

ARUN VARUN TRADE & INVESTMENT LIMITED

29th Annual Report

BOARD OF DIRECTORS :

Shri Jayanti R Bhandari.
Shri Gautam R Bhandari.
Shri Sailesh Agarwal

REGISTERED OFFICE :

1/204 Navjivan Society, Second Floor,
Lamington Road, Mumbai-400008.

BANKERS :

ICICI Bank Ltd.
Indusind Bank Ltd.

AUDITORS:

S.Ramanand Aiyar & Co.
Chartered Accountants

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ANNUAL GENERAL MEETING:

Date : 30th September, 2011.

Day : Friday

Time : 11.00 a.m.

Venue : 1/204 Navjivan Society, Second Floor,
Lamington Road, Mumbai-400008.

ARUN VARUN TRADE & INVESTMENT LTD.

***ANNUAL
ACCOUNTS & REPORTS
2010-2011***

ARUN VARUN TRADE & INVESTMENT LTD.

NOTICE

Notice is hereby given that the Annual General Meeting of the Members of ARUN VARUN TRADE & INVESTMENT LTD will be held on 30th September, 2011 at 11.00 am at the Registered Office of the Company at 1/204, Navjivan Society, 2nd Floor, Lamington Road, Mumbai- 400 008, to transact the following business.

1. To consider and adopt the Profit & Loss Account for the year ended 31st March 2011 and the Balance Sheet as on that date together with the Reports of the Directors and the auditors thereon.
2. To consider and if thought fit to pass with or without modification the following resolutions.

"RESOLVED THAT M/S. SRAMANAND & CO., Chartered Accountants Mumbai, be and are hereby re-appointed as auditors of the company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration and out of pocket expenses to be fixed up later on by the Board of Directors in consultation with Auditors".

3. To do any other business as may be decided by the chairman

By Order of the Board of Directors
for ARUN VARUN TRADE & INVESTMENT LTD.

s/d *[Signature]*
Director

PLACE: MUMBAI
DATED: 10th August, 2011.

Notes

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED, NOT LESS THAN FORTY - EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the 29th Directors Report of your Company together with the Audited Statements of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

Financial Results	For the year ended 31st March 2011	For the year ended 31st March 2010
Total Income	2,41,86,354	2,19,48,952
Net Profit before tax	2,20,51,148	1,93,45,931
Add (Less) : Provision for Taxation	42,84,580	33,68,460
Add (Less) : Deferred Tax	NIL	NIL
Net Profit after tax	1,77,66,568	1,58,79,088
Add: Brought forward from last year	7,02,86,310	5,44,07,222
Profit available for appropriation	8,80,52,877	7,02,86,310

OPERATIONS & RESULTS

During the year the company have recorded total income of Rs 2,41,86,354/- and PBDIT of Rs 2,20,51,148/-. The shares and securities business have seen most profitable amid high volatility. The management is of the opinion to make strategic investments in real estate projects as well as direct financing and to avoid roller coaster rides of shares and securities business for time being.

DIVIDEND

The Board of Directors do not recommend any payment of dividend in order to plough back profits for future expansion.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public during the year.

DIRECTORS

Mr Jayantilal Bhandari retires by rotation and being eligible for reappointment offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

Pursuant to Section 217(2A) of the Companies Act, 1956, the Directors hereby inform that there are no such employees drawing remuneration in excess of the limits prescribed under the said Section.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

As the Company is a Service Company, consumption of energy is only for office and administrations purposes. The Company is not engaged in business of any kind of manufacturing activities. Therefore information required to be given pursuant to section 217 (1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, does not apply to the company.

FOREIGN EXCHANGE EARNING AND OUTGO

There is no Foreign Exchange Earning or outflow.

COMPLIANCE OF SEBI:

The equity shares of your company are presently listed at Mumbai, but suspended from trading for non compliance of provisions of listing agreement. The Board of Directors have already initiated appointed professionals to prepare & compile the various requirements of Listing agreement as per BSE letter. The same will be completed very shortly.

