. Dauji Chaturvedi (DIN: 00163302)*	Executive Director
Mr. Chandrakant Shinde (DIN: 06362801)	Non Executive Independent Director
Mr. Pradeep Parmar (DIN: 02837369)	Non Executive Independent Director
Mr. Rajnish Kumar (DIN: 03431287)	Non Executive Independent Director

\* Mr. Dauji Chaturvedi ceased to be a director w.e.f. April 01, 2015 pursuant to the provisions of section 167 (b) of the Companies Act, 2013.

#### **B] Meetings and Attendance:**

The agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions and to discharge its responsibility effectively.

During the financial year 2014-2015, 6 meetings of the Board of Directors were held as follows and gap between two meetings were not exceeding 120 days limit;

Sr. No.	Date of the Board Meetings	Board Strength	Number of Directors Present
1	30 <sup>th</sup> May, 2014	6	5
2	13 <sup>th</sup> August, 2014	6	5
3	4 <sup>th</sup> September, 2014	6	5
4	21 <sup>st</sup> October, 2014	7	6
5	12 <sup>th</sup> November, 2014	7	6
6	12 <sup>th</sup> February, 2015	7	6

The attendance at the Board Meetings and at the Annual General Meeting (AGM) during the financial year is as follows:-

Sr. No.	Directors	Number of Board Meetings Attended	Attendance at the AGM
1	Mr. Dhiren Negandhi	6	Yes
2	Mr. Dauji Chaturvedi	0	No
3	Mr. Jayesh Shah	6	Yes
4	Ms. Kajal Soni##	3	No
5	Mr. Chandrakant R. Shinde	6	Yes
6	Mr. Pradeep Parmar	6	Yes
7	Mr. Rajnish Kumar	6	Yes

## Appointed as an Executive Director in the Annual General Meeting held on 29<sup>th</sup> September, 2014.

The details of Directorship of all Directors on the Board and their Membership in the Committee with Chairmanship details as follows:

Name of the Director	No. of Directorship held in other Companies	No. of Companies in which he is Chairman	No. of Membership in other Board Committee
Mr. Dhiren Negandhi	Nil	Nil	Nil
Mr. Jayesh Shah	Nil	Nil	Nil
Ms. Kajal Soni	Nil	Nil	Nil
Mr. Chandrakant Shinde	Nil	Nil	Nil
Mr. Pradeep Parmar	Nil	Nil	Nil
Mr. Rajnish Kumar	1	Nil	Nil

**Note:**

The above list does not include Directorships, Committee Memberships and Committee Chairmanships in Private, Foreign and Section 8 Companies.

**3. Board Committees:**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted as per the requirements of the Companies Act, 2013 and Listing Agreement. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The minutes of the meetings of all Committees are placed before the Board for review.

Currently, the Board has four committees: Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Risk Management Committee. The Board is responsible for constituting, assigning, co-opting and fixing of terms of service for the committee.

The Chairperson of the Board, in consultation with members of the Board and committee's chairman, determines the frequency and duration of the committee meeting.

Pursuant to clause 49 (II) (B) (6) of the Listing agreement, apart from meetings of Board and committees a separate meeting of the Independent director is also held during the year.

**A] Audit Committee:****Brief Description of terms of reference:**

The Charter of the Committee is as prescribed under Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement viz.:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement forming part of Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.

- e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, performance of statutory & internal auditors, adequacy of the internal control systems.
  7. Discussion with internal auditors of any significant findings and follow up thereon.
  8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  10. To review the functioning of the Whistle Blower mechanism.
  11. Carrying out any other function as may be referred to the committee by the Company's Board of Directors and/ or other Committees of Directors of the Company from time to time.

**Composition of the Committee:**

The Audit Committee comprises of two Non Executive Directors, both of them are Independent and one Executive Director. The Chairman of the Committee has sound knowledge of Finance, Accounting and Law. Besides, all other members are financially literate. The Composition of the Audit Committee during the year 2014-15 and status of the attendance of the member was as follows:

<b>Name of the Director</b>	<b>Position</b>	<b>No. of Meetings held during the year</b>	<b>No. of meetings attended</b>
Mr. Rajnish Kumar	Chairman	5	5
Mr. Pradeep Parmar	Member	5	5
Mr. Jayesh Shah	Member	5	5

### **Meetings of the Audit Committee**

The Audit Committee met five times during the financial year 2014-15 i.e. on 20<sup>th</sup> May, 2014, 1<sup>st</sup> August, 2014, 3<sup>rd</sup> September, 2014, 25<sup>th</sup> October, 2014 and 3<sup>rd</sup> February, 2015. The maximum gap between the two meetings was not more than four months. Necessary quorum as stipulated in Clause 49 of Listing Agreement was present at all the meetings of the Committee held during the year under review.

The Chairman of the Audit Committee Mr. Rajnish Kumar, was present at the 27<sup>th</sup> Annual General Meeting, and replied to the shareholder's queries.

### **B] Nomination and Remuneration Committee**

#### **Brief Description of terms of reference:**

The Charter of the Committee is as prescribed under Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement viz.:

1. 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. 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.

The Nomination and Remuneration Committee has been constituted to recommend/ review remuneration of the directors, key managerial personal and other employees, based on their performance and defined assessment criteria.

#### **Composition and meeting of the Committee:**

Nomination and Remuneration Committee is constituted pursuant to Section 178 of Companies Act, 2013 and Clause 49 of the Listing Agreement, It consist three independent directors and Mr. Rajnish Kumar is the Chairman of the committee. Following is composition of committee along with number of meetings attended by each committee members.

<b>Name of the Director</b>	<b>Position</b>	<b>No. of Meetings held during the year</b>	<b>No. of meetings attended</b>
Mr. Rajnish Kumar	Chairman	1	1
Mr. Pradeep Parmar	Member	1	1
Mr. Chandrakant Shinde	Member	1	1

During the year under review the committee met on **28th August, 2014**, Necessary quorum as stipulated in clause 49 of listing agreement was present at the meeting of the Committee.

## Stakeholder Relationship Committee

### Brief Description of terms of reference:

The revised terms of reference of the Committee inter alia include the following:

1. To look redressal of grievances of shareholders of the Company.
2. To consider and resolve grievances of the shareholders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, etc.
3. To approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities.
4. To oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services.
5. To investigate any activity within its terms of reference.
6. To seek information from share transfer agents.

