

ANNUAL ACCOUNT

ARNAV CORPORATION LIMITED

FOR THE YF 1\R 2009-2010

S. H. GARG & ASSOCIATES
Chartered Accountants

**604, Platinum Techno Park,
Behind Raghuleela Mall,
Sector-30A, Vashi,
Navi Mumbai - 400 703;**

POLYPRO FIBRILS (INDIA) LIMITED

YEAR ENDING : 31ST MARCH, 2010

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph 2 thereof)

i) In respect of fixed assets:

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification.
- c) The company has not disposed off any fixed assets during the year. Hence, the question of sale of substantial part of fixed assets affecting going concern does not arise.

ii) In respect of Inventories:

- a) The physical verification of inventory has been conducted at regular intervals by the management.
- b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company has been maintaining proper records of the inventory and no material discrepancies were noticed.

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

- a) The company has granted/taken loans to/from companies, firms or other parties covered in the register mentioned in Section 301 of the Act subject to point no. 8 of Schedule 'M' to the Balance Sheet.
- b) The company has not paid/charged interest on loans taken/granted. Hence, in our opinion, the terms and conditions of the loans taken/granted and the rate of interest are p ima facie prejudicial to the interest of the company . .
- c) According to the information provided to us, there is no re-payment schedule for the loans given.
- d) According to the information provided to us, in cases where the amounts involved are more than Rs. 1 lac, there is no fixed term for re-payment.

iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.

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- v) In respect of transactions that need to be entered in the register maintained in pursuance of Section 301 of the Act in our opinion and according to the explanations given to us:
- a) The company has entered into transactions with parties mentioned in the register maintained in pursuance of Section 301. The company has maintained the necessary records for the same.
 - b) According to the information provided to us, the company has entered in the transaction which are reasonable and at prevailing market prices.
- vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits covered under section SBA and SBAA of the Act during the year. Hence, the question of compliance with the provisions of Section SBA and SSAA of the Act does not arise.
- vii) The Company has an internal audit system commensurate with its size and nature of the business.
- viii) The Central Government has not prescribed maintenance of cost records for the Company under section 209(1)(d) of the Act.
- ix) According to the information and explanation given to us in respect of statutory and other dues:
- a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, ESIC, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Servig:e Tax, Cess and other statutory dues with appropriate authorities when applicable subject to point no. 7 of Schedule 'M' to the Balance Sheet.
 - b) There are no disputed statutory dues.
- X) According to the information and explanation given to us in respect of Loss :
- a) Since, the company has been registered for a period of more than five years and it has no accumulated losses at the end of the financial year.
 - b) The company has not incurred any cash losses during the financial year into consideration.
 - c) The company has not incurred the cash losses during the financial year immediately preceding the financial year into consideration.
- xi) The Company has not taken any loan from any bank or financial institution. Hence, the question of default on repayment of dues to any bank or financial institution doesn't arise. The company has not issued any debentures.
- xii) According to the informati,an and explanations given to us, the Company has not granted loans and advances on basis of security by way of pledge of shares, debenture and other securities.

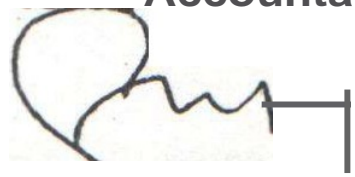
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- xiii) As per information and explanations given to us, the nature of the Company's activities during the year under review is such that the provisions of any special statute applicable to chit fund are not applicable to the Company.
- xiv) As per information and explanations given to us, the Company has dealt in shares. It has invested Rs. 9,00,000/- in 90,000 unquoted equity shares fully paid up and Rs. 64,00,000/- in share application money of Arnav Green Energy Limited. However, the Company has not dealt in debentures and other securities.
- xv) As per information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) As per information and explanations given to us, the company has not obtained any term loans during the year.
- xvii) According to the information and explanations given to us, no funds has been raised on short-term basis which were used for long term investment and vice versa.
- xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) No debentures have been issued by the Company during the year.
- xx) During the year, the Company has not raised any money by way of public issue.
- xxi) According to the information and explanations given to us, no fraud on or by the Company have been noticed or reported during the financial year under review.

For S. H. GARG & ASSOCIATES

Chartered Accountants



**Proprietor
(S. H. GARG)**

**Place : Navi Mumbai
Date : 16th June, 2010**



S. H. GARG & ASSOCIATES
Chartered Accountants
604, Platinum Techno Park,
Behind Raghuleela Mall,
Sector-30A, Vashi,

ARNAV CORPORATION LIMITED
32/115, Laxmi Industrial Estate,
New Linking Road,
Andheri (West),
Mumbai- 400 053.

BAIANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCH.	Current Year 31/03/2010 (Rs.)	Previous Year 31/03/2009 (Rs.)
SOURCES OF FUND :			
1) SHAREHOLDERS' FUNDS			
a) Share Capital	A	50,710,641	50,635,141
b) Share Premium		1,753,500	1,753,500
c) Profit & Loss Account		976,825	
d) Share Application Money		32,450,000	
		<u>85,890,966</u>	<u>52,388,641</u>
2) UNSECURED LOANS		-	3,185,000
3) DEFERRED TAX LIABILITY		2,534,197	1,384,907
TOTAL (1+2+3)		88,425,163	56,958,548
APPLICATION OF FUNDS:			
4) FIXED ASSETS	B	16,998,438	17,187,202
5) INVESTMENTS	C	7,300,000	
6) CURRENT ASSETS, LOANS & ADVANCES			
a) Sundry Debtors	D	118,147,630	33,639,626
b) Cash and bank balances	E	3,007,443	216,771
c) Other Current Assets, Loans and Advances	F	12,619,113	8,831,505
		<u>133,774,186</u>	<u>42,687,902</u>
Less : Current Liabilities & Provisions	G	<u>69,647,461</u>	<u>3,868,140</u>
		64,126,725	38,819,762
7) MISCELLANEOUS EXPENDITURE	H	-	159,400
8) PROFIT & LOSS ACCOUNT			792,184
TOTAL(4+5+6+7+8)		88,425,163	56,958,548