AUDITORS

M/s. S. Ramanand Aiyar & Co., Chartered Accountants, statutory auditors of the company will retire at the ensuing Annual General Meeting and are eligible for appointment. You are requested to appoint auditors and to fix their remuneration.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for their clients, banks and other financial institutions and shareholders for their continued support. Your Directors also wish to place on record their appreciation of the contribution made by employees at all levels to the continued growth and prosperity of the Company.

FOR AND ON BEHALF OF THE BOARD :
FOR ARUN VARUN TRADE & INVESTMENT LIMITED
For ARUN VARUN TRADE & INVESTMENT LTD.

Gautam Bhandari
DIRECTOR

PLACE: MUMBAI.
DATE: 10.08.2011.

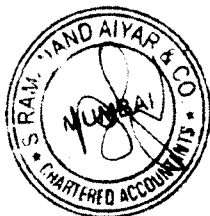
GAUTAM BHANDARI
Director

ARUNVARUN TRADE & INVESTMENT LIMITED.

Auditor's Report To the Members of ARUNVARUN TRADE & INVESTMENT LIMITED.

We have audited the attached BALANCE SHEET of ARUN VARUN TRADE & INVESTMENT LIMITED (hereinafter referred to as the 'Company') as at 31st March, 2011 and also the PROFIT AND LOSS ACCOUNT of the Company and CASH FLOW STATEMENT for the year ended on that date annexed thereto.

1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies(Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report's) (Amendment) order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - iii. The Balance Sheet and Profit And Loss Account, dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet and Profit And Loss Account dealt with by this report comply with the Accounting Standards sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the companies Act, 1956;



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ARUNVARUN TRADE & INVESTMENT LIMITED.

Auditor's Report To the Members of ARUNVARUN TRADE & INVESTMENT LIMITED.

- vi. In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a. In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2011;
- b. In the case of Profit and Loss Account, of the profit for the year ended on that date.
- c. In the case of cash flow statement, of the cash flow for the year ended on that date.

For S.RAMANAND AIYAR & CO.
CHARTERED ACCOUNTANTS
(Firm Reg. No - 000990 N)



(B.J. VYAS)
PARTNER
MEM NO.: 033533



Place: Mumbai
Date: 10/08/2011

ARUNVARUN TRADE & INVESTMENT LIMITED.

Auditor's Report To the Members of ARUNVARUN TRADE & INVESTMENT LIMITED.

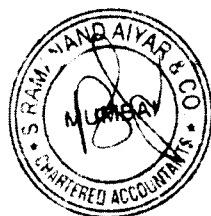
Annexure to Auditor's Report.

(Referred to in paragraph 3 of our report of even date)

- i) The Companies doesn't have any fixed assets and as such the matters contained in Clause 4(i) (ii) & (iii) are not applicable to the Company for the year.
- ii) a) The Stock-in trade i.e., stock of shares, securities etc have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of stocks followed by the Management is reasonable and adequate in relation to the size of the company and nature of its business.

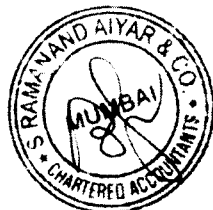
c) No discrepancies were noticed between the book records and physical records. On the basis of our examination of the stock records, we are of the opinion that such valuation is fair and proper in accordance with the normally accepted accounting principles and is on the basis as in the previous year.
- iii)
 - a) The Company has not granted unsecured loans to Companies, firms and other parties listed in the registered maintained under Section 301 of the Act.
 - b) Since the Company has not granted any loans so the question of *prima facie* prejudicial to the interest of the company does not arise.
 - c) The Company has not taken any loans from Companies, firm and other parties so the question of *prima facie* prejudicial to the interest of the company does not arise.
- iv) In our opinion, and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and nature of its business and regard to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure major weakness in the aforesaid internal control procedures.
- v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into register in pursuance of Section 301 of the Act. Accordingly Clause (v) (b) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company for the current year.
- vi) In our opinion and according to information given us during the course of audit, the company has not accepted any deposit within the meaning of provisions of Section 58 A of the companies Act 1956 and the companies (Acceptance of Deposits) Rules 1975



ARUNVARUN TRADE & INVESTMENT LIMITED.