The Company has a Stakeholders' Relationship Committee. The Committee is headed By Mr. Pradeep Parmar, an Independent Director and comprises of the following members in the financial year 2014-15:

Name of Directors	Position	No. of Meeting held during the year	No. of Meeting Attended
Mr. Pradeep Parmar	Chairman	4	4
Mr. Rajnish Kumar	Member	4	4
Mr. Chandrakant Shinde	Member	4	4

The Committee met four times during the financial year 2014-15 on 15<sup>th</sup> May 2014, 28<sup>th</sup> July 2014, 15<sup>th</sup> October 2014 and 29<sup>th</sup> January, 2015.

### Name and Designation of Compliance officer

**Mr. Dhiren Negandhi** has been appointed as Compliance officer of the Company and can be contacted on the following address:

Address	Telephone No.	Email Id
Compliance Officer ARNAV CORPORATION LIMITED 101, C Wing, Ambika Darshan, C P Road, Kandivali (East), Mumbai – 400 101	022-64501225	corp.arnav@gmail.com

**Complaints/request received from Shareholders during the period 1st April, 2014 to 31<sup>st</sup> March, 2015 and its status:**

The total number of shareholder complaints received and resolved during the year under review, were as follows:

No. of Shareholder Complaints pending at the beginning of the year	No. of Shareholder Complaints received during the year	No. of Shareholder Complaints resolved during the year	No. of Shareholder Complaints pending at the end of the year
NIL	NIL	NIL	NIL

#### **D] Separate Meeting of Independent Director**

Pursuant to Clause 49 of the Listing Agreement, a separate meeting of Independent Directors of the Company was held on 15<sup>th</sup> December, 2014 to discuss following business:

- a) The performance of Non-Independent Directors and the Board as whole;
- b) The performance of the Chairman of the Company, taking into account the view of Executive and Non-Executive directors; and
- c) The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors were present in the meeting. Mr. Chandrakant Shinde chaired the Meeting.

#### **E] Risk Management Committee**

The revised Clause 49 mandates the Companies to constitute the Risk Management Committee. The Board of Directors of the Company in its meeting held on 13<sup>th</sup> February, 2015 had constituted a Risk Management Committee to oversee the functioning of the Company's risk management policy. As per Clause 49 of the Listing Agreement, the Committee shall lay down procedures to inform Board members about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

#### **Brief Description of terms of reference:**

- a) To frame, implement and monitor the risk management plan for the company.
- b) To ensure that management has effectively identified the key operational risk and incorporate them into their activities.
- c) To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- d) To assess and recommend to the Board acceptable levels of risk.
- e) To allow investors and other stakeholders to be informed of material changes to the Company's risk profile.

- f) Review Compliance with risk policies, monitor breach/ trigger trips of risk tolerance limits and directs action.
- g) Review and analysis risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organization.
- h) Review and approve the Risk Management (ERM) framework.

### Meeting of Risk Management Committee

During FY 2014-15, one meeting was held on 16<sup>th</sup> March, 2015.

### Composition and Attendance

The Committee comprises of Mr. Chandrakant Shinde (Chairman), Ms. Kajal Soni and Mr. Jayesh Shah and all members attended the said meeting. The Company has a well-defined risk management framework in place. The details of the Composition of the Committee, meeting held, attendance at the meetings, are given:

Name of Directors	Position	No. of Meeting held during the year	No. of Meeting Attended
Mr. Chandrakant Shinde	Chairman	1	1
Ms. Kajal Soni	Member	1	1
Mr. Jayesh Shah	Member	1	1

### 1. General Body Meetings:

The Annual General Meetings (AGMs) of the Company have been held at registered office of the Company in the last three years at the time and dates given below:

AGM	Year	Days & Dates	Time	Registered Office	Special Resolution Passed
27 <sup>th</sup>	2013-14	Monday, 29 <sup>th</sup> September, 2014	9.30 AM	101, C Wing, Ambika Darshan, C P Road, Kandivali (East), Mumbai-400101.	<ul style="list-style-type: none"> <li>Appointment of Mr. Pradeep B Parmar as an Independent Director</li> <li>Capitalisation of Rs 44,25,88,580/- standing to the credit of Company's Free Reserves and Securities Premium Account for issue of fully paid up Bonus Equity Shares of Rs 10/- each to the holders whose name appears in the Register of Members as on such record date in the ratio 49:50.</li> <li>Sub-division of equity shares of Rs. 10/- each into 10 equity</li> </ul>

					shares of Re. 1/- each
26 <sup>th</sup>	2012-1:	Monday, 30 <sup>th</sup> September, 2013	9.00 AM	101, C Wing, Ambika Darshan, C P Road, Kandivali (East), Mumbai- 400101	<ul style="list-style-type: none"> <li>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 shares, as per the provisions of SEBI (ICDR) Regulations, 2009</li> </ul>
25 <sup>th</sup>	2011-1:	Saturday, 29 <sup>th</sup> September, 2012	10.00 AM	32/115, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400053	<ul style="list-style-type: none"> <li>No Special Resolution was passed</li> </ul>

No Resolution was passed through postal ballot last year.

At the ensuing Annual General Meeting, there are No Special Resolutions for which Clause 49 of the Listing Agreement or Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 has recommended/mandated postal ballot.

## 2. Means of Communication

Arnav Corporation believes that all stakeholders should have access to complete information regarding Company's position to enable them to accurately assess its future potential. The Company disseminates information on its operation and performance on a regular basis and it has a practice to publish Quarterly/Annual financial results in the Financial Express, an English newspaper and Apla Mahanagar, a region newspaper. The aforesaid financial results are also sent to BSE Limited (BSE) where Company's securities are listed, immediately after these are approved by the Board.

Further, in Compliance with the Clause 47 (f) of the Listing Agreement the Company has also created an email-id: [corp.arnav@gmail.com](mailto:corp.arnav@gmail.com) to redress investors/ shareholders grievances and maintain relationship with them. The official news releases whenever made by the Company are immediately forwarded to stock exchanges before publication.

## 3. Disclosures

### A. Disclosure on Related Party Transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary

course of the business and on arm's length basis. All Related Party Transactions are placed before the Audit Committee and the Board for approval.

There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and suitable disclosure as required by Accounting Standard (AS 18) has been made in the notes to the financial statements.

As required under Clause 49, the Company has formulated a policy on dealing with Related Party Transactions. The policy is available on the website of the Company.