Notes to Accounts

M

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

As per our report of even date

For S. H. GARG & ASSOCIATES
Chartered Accountants

Proprietor
(S.H.GARG)

Place : Navi Mumbai
Date : 16th June, 2010



FOR ARNAV CORPORATION LIMITED

D

R

E

C

(D. J. Chaturvedi)

R

S

(Shailesh Chaturvedi)

Place : Mumbai

Date : 16th June, 2010

Place : Mumbai

Date : 16th June, 2010

S. H. GARG & ASSOCIATES
Chartered Accountants
604, Platinum Techno Park,
Behind Raghuleela Mall,
Sector-30A, Vashi,
Navi Mumbai - 400 703.

ARNAV CORPORATION LIMITED
32/115, Laxmi Industrial Estate,
New Linking Road,
Andheri (West),
Mumbai - 400 053.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

PARTICULARS	SCH.	Current Year 31/03/2010 (Rs.)	Previous Year 31/03/2009 (Rs.)
INCOME			
Sees	I	212,379,372	20,352,000
Less:--esReceived	J	155,762	4,366
On sale of Plant & Machinery			200,000
see aneous Income		8,184	
TOTAL		212,543 18	20,556,366
EXPENDITURE :			
Cost of Goods Sold	K	206,871,946	18,800,000
Other Expenses	L	1,984,107	966,206
Interest Paid			36,142
Depreciation		188,764	188,764
TOTAL		209,044,817	19,991,112
Profit/(Loss) during the year before tax		3,498,501	565,254
Less: Income-tax adjustment for earlier year		6,989	
Provision for Income-tax		573,213	60,000
Provision for Fringe Benefit Tax			178
Deferred Tax liability/(Assets)		1,149,290	10,828,896
Net Profit/(Loss) after tax		1,769,009	(10,323,820)
Balance brought forward		(792,184)	9,531,636
Balance carried to Balance Sheet		976,825	(792,184)
Notes to Accounts	M		

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

As per our report of even date

For S. H. GARG & ASSOCIATES
Chartered Accountants

Proprietor
(S. H. GARG)



Place : Navi Mumbai
Date : 16th June, 2010

FOR ARNAV CORPORATION LIMITED

Director
(D. Chaturvedi)
S (Shailesh Chaturvedi)

Place : Mumbai
Date : 16th June, 2010

PARTICULARS	Current Year 31/03/2010 (Rs.)	Previous Year 31/03/2009 (Rs.)
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SCHEDULE 'A' :
SHARE CAPITAL
• *RJ Capital*

55,00,000 (55,00,000) Equity Shares of Rs.10/-(10/- each)	55,000,000	55,000,000
Subscribed & Paid Up Capital		
51,62,100 (51,62,100) Equity Shares of Rs.10/- (10/- each) fully paid up	51,621,000	51,621,000
Less: Calls in Arrears	910,359	985,859
	50,710,641	50,635,141



S. H. GARG & ASSOCIATES
Chartered Accountants

ARNAV CORPORATION LIMITED
Mumbai - 400 01...

DEPRECIATION CHART AS PER STRAIGHT LINE METHOD FOR THE YEAR ENDED ON 31ST MARCH. 2010

SCHEDULE 'B' :

Amount in Rs.

PARTICULARS			GROSS BLOCK		DEPRECIATION					NET BLOCK	
Sr. No.	Name of the Assets	Rate (%)	Gross Value as 01.04.2009	Addition during the year / Sale / adjustment during the year	Gross Value as on 31.03.2010	Dep. upto 31.03.2009	Withdrawal during the year	Dep. during the year	Total Dep. upto 31.03.2010	Net Block as on 31.03.2010	Net Block as on 31.03.2009
1.	Land	0.00	2,454,038	-	2,454,038	-	-	-	-	2,454,038	2,454,038
2.	Franking Machine	4.75	26,140	-	26,140	14,904	-	1,242	16,146	9,994	11,236
3.	Transformer	4.75	224,236	-	224,236	127,812	-	10,651	138,463	85,773	96,424
4.	Furniture & Fixtures	6.33	723,473	-	723,473	548,104	-	45,796	593,900	129,573	175,369
5.	Electric Installation	4.75	808,270	-	808,270	453,877	-	38,393	492,270	316,000	354,393
6.	Air Conditioner	4.75	211,897	-	211,897	120,780	-	10,065	130,845	81,052	91,117
7.	Office Equipments	4.75	259,684	-	259,684	133,658	-	12,335	145,993	113,691	126,026
8.	Refrigerator	4.75	23,472	-	23,472	13,380	-	1,115	14,495	8,977	10,092
9.	Fax Machine	4.75	51,677	-	51,677	25,608	-	2,455	28,063	23,614	26,069
		3.34									
10.	Factory Building		1,972,493	-	1,972,493	13,400	-	65,881	879,281	1,093,212	1,159,033
11.	Borewell	4.75	17,500	-	17,500	4,155	-	831	4,986	12,514	13,345
12.	Computer		252,648	-	252,648	252,648	-	-	252,648	-	-
13.	112/3/D Wada	0.00	12,670,000	-	12,670,000	-	-	-	-	12,670,000	12,670,000
TOTAL			19,695,528		19,695,528	2,508,326		188,764	2,697,090	16,998,438	17,187,202
PREVIOUS YEAR			29,395,528		19,695,528	2,319,362		188,764	2,508,526	17,187,202	27,075,960