Auditor's Report To the Members of ARUNVARUN TRADE & INVESTMENT LIMITED.

- vii) The company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- viii) We have been informed that the Central Government has not prescribed the maintenance of cost records by the company under section 209(1) (d) of the Act for the Company.
- ix)
 - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income –tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, professional-tax, cess and other material statutory dues as applicable with the appropriate authorities.
 - b. According to the information and explanation given to us, there are no disputed outstanding amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and cess were outstanding as at 31st March, 2011..
- x) The Company has made profit at the end of the financial year and has accumulated losses in the immediately preceding year.
- xi) According to the records of the Company examined by us and the information and explanation given to us, the company has not borrowed any fund from financial institution or bank or debenture holder.
- xii) The Company not granted any loans and advances on the basis by way of pledge of shares, debentures and other securities.
- xiii) The provision of any special statue applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the company.
- xiv) In respect of the activities of the Company regarding dealing in shares, securities, debentures and other investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein and the shares, securities, debentures and other investments have been held by the Company in its own name.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has not taken any term loans during the year.



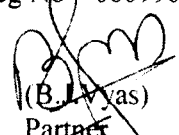
ARUNVARUN TRADE & INVESTMENT LIMITED.

Auditor's Report To the Members of ARUNVARUN TRADE & INVESTMENT LIMITED.

- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the registered maintained under section 301 of the Act during the year.
- xix) The Company has not issued any debentures which have remained outstanding at the year end.
- xx) The company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For S.RAMANAND AIYAR & CO
(Chartered Accountants)
(Firm Reg No - 000990 N)




(B. J. Vyas)
Partner
Membership No.: 33533

Place: Mumbai.

Date: 10/08/2011

ARUN VARUN TRADE & INVESTMENT LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	SCHEDULE	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
INCOME :			
SALF OF SHARES		-	-
INCOME FROM INVESTMENT AND FINANCE		2,29,06,714	1,88,82,641
OTHER INCOME	K	12,79,640	30,66,311
		2,41,86,354	2,19,48,952
EXPENDITURE :			
COST OF SHARES SOLD / LOSS ON VALUATION	L	5,092	14,74,037
OPERATIONAL EXPENSES	M	21,30,115	11,28,984
		21,35,207	26,03,021
PROFIT BEFORE TAXATION		2,20,51,148	1,93,45,931
LESS : PROVISION FOR TAXATION		42,84,580	33,68,460
LESS : SHORT TAX PROVISION W/BACK		-	98,383
LESS : PRIOR PERIOD EXPENSES		-	-
PROFIT AFTER TAXATION		1,77,66,568	1,58,79,088
BALANCE BROUGHT FORWARD FROM LAST YEAR		7,02,86,310	5,44,07,222
BALANCE TRANSFERRED TO BALANCESHEET		8,80,52,877	7,02,86,310
EARNING PER SHARE(IN RS.) BASIC AND DILUTED		44	40
NOTES TO THE ACCOUNTS	N		

AS PER OUR REPORT ATTACHED OF EVEN DATE

For S.RAMANAND AIYAR & CO.
CHARTERED ACCOUNTANTS
(Firm Reg.No. 000990 N)

(Signature)
(S. RAMANAND AIYAR)
PARTNER
Mem No. 033/11
PLACE : MUMBAI
DATE : 10/08/2011



For ARUN VARUN TRADE & INVESTMENT LTD.