**B. Details of non-Compliance by the Company, Penalties, Stricture imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years are detailed as under:**

The Company has complied with statutory provisions, rules and regulation relating to the capital markets and no penalties have been levied or strictures have been imposed by the stock exchange, SEBI or any other Statutory authority on matters relating to capital markets during the last three years except penalty for submission of copies of the annual report to stock exchange after circulation to the Shareholders.

**C. Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee.**

The Company has adopted a Vigil Mechanism/Whistle Blower Policy to provide a formal mechanism to the employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for adequate safeguard against victimization of employees for direct access to the Chairman of the Audit Committee. No personnel of the Company have been denied access to the Chairman of the Audit Committee.

**D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

The Company has complied with all the mandatory requirements as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges. Further the Company has adopted following non-mandatory requirement as provided in the Annexure XIII of the Listing agreement:

The Internal Auditor of the Company may report directly to the Audit committee.

**E. Disclosures of Accounting Treatment**

The Company has followed the Accounting standards notified by the Institute of Chartered Accountants of India, as amended from time to time, in preparation of its financial statements. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**F. Code of Conduct**

The Company has laid down a Code of Conduct for the Board Members and Senior Management personnel of the Company, which has also been posted on the website of the Company. The Company has received from all its Directors and Senior Management

personnel affirmation of Compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2015.

#### G. CEO/CFO Certification

In accordance with requirement of the Clause 49(IX) of the Listing Agreement, a certificate from **Mr. Jayesh Shah**, Chief Financial Officer of the company, on the financials statement of the Company was placed before the Board in the meeting held on 5<sup>th</sup> September, 2015 and the same is annexed to this report.

#### 4. General Shareholder Information

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is **L74900MH1987PLC044592**.

#### A. Particulars of ensuing Annual General Meeting:

Sr. No.	Particular	Details			
1	Financial Year	Form 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015.			
2	Annual General Meeting	Date	Day	Time	Venue
		30 <sup>th</sup> September, 2015	Wednesday	9.30 AM	101, C Wing, Ambika Darshan, C P Road, Kandivali (East), Mumbai-400101.
3	Date of Book Closure (both days inclusive)	From			To
		24 <sup>th</sup> September, 2015			30 <sup>th</sup> September, 2015
4	Listing on stock exchange	Name of the Stock Exchange	Stock code	ISIN	Listing fees paid up to
		BSE Limited	531467	INE647 D01014	31 <sup>st</sup> March, 2016
5	Financial Calendar (Tentative)	Adoption of Quarterly Financial Results for the Quarter ended			Tentative date of the meeting of the Board of Director
		June 30, 2015			12 <sup>th</sup> August, 2015
		September 30, 2015			On or before 14.11.2015
		December 31, 2015			On or before 14.02.2016
		March 31, 2016			Within 60 days from the end of the financial year
6	Registrar and Transfer Agent	Name	Telephone	Email id	Address
		M/s. Universal Capital Securities Pvt. Ltd.	+91 (022) 28207203	<a href="mailto:karlekar@unisec.in">karlekar@unisec.in</a>	21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai-400093.

7	<b>Dematerialization of share and liquidity</b>	The shares of the Company are compulsorily traded in dematerialized form and are admitted into both the depositories. All requests for Dematerialization of shares are processed and confirmed to depositories, NSDL and CDSL, within 21 days from the date of lodgement with the Company's Registrar & Share Transfer Agent.		
	<b>As on March 31, 2015 97% of the shares were held in dematerialized form and the rest in physical form.</b>	<b>Particulars</b>	<b>Shares</b>	<b>%</b>
		CDSL	82753453	92.54
		NSDL	3992231	4.46
		Physical	2675274	3
		<b>Total</b>	<b>89420958</b>	<b>100</b>
8	<b>Address for Correspondence</b>	101, C Wing, Ambika Darshan, C P Road, Kandivali (East), Mumbai-400101.		

### B. Market Price Data

Monthly high and low quotations of the Company's Ordinary Shares on BSE during the financial year 2014-2015 are as follows:

Months	BSE (In Rs.)	
	<b>High</b>	<b>Low</b>
April 2014	14.45	12.85
May 2014	19.45	13.13
June 2014	20.00	17.90
July 2014	19.85	16.70
August 2014	18.05	15.95
September 2014	26.45	17.80
October 2014	24.60	12.20
November 2014	13.40	9.76
December 2014	12.84	8.51
January 2015	12.64	7.16
February 2015	11.10	7.75
March 2015	11.00	8.04

### C. Share Transfer System

The Company's Shares are being compulsorily traded in demat mode and are transferable through the depository system. Share transfers in physical form are registered and returned within the stipulated time, if documents are complete in all respects. Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. A summary of transfer/transmission of securities of the Company so approved is placed at every Board Meeting. The Company obtains from Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

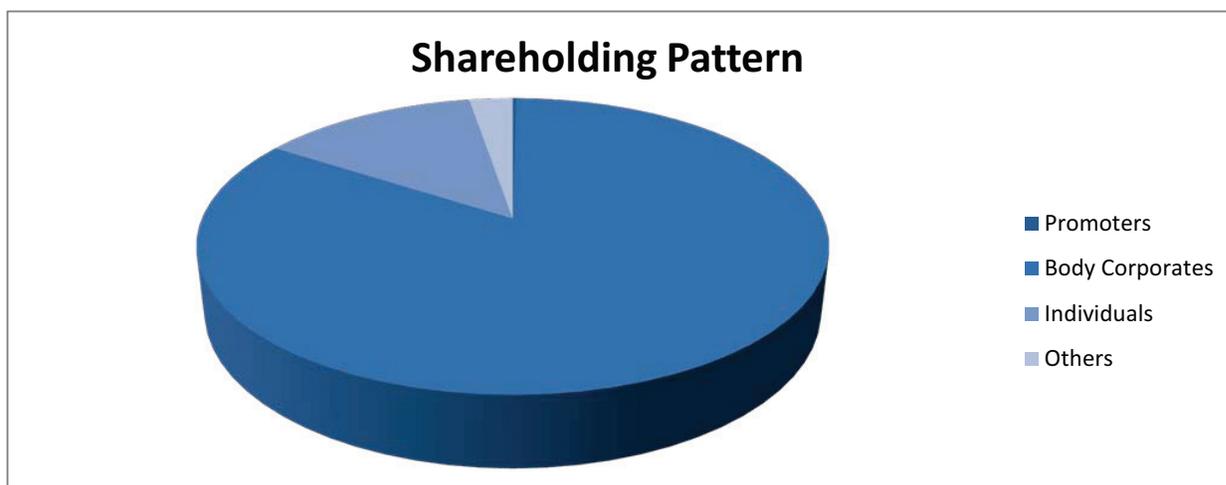
### D. Distribution of Shareholding Pattern

