
**ANNUAL REPORT
&
ACCOUNTS
2011-12**

ARTH UDYOG LIMITED

ARTH UDYOG LIMITED

CORPORATE INFORMATION

DIRECTORS	Mr. Balraj Arora Mr. Som Chandra Jain Mr. Gopal Mohan Mr. Amit Jain Ms. Amita Gola Mr. Sunil Garg
BANKERS	HDFC Bank Limited
AUDITORS	M/s Chaturvedi & Co. Chartered Accountants 405, Chiranjeev Tower 43, Nehru Place New Delhi - 110 019
REGISTERED OFFICE	10, Daryaganj, New Delhi – 110 002.

CONTENTS

Contents	Page Nos.
Notice	1
Directors' Report	2-4
Compliance Certificate from Company Secretary	5-9
Auditors' Report	10-13
Balance Sheet	14
Statement of Profit and Loss	15
Cash Flow Statement	16
Notes to Financial Statements	17-25
Particulars pursuant to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007	26-27

ARTH UDYOG LIMITED

Regd. Office: 10, Daryaganj, New Delhi - 110 002
Phone : 011 - 43562982

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY FIRST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY is scheduled to be held on Thursday, September 20, 2012, at 10 A.M. at its Registered Office at 10, Daryaganj, New Delhi – 110 002 to transact the following business as Ordinary Business: -

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Amita Gola, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. Balraj Arora, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this Meeting until the conclusion of the next (42nd) Annual General Meeting and to fix their remuneration.

M/s Chaturvedi & Co., Chartered Accountants, the retiring Statutory Auditors of the Company are eligible and willing for reappointment.

By Order of the Board of Directors
For ARTH UDYOG LIMITED


Amit Jain
Director

Place: New Delhi
Date: August 20, 2012

NOTES:

1. The Register of Members of the Company shall remain closed from Monday, September 17, 2012 to Thursday, September 20, 2012 (both days inclusive).
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. In order to be effective, the Proxies must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. Members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting. No copies of the Report will be distributed at the Meeting.

ARTH UDYOG LIMITED

Regd. Office: 10, Daryaganj, New Delhi - 110 002

Phone : 011 - 43562982

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have immense pleasure in presenting this Forty First Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIALS

The Financial Results of the Company are as under: -

	(Amount in ₹)	
	Financial Year ended	
	31st March, 2012	31st March, 2011
Profit Before Tax	2,09,14,938	40,62,393
Less: Tax Expense		
Current Tax	7,83,224	3,01,991
Deferred tax	(4,36,769)	(2,89,080)
Profit for the year	2,05,68,483	40,49,482
Add: Balance brought forward from previous year	7,03,69,652	6,71,30,170
Surplus available for appropriation	9,09,38,135	7,11,79,652
Less: Transferred to Special Reserve (u/s 45-IC of Reserve Bank of India Act, 1934)	41,14,000	8,10,000
Balance Surplus carried to Balance Sheet	8,68,24,135	7,03,69,652

2. DIVIDEND

The Board of Directors do not recommend any Dividend for the Financial Year 2011-12.

3. DEPOSITS

The Company has not accepted any Public Deposits during the Financial Year ended 31st March, 2012 and the Board of Directors of the Company have also passed the necessary resolution for non-acceptance of any Public Deposits during the Financial Year 2012-13.

The Company has also complied with the "Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" as applicable to it.

4. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Provisions relating to disclosure of particulars with respect to Conservation of Energy are not applicable on the Company, and it has no information to be furnished regarding Technology Absorption. The Company has not carried on during the year under report any activity relating to exports or imports, and has not used or earned any foreign exchange.

5. DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Ms. Amita Gola and Mr. Balraj Arora, Directors, shall retire by rotation at the ensuing Forty First Annual General Meeting and, being eligible, offers themselves for reappointment.

The Directors of the Company recommend the reappointment of Ms. Amita Gola and Mr. Balraj Arora as Directors of the Company, liable to retire by rotation.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, the Directors confirm that:

- (i) in the preparation of Annual Accounts for the financial year ended 31st March, 2012, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- (ii) such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual Accounts have been prepared on a 'going concern' basis.

7. AUDITORS

M/s Chaturvedi & Co, Chartered Accountants, New Delhi, the Statutory Auditors of the Company holds the office until the conclusion of this (41st) Annual General Meeting (AGM) and, they being eligible, are recommended for re-appointment as Statutory Auditors of the Company from the conclusion of 41st AGM till the conclusion of next (42nd) AGM to be held in the year 2013.

The Company has received a Certificate from them to the effect that their appointment, if made, would be within the limits specified under Section 224(1B) of the Companies Act, 1956.

8. PARTICULARS OF EMPLOYEES

The Company has no employee in respect of whom the Statement under Section 217(2A) of the Companies Act, 1956, is required to be furnished.

9. LISTING

The Company's Equity Shares are listed on the Uttar Pradesh Stock Exchange Association Ltd. at Kanpur and the Company has paid the Listing Fees upto 31st March, 2013.