(Signature)
(J. R. Bhandari)
CHAIRMAN
(Signature)
(G. R. Bhandari)
DIRECTOR

Cash Flow Statement For The Year Ended 31st March 2011

	Amount in Rs. 2010-2011	Amount in Rs. 2009-2010
A. Cash flow from operating Activities		
Net Profit/(Loss) before Taxation and extraordinary item	2,20,51,148	1,93,45,931
Add : Non Cash item		
Depreciation	-	-
Add/(Less) : Item Connected with Investing & financing Activities		
Non Operating Expenses & losses / (Incomes)		
Interest received	(1,83,912)	(3,28,698)
Dividend Received	-	-
Short Provision w/back	-	-
Interest Paid	20,47,500	9,65,190
Sundry Balance W/off	-	(98,383)
Interest on Income Tax Refund	(1,32,190)	-
Profit on sale of Fiat	-	(6,02,790)
Operating (Loss)/Profit before Working Capital changes	2,37,82,545	1,92,81,250
Adjustment for increase/decrease in:		
Inventories	5,092	14,74,037
Loans and Advance	(2,25,57,416)	(5,74,23,708)
Other current Assets	9,00,012	9,78,830
Sundry Creditors	1,08,231	20,27,956
Provisions	42,84,580	-
Net Cash Generated from/(used in) operations	65,23,044	(3,36,61,635)
Less : Income Tax	(42,84,580)	(33,68,460)
Net Cash Generated from/ (used in) operations	(A) 22,38,464	(3,70,30,095)
B. Cash flow from Investment Activities		
Investment in immovable properties	-	1,00,00,000
Investment in the capital of the Firm	-	-
Dividend Received	-	-
Sale of Investments (Ftat)	-	30,00,000
Net cash From Investment Activities	(B) -	1,30,00,000
C. Cash flow from Financing Activities		
Loan Received from Corporates	18,42,750	2,27,50,000
Interest Paid	(20,47,500)	(9,65,190)
Interest Received	3,16,102	3,28,698
Net cash From Financing Activities	(C) 1,11,352	2,21,13,508
Net (Decrease)/Increase in Cash and Cash Equivalents	(A+B+C) 23,49,816	(19,16,587)
Cash and Cash Equivalents as at the commencement of the year	2,08,140	21,24,727
Cash and Cash Equivalents as at the end of the year	25,57,956	2,08,140
Net (Decrease)/Increase as Disclose above	23,49,816	(19,16,587)
(See Notes attached)		

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Amount in Rs. 2010-2011	Amount in Rs. 2009-2010
1 Cash and cash equivalents include		
Cash on hand	44,140	46,640
Bank Balance	25,13,816	1,61,500
Total	25,57,956	2,08,140

2 All figures in brackets are outflow

3 Previous years figures have been regrouped wherever necessary to this year's classification

As per our attached Report of even date

For M/S.S.RAMANAND AIYAR & CO.
CHARTERED ACCOUNTANTS
(Firm Reg.No. 000990 N)

(B.J.VAS)

PARTNER

Mem No. 033533

Place : Mumbai.

Date : 10/08/2011



For ARUNVARUN TRADE INVESTMENT LTD

(J.R.BHANDARI)
CHAIRMAN(G.R.BHANDARI)
DIRECTOR

ARUN VARUN TRADE & INVESTMENT LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE A : SHARE CAPITAL		
AUTHORISED 5,00,000 EQUITY SHARES OF Rs.10/- EACH	50,00,000	50,00,000
ISSUED, SUBSCRIBED & CALLED UP 4,00,000 EQUITY SHARES OF Rs.10/- EACH FULLY PAID-UP IN CASH	40,00,000	40,00,000
	40,00,000	40,00,000
SCHEDULE B : RESERVES & SURPLUS		
GENERAL RESERVE	5,27,000	5,27,000
CAPITAL RESERVE		
SURPLUS ON REVALUATION OF LIABILITIES	10,37,12,142	10,37,12,142
PROFIT & LOSS ACCOUNT - CREDIT BALANCE	8,80,52,877	7,02,86,310
	19,22,92,019	17,45,25,452
SCHEDULE C : UNSECURED LOANS		
INTER CORPORATE LOANS	2,45,92,750	2,27,50,000
	2,45,92,750	2,27,50,000
SCHEDULE D : INVESTMENTS		
BOOKING DEPOSITS FOR IMMOVABLE PROPERTIES	68,12,610	68,12,610
INVESTMENT IN PARTNERSHIP FIRM IN A CAPITAL OF A PARTNERSHIP FIRM - M/s SCHWABE INCOAT IN WHICH THE COMPANY IS A PARTNER	1,00,000	1,00,000
NOTES PARTICULARS OF INVESTMENT IN M/S SCHWABE INCOAT		
(a) TOTAL CAPITAL OF THE FIRM	10,00,000	
(b) NAMES OF THE PARTNERS AND THEIR SHARES		
(i) GAUTAM R. BHANDARI	45.00%	
(ii) JAYANTILAL R. BHANDARI	45.00%	
(iii) ARUN VARUN TRADE & INVESTMENT LTD	10.00%	
	<u>100.00%</u>	
	69,12,610	69,12,610
SCHEDULE E : INVENTORIES		
[AS TAKEN VALUED & CERTIFIED BY DIRECTORS] CLOSING STOCK	3,85,254	3,90,346
TOTAL :	3,85,254	3,90,346
SCHEDULE F : CASH & BANK BALANCE		
CASH ON HAND	44,140	46,640
BANK ACCOUNT		
ICICI BANK LTD	55,000	55,000
INDUSIND BANK LTD	24,58,816	1,06,500
TOTAL :	25,57,956	2,08,140
SCHEDULE G : OTHER CURRENT ASSETS		
TAX DEDUCTED AT SOURCE (A Y 2011-12 Rs.22,28,309/-)	1,31,05,121	93,43,502
DEPOSITS	15,38,246	61,99,612
ADVANCE RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED	1,038	1,302
TOTAL :	1,46,44,404	1,55,44,416