Range	Number of Holders	% to Total Holders	No. of Shares	% of Total Capital
Up to 500	575	27.238	116748	0.131
501-1000	552	26.149	522874	0.585
1001-2000	564	26.717	1033698	1.156
2001-3000	52	2.463	139950	0.157
3001-4000	67	3.174	252849	0.283
4001-5000	57	2.700	273628	0.306
5001-10000	102	4.832	781709	0.874
10001 and above	142	6.727	86299502	96.509
<b>TOTAL</b>	<b>2111</b>	<b>100.000</b>	<b>89420958</b>	<b>100.000</b>

**E. Category of Shareholding as on 31st March, 2015**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
<b>A</b>	Promoter's holding		
<b>1</b>	Promoters		
<b>a</b>	- Indian Promoters	202074	0.23
<b>b</b>	- Foreign Promoters	0	0
<b>2</b>	Person Acting In Concert	0	0
	Sub-Total	202074	0.23
<b>B</b>	Non-Promoters Holding		
<b>1</b>	Body Corporate	74993313	83.87
<b>2</b>	Individual	11836579	13.24
<b>3</b>	Institutional Investors	0	0
<b>4</b>	Mutual Funds and UTI	0	0
<b>5</b>	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-government institutions)	0	0
<b>6</b>	FII's / Foreign Mutual Fund	0	0
	Sub-Total	86829892	97.11

<b>C</b>	Any other (please specify)		
<b>1</b>	Clearing Member	1766043	1.97
<b>2</b>	NRI / OCBs	622949	0.70
<b>3</b>	Trust	0	0
	Sub-Total	2388992	2.67
	<b>GRAND TOTAL</b>	<b>89420958</b>	<b>100.00</b>



**F. Performance of share on the BSE:**

Date	Arnav Corporation Limited Price vs Sensex	
	Arnav (Rs.)	Sensex (Rs.)
As on 1 <sup>st</sup> April, 2014	14.20	22446.44
As on 31 <sup>st</sup> March, 2015	10.21	27957.49
Change	-28.10%	24.55%

**G. Outstanding GDR/ ADR/ Warrants, Convertible Bonds and any other Convertible Instruments, conversion dates and its likely impacts on the equity**

No GDR/ ADR are outstanding as at 31<sup>st</sup> March, 2015.

No Warrants are outstanding as at 31<sup>st</sup> March, 2015.

**H. Reconciliation of Share Capital Audit Report**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and total issued and listed capital. This audit is carried out for every quarter and the report thereon is submitted to stock Exchange where the Company's shares are listed. The audit confirms that the aggregate of the total

number of shares in dematerialized form (held with CDSL and NSDL) and total number of shares in physical form.

**I. Services of documents through electronic mode:**

As a part of Green Initiatives, the members who wish to receive the notice/Annual Report/documents through Email, may kindly intimate their email address to the Company's Registrar and Share Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd. on their Email Id i.e. [karlekar@unisec.in](mailto:karlekar@unisec.in).

**DECLARATION**

I, Dhiren Negandhi, Managing Director of Arnav Corporation Limited declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the code of conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(II) (E) (2) of the Listing Agreement entered into with the Stock Exchange for the year ended 31<sup>st</sup> March, 2015.

**For and on behalf of the Board of Directors**

**Sd/-**

**Dhiren Negandhi**

**Chairman & Managing Director**

**DIN: 03385812**

**Date: 5<sup>th</sup> September, 2015**

**Place: Mumbai**

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## **CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

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

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

- A. I have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and that to the best of my knowledge and belief:-
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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.
- B. To the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violate of the Company's code of conduct.
- C. 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.
- D. Further, I have also, indicated to the Auditors and the Audit Committee-
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. 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.

**For and on behalf of the Board of Directors**

**Sd/-**

**Jayesh Shah**

**Chief Financial Officer**

**Date: 5<sup>th</sup> September, 2015**

**Place: Mumbai**

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## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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To,  
The Members  
**Arnav Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by **Arnav Corporation Limited** (the "Company"), for the year ended **31<sup>st</sup> March, 2015**, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with 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 certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

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

**For Shiv Pawan & Company**  
**Chartered Accountants**  
**Firm Reg No: 120121W**  
Sd/-  
**Partner**  
**(Shivhari B. Garg)**  
**(Membership No: 085517)**

**Date: 30<sup>th</sup> August, 2015**  
**Place: Navi Mumbai**

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## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ARNAV CORPORATION LIMITED

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We have audited the accompanying financial statements of M/s. ARNAV CORPORATION LIMITED, which comprise the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

- a) We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- b) We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
- c) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
- d) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## 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, 2015;
- ii. in the case of the Statement of Profit & Loss account, of the Profit for the year ended on that date.
- iii. in the case of the Cash Flow Statement , of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - g. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, in Point No. 7 and Point No. 11 of the Note No. 15 to the Balance Sheet.
  - h. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
  - i. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

**Date: 28<sup>th</sup> May, 2015**  
**Place: Navi Mumbai**

**For Shiv Pawan & Company**  
**Chartered Accountants**  
**Firm Reg No: 120121W**  
**Sd/-**  
**Partner**  
**(Shivhari B. Garg)**  
**(Membership No: 085517)**

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## ANNEXURE 'A' TO THE AUDITOR'S REPORT OF EVENT DATE

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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 at reasonable intervals during the year, having regard to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed by the management on such verification.

II) In respect of Inventories:

- c) The physical verification of inventory has been conducted at regular intervals by the management.
- d) 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.
- e) The company has been maintaining proper records of the inventory and no material discrepancies were noticed.

III) In respect of any loans, secured or unsecured granted by the Company to other companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 :

The company has not granted any loans and advances in the nature of loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.

IV) In respect of Internal Controls:

- a) There is an adequate internal control system 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 and services.
- b) There is no continuing failure to correct major weakness in the internal control system.

V) In respect of Acceptance of Public Deposits:

The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

VI) In respect of cost records:

The Company is not required to maintain cost records as prescribed by the Central Government u/s 148(1) of the Companies Act, 2013.

VII) In respect of Payment/ Non-payment of Statutory 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.

c) No amount was required to be transferred to Investor Education and Protection Fund.

VIII) In respect of Erosion of Net Worth:

- 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 not incurred the cash losses during the financial year into consideration.
- c) However, the company had incurred the cash losses during the financial year immediately preceding the financial year into consideration.

IX) In respect of Default of Dues of Banks / Financial Institutions / Debenture Holders:

According to the records of the Company, the Company has not borrowed from Financial Institutions or banks or issued Debentures till 31st March, 2015. Hence, in our opinion, the question of reporting on defaults in repayment of dues to Financial Institutions or Banks or Debentures does not arise.

X) In respect of Guarantees given for Loans taken by others:

According to the information and explanations given to us, during the year the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

XI) In respect of end use of term loan:

According to the records of the company, the company has not obtained any term loans. Hence, comments under the clause are not called for.

XII) In respect of Frauds noticed / reported:

No frauds on or by the Company have been noticed or reported during the year.

**For Shiv Pawan & Company**  
**Chartered Accountants**  
**Firm Reg No: 120121W**  
**Sd/-**  
**Partner**  
**(Shivhari B. Garg)**  
**(Membership No: 085517)**

**Date: 28<sup>th</sup> May, 2015**  
**Place: Navi Mumbai**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

Particulars	Note No.	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	894,209,580	450,888,641
(b) Reserves and Surplus	2	1,367,993	443,823,825
(c) Money received against share warrant		-	-
		<b>895,577,573</b>	<b>894,712,466</b>
<b>(2) Share Application Money Pending Allotment</b>		-	-
<b>(3) Non- Current Liabilities</b>			
(a) Long Term Borrowings		-	-
(b) Deferred tax Liabilities (Net)		-	-
(c) Other Long term Liabilities		-	-
(d) Long- Term Provisions		-	-
		-	-
<b>(4) Current Liabilities</b>			
(a) Short term Borrowings		-	-
(b) Trade payables		134,739,411	31,817,307
(c) Other Current Liabilities	3	2,186,762	2,291,804
(d) Short- Term provisions	4	805,064	746,480
		<b>137,731,237</b>	<b>34,855,591</b>
<b>TOTAL</b>		<b>1033,308,810</b>	<b>929,568,057</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	5		
i. Tangible Assets		125,330	156,661
ii. Intangible Assets		-	-
iii. Capital Work-in-Progress		-	-
iv. Intangible Assets under Development		-	-
(b) Non Current Investment			
(c) Deferred Tax Assets (Net)		2,039,857	2,125,418
(d) Long Term Loans and Advances		-	-
(e) Other Non- Current Assets	6	25,600,191	25,600,191
		<b>27,765,378</b>	<b>27,882,270</b>
<b>(2) Current assets</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	7	163,552,171	60,057,071
(d) Cash and cash Equivalents	8	938,121	313,732
(e) Short Term Loans and Advances	9	841,053,140	841,314,984
(f) Other Current Assets		-	-
		<b>1,005,543,432</b>	<b>901,685,787</b>
<b>Total(I+II)</b>		<b>1,033,308,810</b>	<b>929,568,057</b>
<b>Notes to Accounts</b>	<b>15</b>		

The Schedules & Notes referred to above form an integral part of the Accounts.

As per our Report of event date

For Shiv Pawan & Company  
Chartered Accountants  
Firm Regn. No.: 120121W

Sd/-  
Partner  
(Shivhari B. Garg)  
Membership No.: 085517

Date: 28<sup>th</sup> May, 2015  
Place: Navi Mumbai

For Arnav Corporation Limited

Sd/-  
Managing Director  
Mr. Dhiren Negandhi

Sd/-  
Chief Financial Officer  
(Jayesh Shah)

Date: 28<sup>th</sup> May, 2015  
Place: Mumbai

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015**

Particulars	Note No.	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b>I.</b> Revenue from Operations	<b>10</b>	104,500,100	32,645,049
<b>II.</b> Other Income	<b>11</b>	-	-
<b>III. Total Revenue(I+II)</b>		<b>104,500,100</b>	<b>32,645,049</b>
<b>IV. Expenses:</b>			
a) Cost of Materials Consumed	<b>12</b>	102,922,104	31,817,307
i) Purchases of Stock-in-Trade		-	-
ii) Change in inventories of finished Goods, Work-in Progress & Stock-in-trade		-	-
b) Employee Benefit Expenses	<b>13</b>	510,000	149,176
c) Financial Costs		-	-
d) Depreciation & Amortization Expenses		31,331	43,046
e) Other expenses	<b>14</b>	759,772	686,712
<b>Total Expenses</b>		<b>104,223,207</b>	<b>32,696,241</b>
<b>V. Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>276,893</b>	<b>(51,192)</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/ (Loss) Before Extraordinary Items and Tax (V-VI)</b>		<b>276,893</b>	<b>(51,192)</b>
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit/ (Loss) before tax (VII-VIII)</b>		<b>276,893</b>	<b>(51,192)</b>
<b>X. Tax expense:</b>			
(1) Current tax		58,584	-
(2) Deferred tax Liability/ (Assets)		85,561	(15,819)
<b>XI. Profit(Loss) for the period from Continuing Operations (XI-X-XIV)</b>		<b>132,748</b>	<b>(35,373)</b>
<b>XII. Profit/(Loss) from Discontinuing Operations</b>		-	-
<b>XIII. Tax expense of Discounting Operations</b>		-	-
<b>XIV. Profit/(Loss) from Discontinuing operations (After Tax)(XII - XIII)</b>		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>132,748</b>	<b>(35,373)</b>
<b>XVI. Earning per equity share:</b>			
(1) Basic		0.001485	(0.000396)
(2) Diluted		0.001485	(0.000396)
<b>Notes to Accounts</b>	<b>15</b>		

The Schedules & Notes referred to above form an integral part of the Accounts.