For ARUN VARUN TRADE & INVESTMENT LTD.

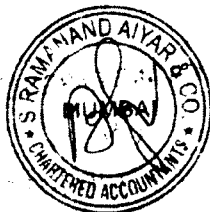
Jayantilal R. Bhandari
DIRECTOR

ARUN VARUN TRADE & INVESTMENT LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE H : LOANS AND ADVANCES AND DEPOSIT		
[Unsecured & Considered Good]		
a) TRADE ADVANCES	19,86,58,016	18,71,00,600
b) DEPOSITS	1,10,00,000	
TOTAL :	20,96,58,016	18,71,00,600
SCHEDULE I : CURRENT LIABILITIES		
SHARE APPLICATION MONEY	23,38,500	23,38,500
CREDITOR FOR EXPENSES	27,575	27,575
OTHER LIABILITIES	2,04,750	96,519
TOTAL :	25,70,825	24,62,594
SCHEDULE J : PROVISIONS		
PROVISION FOR INCOME TAX	1,07,02,646	64,18,066
TOTAL :	1,07,02,646	64,18,066
SCHEDULE K : OTHER INCOME		
INTEREST ON FD DEPOSIT (INDUSIND BANK)	1,83,912	3,28,698
PROFIT ON SALE OF FLAT	-	6,02,790
COMPENSATION	-	20,00,000
INTEREST ON IT REFUND F.Y.2007-2008.	1,32,190	1,33,448
REVERSAL OF BANK CHARGES	-	1,375
SHARE OF PROFIT FROM PARTNERSHIP FIRM	9,63,538	-
TOTAL :	12,79,640	30,66,311
SCHEDULE L : COST OF SHARES SOLD / LOSS ON VALUATION		
OPENING STOCK	3,90,346	18,64,383
PURCHASES	-	-
LESS : CLOSING STOCK	3,85,254	3,90,346
COST OF SHARES SOLD / LOSS ON VALUATION	5,092	14,74,037
SCHEDULE M : OPERATIONAL EXPENSES		
AUDITORS REMMUNERATION		
Audit Fees	10,000	10,000
Tax Audit Fees	10,000	10,000
Taxation Services	5,000	5,000
Service Tax	2,575	2,575
INTEREST ON LOAN	20,47,500	9,65,190
CERTIFICATION CHARGES	5,000	-
DEMAT CHARGES	510	822
FILING CHARGES	12,500	3,500
SUNDRY BALANCE WRITTEN OFF	-	39,291
LEGAL & PROFESSIONAL FEES	12,000	63,428
LISTING FEES	11,030	12,114
TRANSFER CHARGES	10,000	-
E-TOKEN CHARGES	4,000	-
FLAT MAINTENANCE CHARGES	-	17,064
TOTAL :	21,30,115	11,28,984

For ARUN VARUN TRADE & INVESTMENT LTD.



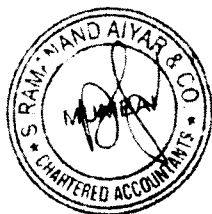
Jayas
AKShandey
 Director

ARUN VARUN TRADE & INVESTMENT LTD.

**SCHEDULE - N: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES
FORMING PARTS OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31ST MARCH, 2011.**

1. SIGNIFICANT ACCOUNTING POLICIES

- i) **AS-1 Disclosure of Accounting Policies**
The accounts are maintained on accrual basis as a going concern.
- ii) **AS-2 Valuation of Inventories**
Inventories are valued at cost or Market Value whichever is lower.
The value of diminution in unquoted securities is unascertainable as the necessary information is not available and is considered to be valued at market value as cost.
- iii) **AS-3 Cash Flow Statement**
Cash flow statement is prepared under "Indirect Method" and the same is annexed.
- iv) **AS-4 contingencies and events occurring after balance sheet date**
There were no contingencies and events occurred after balance sheet date.
- v) **AS-5 Net Profit or Loss for the period, Prior Period Items and Changes in Accounting policies**
The nature and amount of prior period item is separately disclosed in the profit & Loss account.
- vi) **AS-6 Depreciation on Fixed Assets**
There are no existing fixed assets or not purchased during the year, therefore this Accounting standard is not applicable.
- vii) **AS-7 Accounting for Contracts**
This Accounting standard is not applicable.
- viii) **AS-8**
This Accounting standard is withdrawn and included in AS-26.
- ix) **AS-9 Revenue Recognition**
The income of the company is derived from trading in shares and interest on loan given to companies & investments in properties.
Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
The revenue and expenditure are accounted on a going concern.
- x) **AS-10 Accounting for Fixed Assets**
There are no existing fixed assets or no purchased during the year, therefore this Accounting standard is not applicable.
- xi) **AS-11 Accounting for the effects in Foreign exchange rates**
The company has not incurred any transaction in foreign currencies. Therefore this accounting standard is not applicable.



For ARUN VARUN TRADE & INVESTMENT LTD.

Jagan
U. S. Khandekar
DIRECTOR

ARUN VARUN TRADE & INVESTMENT LTD.

SCHEDULE - N: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31ST MARCH, 2011.

- xii) **AS-12 Accounting for Government grants**
The company has not received any grants from the Government
- xiii) **AS-13 Accounting for Investments**
The company has made investment in immovable properties.
During the preceding year the company has made capital investments in the partnership firm – Schwabe Incoat, in which company is the partner.
- xiv) **AS-14 Accounting for Amalgamation**
During the year, there was no amalgamation.
- xv) **AS-15 Accounting for Retirement Benefits**
There are no employees; therefore this standard is not applicable.
- xvi) **AS-16 Borrowing Cost**
The company has not borrowed any fund to acquire, build and install the fixed assets and other assets; therefore this standard is not applicable.
- xvii) **AS-17 Segment Reporting**
The company operates in only one segment and there are no separate reportable segments.
- xviii) **AS-18 Related Party Disclosures**
Refer Annexure - A.
- xix) **AS-19 Accounting for Lease**
The company has not taken any asset on lease, so this standard is not applicable.
- xx) **AS-20 Earning Per Share**
EPS is calculated in accordance with accounting standard prescribed.
Basic/Diluted earning per share are calculated by dividing Net profit for the period attributable to the Equity shareholder (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period.
- xxi) **AS-21 Consolidated Financial Statements**
Since the company does not have any subsidiary company or control over any other company; therefore this standard is not applicable.
- xxii) **AS-22 Accounting for Taxes on Income**
Provision for income tax is made on the basis of book profit for the year at applicable rate.
Current tax represents the amount of income tax payable/ recoverable in respect of taxable income/ loss for the reporting year.

The Company has brought forward losses available for set off under the Income Tax Act, 1961. However in view of the present uncertainty regarding generation of sufficient future income, net deferred tax asset at the year end, including related credit for the year, has not been recognized in these accounts on prudent basis.



For ARUN VARUN TRADE & INVESTMENT LTD.