**As per our Report of event date**

**For Shiv Pawan & Company**

**Chartered Accountants**

**Firm Regn. No.: 120121W**

**For Arnav Corporation Limited**

**Sd/-**

**Managing Director**

**Mr. Dhiren Negandhi**

**Sd/-**

**Partner**

**(Shivhari B. Garg)**

**Membership No.: 085517**

**Sd/-**

**Chief Financial Officer**

**(Jayesh Shah)**

**Date: 28<sup>th</sup> May, 2015**

**Place: Navi Mumbai**

**Date: 28<sup>th</sup> May, 2015**

**Place: Mumbai**

**ANNEXURE TO CLAUSE-32 OF LISTING AGREEMENT  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b><u>A. Cash Flow from Operating Activities :</u></b>		
Net Profit After tax and extraordinary items	132,748.04	35,373.00
<u>Add:</u>		
Depreciation	31,331.00	43,046.00
Deferred Tax Liability during the year	85561.00	(15,819.00)
Provision for Tax during the year	58,583.96	-
Profit/Loss on sale of Investment	-	-
<u>Add: Items considered separately</u>		
Interest Paid	-	-
<u>Less: Items considered separately</u>		
Profit on Sale of Fixed Assets	-	-
Dividend Received	-	-
Interest Received	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>308,224.00</b>	<b>(8,146.00)</b>
Changes in Working Capital		
- (Increase/Decrease) in Sundry Debtors	(103,495,100)	(31,825,571)
- (Increase/Decrease) in Short Term Loans & Advances	261,844	(839,816,512)
- (Increase/Decrease) in Sundry Creditors	102,922,104	31,817,307
- (Increase/Decrease) in Other Current Liabilities	(105,042)	1,704,002
- (Increase/Decrease) in Short Term Borrowings	-	-
- Net Changes in Working Capital	(416,194)	(838,120,774)
<b>Cash Flow from Operating Activities</b>	<b>(107,970.00)</b>	<b>(838,128,920)</b>
<u>Less: Taxes Paid</u>	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(107,970.00)</b>	<b>(838,128,920)</b>
<b>B. Cash Flow from Investment Activities :</b>		
Sale of Investment	-	-
<b>Net Cash Flow from Investment Activities</b>	-	-
<b>A. Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Shares including	-	840,000,000
Calls in arrears received	732,359	-
Long Term Borrowings	-	(1,640,282)
<b>Net Cash Flow from Financing Activities</b>	<b>732,359</b>	<b>838,359,718</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>624,389</b>	<b>230,798</b>
Cash & Cash Equivalents –Opening Balance	313,732	82,934
<b>Cash &amp; Cash Equivalents –Closing Balance</b>	<b>938,121</b>	<b>313,732</b>

**For Shiv Pawan & Company**  
**Chartered Accountants**  
**Firm Regn. No.: 120121W**

**Sd/-**  
**Partner**  
**(Shivhari B. Garg)**  
**Membership No.: 085517**

**Date: 28<sup>th</sup> May, 2015**  
**Place: Navi Mumbai**

**For Arnav Corporation Limited**

**Sd/-**  
**Managing Director**  
**Mr. Dhiren Negandhi**

**Sd/-**  
**Chief Financial Officer**  
**(Jayesh Shah)**

**Date: 28<sup>th</sup> May, 2015**  
**Place: Mumbai**

## NOTES FORMING PART OF BALANCE SHEET

### NOTE NO.: '1' Share Capital

Particular	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b>Authorized Capital</b>		
1,10,00,000 Equity Shares of Rs. 10/- each	110,000,000	110,000,000
<b>Total</b>	<b>110,000,000</b>	<b>110,000,000</b>
<b>Issued, Subscribed &amp; Paid- Up Capital</b>		
- 51,62,100 Equity shares of Rs. 10/- each fully paid up	451,621,000	51,621,000
- Fresh Issue (Preferential Allotment)		
4,00,00,000 Equity shares of Rs. 10/- each fully paid up	-	400,000,000
- Bonus Issue		
4,42,58,858 Equity Shares of Rs. 10/- each fully paid up issued as Bonus in the ratio 49:50 (Forty Nine Equity Shares for every fifty shares held)	442,588,580	-
- Less: Calls unpaid by other than Directors	-	(732,359)
<b>Total</b>	<b>894,209,580</b>	<b>450,888,641</b>

### NOTE NO.: '2' Reserves & Surplus

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b>a) Securities Premium Account</b>		
Opening Balance	441,753,500	1,753,500
Add: Securities Premium Credited on Share Issue	-	440,000,000
Less: <u>Premium Utilized for Various Reasons</u>		
i) Premium on Redemption of Debentures	-	-
ii) For Issuing Bonus Shares	441,753,500	-
Closing Balance (A)	-	441,753,500
<b>b) Surplus</b>		
Opening Balance	2,070,325	2,105,698
(+) Net Profit / (Net Loss) for the current Year	132,748	(35,373)
(+) Transfer From Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Utilized for Issuing Bonus Shares	835,080	-
(-) Transfer To Reserves	-	-
Closing Balance (B)	1,367,993	2,070,325
<b>Total (A+B)</b>	<b>1,367,993</b>	<b>443,823,825</b>

**Note No.: '3' Other Current Liabilities**

<b>Particulars</b>	<b>Current Year 31-03-2015 (Rs.)</b>	<b>Previous Year 31-03-2014 (Rs.)</b>
Statutory Liabilities	277,012	265,812
Sundry Creditors for expenses	41,500	224,742
Others	1,868,250	1,801,250
<b>Total</b>	<b>2,186,762</b>	<b>2,291,804</b>

**Note No.: '4' Short Term Provisions**

<b>Particulars</b>	<b>Current Year 31-03-2015 (Rs.)</b>	<b>Previous Year 31-03-2014 (Rs.)</b>
A) <u>Provision for Employee Benefits</u>	4,87,800	4,87,800
B) <u>Others</u>		
i) Provision for Income Tax A.Y. 2013-14	258,680	258,680
ii) Provision for Income Tax- A.Y. 2015-16	58,584	-
<b>Total (A+B)</b>	<b>805,064</b>	<b>746,480</b>

**Note No. 5: Depreciation Chart as per Straight Line Method (In the Books of Accounts) for the year ended on 31/03/2015  
Disclosure pursuant to Note No. I and Note No. J of Part I of Schedule III to the Companies Act, 2013**

Sr .No.	Name of the Assets	Rate (%)	Gross Block				Accumulated Depreciation				Net Block		
			Gross Value As on 01/04/14	Addition during the Year	Disposals during the Year	Gross Value as on 31/03/2015	Op. Balance As on 01/04/14	Depreciation during the Year	On Disposal during the Year	Balance as on 31/03/2015	Bal. As on 31/03/14	Bal. As on 31/03/2015	
<b>(A)</b>	<b><u>Tangible Assets</u></b>												
	1. Land	0.00	-	-	-	-	-	-	-	-	-	-	-
	2. Franking Machine	4.75	26,140	-	-	26,140	21,114	1,005	-	22,119	5,026	4,021	
	3. Transformer	4.75	-	-	-	-	-	-	-	-	-	-	-
	4. Furniture & Fixtures	6.33	750,700	-	-	750,700	750,700	-	-	750,700	-	-	-
	5. Office Equipment	4.75	293,184	-	-	293,184	200,652	18,506	-	219,158	92,532	74,026	
	6. Fax Machine	4.75	51,677	-	-	51,677	37,883	2,759	-	40,642	13,794	11,035	
	7. Refrigerator	4.75	23,472	-	-	23,472	18,955	903	-	19,858	4,517	3614	
	8. Air Conditioner	4.75	211,897	-	-	211,897	171,105	8,158	-	179,263	40,792	32,634	
	9. Computers	0.00	252,648	-	-	252,648	252,648	-	-	252,648	-	-	
	<b>Sub Total (A)</b>	-	<b>1,609,718</b>	-	-	<b>1,609,718</b>	<b>1,453,057</b>	<b>31,331</b>	-	<b>1,484,388</b>	<b>156,661</b>	<b>125,330</b>	
<b>(B)</b>	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)	-	-	-	-	-	-	-	-	-	-	-	-
<b>(C)</b>	<b>Capital Work In Progress</b>	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-	-
<b>(D)</b>	<b>Intangible Assets under Development</b>	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (D)	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A) +(B)+(C)+(D)</b>		<b>1,609,718</b>	-	-	<b>1,609,718</b>	<b>1,453,057</b>	<b>31,331</b>	-	<b>1,484,388</b>	<b>156,661</b>	<b>125,330</b>	
	<b>Previous Year Total</b>		<b>1,609,718</b>	-	-	<b>1,609,718</b>	<b>1,410,011</b>	<b>43,046</b>	-	<b>1,453,057</b>	<b>199,707</b>	<b>156,661</b>	

**Note No.: 6 Other Non Current Assets**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
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	-	-
<b>Total</b>	<b>25,600,191</b>	<b>25,600,191</b>

**Note No.:7 Trade Receivable**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b>A) Trade Receivables outstanding for a period less than six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	66794778	10,930,365
Unsecured, considered Doubtful	-	-
Less: Provision for Doubtful debts	-	-
<b>Total (A)</b>	<b>66794778</b>	<b>10,930,365</b>
<b>B) Trades receivables outstanding for a period of exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	96,757,393	49,126,706
Unsecured, considered Doubtful	-	-
Less: Provision for Doubtful debts	-	-
<b>Total (B)</b>	<b>96,757,393</b>	<b>49,126,706</b>
<b>Total (A) + (B)</b>	<b>163,552,171</b>	<b>60,057,071</b>

**Note No.: '8' Cash & Cash Equivalent**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b>A) Balances With Banks</b>		
Dhanlaxmi Bank Ltd.	34,970	34,970
ING Vysya Bank Ltd.	55,358	112,830
Axis Bank Ltd.	9,489	14,017
<b>B) Cash on Hand</b>	<b>838,304</b>	<b>151,915</b>
<b>Total (A+B)</b>	<b>938,121</b>	<b>313,732</b>

**Note No.: '9' Short term Loans and Advances**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b>A) To Related Parties</b>		
1) Secured, considered good	-	-
2) Unsecured, considered good	-	-
3) Unsecured, considered Doubtful	-	-
4) Less: Provision for Doubtful loans & Advances	-	-
<b>Total.....(A)</b>	<b>-</b>	<b>-</b>
<b>B) Others</b>		
1) Secured, considered good	-	-
2) Unsecured, considered good	-	-
a) Advances receivable	839,816,512	840,086,222
b) Advances Creditors	7866	-
c) Income- Tax A.Y. 2008-09	1,174,556	1,174,556
d) Income- Tax A.Y. 2010-11	54,111	54,111
e) Income- Tax A.Y. 2012-13	95	95
(3) Doubtful	-	-
(4) Less: Provision for Doubtful Loans & Advances	-	-
<b>Total.....(B)</b>	<b>841,053,140</b>	<b>841,314,984</b>
<b>Total (A+B)</b>	<b>841,053,140</b>	<b>841,314,984</b>

**Note No.: '10' Revenue from Operation**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
a) Sale of Products	104,500,100	31,825,571
b) Sale of Services	-	-
c) Other Operating Revenues	-	819,748
d) Less: Excise Duty	-	-
<b>Total</b>	<b>104,500,100</b>	<b>32,645,049</b>

**Note No.: '11' Other Income**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
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	-	-
ii) Profit on Sale of Fixed Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No.: '12' Cost of Material Consumed**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
1) Opening Stock	-	-
2) Purchases	102,922,104	31,817,307
<b>Total</b>	<b>102,922,104</b>	<b>31,817,307</b>
3) Less : Closing Stock	-	-
<b>Total</b>	<b>102,922,104</b>	<b>31,817,307</b>

**Note No.: '13' Employee Benefits Expense**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
a) Salary and Incentives	510,000	126,000
b) Directors Remuneration	-	-
c) Staff Welfare Expenses	-	23,176
<b>Total</b>	<b>510,000</b>	<b>149,176</b>

**Note No.: '14' Other Expenses**

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
a) <u>Payment to Auditor</u>		
1) Statutory Audit Fees	30,000	33,708
2) In any other manner	-	-
b) Power & Fuel	19,598	36,318
c) Rent	120,000	120,000
<u>Repairs &amp; Maintenance</u>		
1) Building	-	-
2) Others	-	-
d) Rates & Taxes	500	-
<u>Misc. Expenses</u>		
1) Tax Audit fees	-	30,000
2) Telephone Expenses	11,130	24,206
3) Legal & Professional Charges	18,000	2000
4) Professional tax (E)	2,500	2,500
5) Office Expenses	11,360	9,273
6) Advertisement Expenses	30,313	28,475
7) Conveyance Expenses	-	29,311
8) Listing Fees-BSE Ltd.	312,645	286,518
9) Printing & Stationery	1,447	12,693
10) RTA Charges	87,873	37,611
11) Central Depository Services	51,744	-
12) Internal Expenses	17,845	-
13) Fees paid to NSDL	30,064	-