Jayas
W. Shinde
DIRECTOR

ARUN VARUN TRADE & INVESTMENT LTD.

SCHEDULE - N: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31ST MARCH, 2011.

- xxiii) **AS-23 Accounting for Investments in Associates in Consolidated Financial Statements**
The company is not making any consolidated financial statement as stated in above AS 21 so this standard is not applicable
- xxiv) **AS-24 Discontinuing operations**
The company has not discontinued any operation during the year
- xxv) **AS-25 Interim Financial Reporting**
The company is in process of compiling and publishing interim financial reporting.
- xxvi) **As-26 Intangible Assets.**
During the year, the company has no intangible assets.
- xxvii) **AS-27 Financial Reporting of Interest in Joint Venture**
The company has no interest in joint venture.
- xxviii) **As-28 Impairment of Assets**
The company does not have any fixed assets; hence this standard is not applicable.
- xxix) **AS-29 Provision, contingent liabilities and contingent assets**
There are no Contingent Liabilities as Certified by Management.

2. NOTES TO ACCOUNTS

i) **Contingent Liabilities Not Provided For**

Description	31 st March 2010 (Rs.)	31 st March 2009 (Rs.)
Claims against the Company not acknowledged as debts	NIL	NIL
Guarantees given by Banks on behalf of the Company	NIL	NIL
Letter of Credit (Open & Outstanding)	NIL	NIL
Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances)	NIL	NIL

ii) **Dues to Micro, Small & Medium Enterprises.**

There is no information available with the management, regarding the supplier covered by Micro, Small & Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006.

As of 31st March, 2011, it can not be verified whether the Company had any outstanding dues to Micro, Small & Medium Enterprises for sum of Rs.1 lakh or more than 30 days.



For ARUN VARUN TRADE & INVESTMENT LTD.

Jayan

Uthandazh

DIRECTOR

ARUN VARUN TRADE & INVESTMENT LTD.

SCHEDULE - N: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31ST MARCH, 2011.

- iii) **Managerial Remuneration Under Section 198 Of The Companies Act, 1956, Paid Or Payable During The Financial Period Is As Under: -**

Description	31 st March 2011 (Rs.)	31 st March 2010 (Rs.)
Salary	NIL	NIL
Total	NIL	NIL

- Also the company had no employee drawing remuneration in excess of the limits specified as per section 217(2A) of the Act and hence the particulars are not given.

- iv) **Auditor's Remuneration is as under:**

Description	31 st March 2011 (Rs.)	31 st March 2010 (Rs.)
Statutory Audit Fees	10,000	10,000
Tax Audit Fees	10,000	10,000
Taxation Matters	5,000	5,000
Service Tax	2,575	2,575
Out of Pocket Expenses	NIL	NIL
Total	27,575	27,575

- v) Additional Information required under paragraph 3.4c, 4d of part II of schedule VI of the Companies Act, 1956 has been furnished to the extent applicable to company.

- vi) Particulars in respect of Opening Stock, Purchase, Sales and Closing Stock of Shares, Debentures / Goods etc.:

Shares / debentures	Quantity (Nos.) 31.03.2011	Value (Rs.) 31.03.11	Quantity (Nos.) 31.03.2010	Value (Rs.) 31.03.2010
Opening Stock Equity Shares	3468	3,85,254	3468	3,90,346
Purchase during the year Equity Shares	NIL	NIL	NIL	NIL
Sales during the year / Conversion into Investments Equity Shares	NIL	NIL	NIL	NIL
Closing Stock Equity Shares	3468	3,85,245	3468	3,90,346

Notes: Shares are fully / partly paid up.



For ARUN VARUN TRADE & INVESTMENT LTD.

 Director

ARUN VARUN TRADE & INVESTMENT LTD.

SCHEDULE - N: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31ST MARCH, 2011.