14) Bank Charges	14,753	34,099
<b>Total</b>	<b>759,772</b>	<b>686,712</b>

**NOTE No.: '15'**

1) **Disclosure pursuant to Note No. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013**

Particulars	CURRENT YEAR			
	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	45,162,100	451,621,000	-	-
Shares Issued during the year	44,258,858	442,588,580	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>89,420,958</b>	<b>894,209,580</b>	-	-
Particulars	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	40,000,000	400,000,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>45,162,100</b>	<b>451,621,000</b>	-	-

2) **Disclosure pursuant to Note No. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)**

Name of Shareholder	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Anumita Infrastructure Pvt. Ltd.	5,940,000	6.64	3,000,000	6.64
Aprateem Trading Pvt. Ltd.	9,240,660	10.33	4,667,000	10.33
Varad Vinayak Trading Pvt. Ltd.	4,712,400	5.27	2,380,000	5.27
Jeshna Multitrade Pvt. Ltd.	4,713,390	5.27	2,380,500	5.27
Adamina Traders Pvt. Ltd.	4,572,000	5.11	2,900,000	6.42
Meritorious Reality Pvt. Ltd.	N .A.	N .A.	2,380,500	5.27
Orange Mist Productions Pvt. Ltd.	5,013,600	5.61	4,795,000	10.62
Radford Real Estate Pvt. Ltd.	N .A.	N .A.	2,690,000	5.96
Jabeen Tradelink Pvt. Ltd.	5,791,500	6.48	2,925,000	6.48
Parkway Properties Pvt. Ltd.	6,286,500	7.03	3,175,000	7.03
Bullext Reality Pvt. Ltd.	7,816,800	8.74	5,160,000	11.43
Shriram Credit Company Ltd.	4,500,000	5.03	N.A.	N.A.
Black Horse Media & Entertainment Pvt. Ltd.	N .A.	N .A.	2,380,500	5.27

3) Disclosure pursuant to Note No. 6(T) of Part I of Schedule III to the Companies Act, 2013

Contingent liabilities and commitments (to the extent not provided for)	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
<b>Contingent Liabilities</b>		
a) Claims against the company not acknowledged as a debt	-	-
b) Guarantees	-	-
c) Other money for which the company is contingently liable	-	-
<b>Total (i)</b>	-	-
<b>ii) Commitments</b>		
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	-	-
<b>Total (ii)</b>	-	-
<b>Total (i) + (ii)</b>	-	-

4) Disclosure pursuant to Note No. 6(W) of Part I of Schedule III to the Companies Act, 2013

In the opinion of the Board, all assets other than fixed assets and noncurrent 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 III to the Companies Act, 2013

Payment to the Auditor as	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
a) Auditor	30,000	33,708
b) For taxation matters	-	-
c) For company law matters	-	-
d) For management services	-	-
e) For other services	-	-
<b>Total</b>	<b>30,000</b>	<b>33,708</b>

6) Disclosure pursuant to Note No. 5(A)(viii) of Part II of Schedule III to the Companies Act, 2013

Expenditure/Income in Foreign Currency	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
Expenditure in Foreign Currency	-	-
Income in Foreign Currency	-	-

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

Particulars	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
T.D.S on Professional Charges	48,096	48,096
Profession Tax	32,520	21,320
Sales Tax	196,396	196,396
<b>Total</b>	<b>277,012</b>	<b>265,812</b>

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) The Company has calculated the Depreciation for the F.Y. 2014-2015 by taking the written Down Value as on 01/04/2014 and writing it off over its Useful Life, Which is considered to be 5 years.

9) Income Tax :-

(A) Income tax is 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. 85,561/-

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 189 of the Companies Act, 2013, as per Point (iii)(a) of the Annexure to the Companies (Auditor's Report) Order, 2015, as per the information provided to us,

M/s. Arnav Corporation Limited has not entered into any transaction with related parties during the year.

- 13) As the Management has given the representation that the Company has given advances to its suppliers. However, these advances had been outstanding for more than one year and no material is supplied by the following parties. As we are informed that there is no one has mentioned below is related party. The 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 Infraproject 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.	124,998,000
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	Sri Bhagirath Textiles	4,995,000
25	Geeta Ajay Shah	100,000
<b>Total</b>		<b>839,812,750</b>

- 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 :

Sr. No.	Particulars	Current Year 31-03-2015 (Rs.)
a)	Net profit / (loss) after tax as per Profit & Loss A/c	132,748
b)	No. of Equity shares of Rs.10/- during the year (including Bonus Shares)	89,420,958
c)	Earnings/(Loss) per equity share of Rs.10/- Each Basic/Diluted (1)/(2) (EPS)	0.001485

Sr. No.	Particulars	Previous Year 31-03-2014 (Rs.)
a)	Net profit / (loss) after tax as per Profit & Loss A/c	(35,373)
b)	Adjusted No. of Shares (Including bonus issued during F. Y. 2014-15)	89,420,958
c)	Adjusted Earnings/(Loss) per equity shares of Rs. 10/- Each Basic/Diluted (1)/(2) (EPS)	(0.000396)

18) **Quantitative details for Fabrics :**

Particulars	Current Year 31-03-2015 (In Meters.)	Previous Year 31-03-2014 (In Nos.)	Current Year 31-03-2015 (Rs.)	Previous Year 31-03-2014 (Rs.)
Opening Stock	-	-	-	-
Purchases	1,708,250.70	532,975	102,922,104	31,817,307
Sales	1,708,250.70	532,975	104,500,100	31,825,571
Closing Stock	-	-	-	-

Signature to Note '1' to '18'

As per our Report of event date

For Shiv Pawan & Company  
Chartered Accountants  
Firm Regn. No.: 120121W

Sd/-  
Partner  
(Shivhari B. Garg)  
Membership No.: 085517

Date: 28<sup>th</sup> May, 2015  
Place: Navi Mumbai

For Arnav Corporation Limited

Sd/-  
Managing Director  
Mr. Dhiren Negandhi

Sd/-  
Chief Financial Officer  
(Jayesh Shah)

Date: 28<sup>th</sup> May, 2015  
Place: Mumbai

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# **BOOK POST**

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**ARNAV CORPORATION LIMITED**  
OFFICE NO. 101, C WING,  
AMBIKA DARSHAN, C P ROAD,  
KANDIVALI (EAST), MUMBAI-400101.  
TELEPHONE: 022-64501225  
EMAIL ID: corp.arnav@gmail.com.