- vii) Provision for current taxation for the Company of Rs.42,84,580 /- represents Minimum Alternate Tax pursuant to the provisions of Section 115JB of the Income Tax Act, 1961 of India. The Finance Act, 2005 inserted sub section (1A) to section 115JAA to grant tax credit in respect of MAT paid under section 115JB of the Act with effect from assessment year 2006-07 and carry forward the credit for a period of 10 years. Accordingly, the MAT Credit of **Rs.1,20,25,495** /-[Rs.14,35,975/- of A.Y.2007-208, Rs.14,44,087/- of A.Y.2008-09 Rs.17,36,809/- of A.Y.2009-10, Rs.32,46,605/- of A.Y.2010-11 and Rs.41,62,019 /- of A.Y.2011-12] is available to be set off against future tax liability. However the same is not accounted in view of huge carry forward losses.
- viii) Advances, sundry debtors, sundry creditors, security deposit, loans and deposit in the absence of confirmation are as per the books of accounts and records and are subjects to reconciliation, if any.
- ix) In the opinion of management, the current assets, loans & advances have a value on realisation in the ordinary course of business, at least to the sum of amount at which they are stated in the Balance sheet.
- x) The figures for the previous period are regrouped/reclassified wherever necessary to make them comparable with that of the current year.

SIGNATURE TO SCHEDULE A TO N

As per our report of even date

For S.Ramanand Aiyar & Co.
Chartered Accountants
(Firm Reg. No. 000990 N)

(B.J.Vyas)
Partner
Mem.No.033533.



For Arun Varun Trade & Investment Limited

(J.R. Bhandari)
Chairman

(G.R. Bhandari)
Director

Place: Mumbai

Date: 10/08/2011

ARUN VARUN TRADE & INVESTMENT LT

A.Y. 2011-12

RELATED PARTY DISCLOSURE :
ANNEXURE -A-

Sr.No.	Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
1	Purchase of Goods	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	Sale of Goods	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Sale of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	Rendering of Services	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6	Receiving of Services	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7	Agency Arrangements	NIL	NIL	NIL	NIL	NIL	NIL	NIL
8	Leasing or hire Purchase Arrangement	NIL	NIL	NIL	NIL	NIL	NIL	NIL
9	Licence Agreements	NIL	NIL	NIL	NIL	NIL	NIL	NIL
10	Finance (Including loans and equity contribution in cash or kind)	NIL	NIL	NIL	NIL	Note-1	NIL	As per notes
11	Guarantees and collaterals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
12	Management contracts including for deputation of employees	NIL	NIL	NIL	NIL	NIL	NIL	NIL



For ARUN VARUN TRADE & INVESTMENT LT

Jayar
DIRECTOR

ARUN VARUN TRADE & INVESTMENT LTD.

Note-1

Key Management Personnel

A.Y.-2011-12

No.	Name	I Interest on Loan	II Loan Received by Arun Varun During the year	III Balance outstanding as on 31.03.11
1	Schwabe Incoat	807,808	1,255,387	6,941,559
	Total	807,808	1,255,387	6,941,559



For ARUN VARUN TRADE & INVESTMENT LTD.

Jaya
 Director

ARUN VARUN TRADE & INVESTMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 <u>REGISTRATION DETAILS</u>	
Registration No.:	27263
State Code:	11
Balance Sheet Date:	31.03.2011
2 <u>CAPITAL RAISED DURING THE YEAR</u>	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Issue	-
3 <u>POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS(IN Rs.)</u>	
Total Assets	220,884,769
Total Liabilities	220,884,769
SOURCES OF FUNDS	
Paid up Capital	4,000,000
Reserves & Surplus	192,292,019
Secured Loan	-
Unsecured Loan	24,592,750
	220,884,769
APPLICATION OF FUNDS	
Net Fixed Assets	-
Investments	6,912,610
Net Current Assets	213,972,159
	220,884,769
4 <u>PERFORMANCE OF COMPANY (IN Rs.)</u>	
Turnover / Other Income	24,186,354
Total Expenditure	2,135,207
Profit/(Loss) before tax	22,051,148
Profit/(Loss) after tax	17,766,568
Earning per share	44
Dividend	-
5 <u>GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETRY TERMS)</u>	
Item code(ITC CODE)	Not applicable
Product applicable	Stocks/securities/Financing

For ARUN VARUN TRADE & INVESTMENT LTD.




 U. S. Handas
 DIRECTOR