10. COMPLIANCE CERTIFICATE

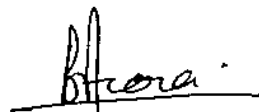
A Certificate of Compliance by a Company Secretary in practice referred to in the proviso to sub section (1) of Section 383A of the Companies Act, 1956 read with Rule 2(b), 2(c) and Rule 3 of the Companies (Compliance Certificate) Rules 2001 is annexed herewith.

11. ACKNOWLEDGEMENT

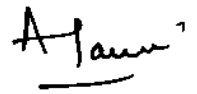
Your Board of Directors takes this opportunity to convey their gratitude and sincere thanks for the co-operation & assistance received from the shareholders and various other stakeholders.

The Board acknowledges your confidence and continued support and looks forward for the same in future as well.

For and on behalf of the Board of Directors
For Arth Udyog Limited



(Balraj Arora)
Director



(Amit Jain)
Director

Place: New Delhi
Date: August 20, 2012

CHATURVEDI & CO.

Chartered Accountants

405-407, Chiranjiv Tower, 43 Nehru Place, New Delhi -110019
Phones : 26432388 / 26463013 / 26284488 / Fax : 26467586
Email : chaturvedico@airtelmail.in / delhi@chaturvedico.com
Website : www.chaturvedico.com

AUDITORS' REPORT

To
The Members of ARTH UDYOG LIMITED

1. We have audited the attached Balance Sheet of **ARTH UDYOG LIMITED** as at March 31, 2012 and also the annexed Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date. 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 and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and 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 statement presentation. We believe our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure-I, a statement on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company.
4. As required by the "Non Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008", we enclose in Annexure-II a statement on the matters specified in the said Directions.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that: -
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of those books of the Company;
 - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the requirement of the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on March 31, 2012 from being appointed as Directors of the Company as per clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;



Other Offices : Kolkata • Mumbai • Chennai • Kanpur • Lucknow • Gurgaon

f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with Notes thereon 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 :

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

New Delhi
August 20, 2012



CHATURVEDI & CO.
Chartered Accountants
Firm Registration No.302137E

A handwritten signature in black ink, appearing to be "Pankaj Chaturvedi".

PANKAJ CHATURVEDI
Partner
Membership No.091239

ANNEXURE TO THE AUDITORS' REPORT OF ARTH UDYOG LIMITED
(Referred to in paragraph 3 of our report of even date)

- I. The Company has no Fixed Assets.
- II. There was no inventory in the Company during the year under audit.
- III. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- 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 the nature of its business with regard to purchase and sale of securities. There was no purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the aforesaid internal control system.
- V. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that no transactions were required to be entered into the Register maintained under section 301.
- VI. According to the information and explanations given to us, the Company has not accepted any deposit. The Company has complied with the prudential norms as per the directions of Reserve Bank of India.
- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII. Requirement of maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 are not applicable in case of the Company.
- IX. According to the records of the Company, the Company is regular in depositing with appropriate authorities statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Service Tax, Sales-tax, Wealth-tax, Custom duty, Cess and other statutory dues wherever applicable to it. No amounts payable in respect of the statutory dues as mentioned above were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.
- X. The Company has no accumulated losses at the end of the Financial Year ended March 31, 2012. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year ended March 31, 2011.
- XI. The Company has not taken any loans/deposits from Banks or Financial Institution or Debenture Holders and hence clause no. (xi) of the Order is not applicable.
- XII. Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a chit fund or a Nidhi/Mutual benefit fund/society. Therefore, the provisions of clause (xiii) are not applicable to the Company.
- XIV. The Company is not dealing in shares and securities. Regarding investments held as long term investment, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein and the same 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.~~

- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds have been raised by the Company during the year under audit.
- XVIII. The Company has not allotted any shares during the year and hence clause no. (xviii) of the Order is not applicable.
- XIX. During the period covered by our audit report, the Company has not issued any debentures.
- XX. The Company has not raised money by public issues during the year under audit.
- XXI. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

New Delhi
August 20, 2012



CHATURVEDI & CO.
Chartered Accountants
Firm Registration No.302137E

A handwritten signature in black ink, appearing to be "Pankaj Chaturvedi", written over a horizontal line.

PANKAJ CHATURVEDI
Partner
Membership No.091239

ARTH UDYOG LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	(Amount in ₹)	
		As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	49,00,000	49,00,000
Reserves and Surplus	3	11,33,16,235	9,27,47,752
Current Liabilities			
Other Current Liabilities	4	57,287	24,622
Total		11,82,73,522	9,76,72,374
ASSETS			
Non- Current Assets			
Non-Current Investments	5	10,58,65,697	7,36,36,870
Deferred Tax Assets (net)	6	7,25,849	2,89,080
Current Assets			
Current Investments	7	1,11,50,000	2,33,55,930
Cash and Cash Equivalents	8	50,873	51,822
Short-Term Loans and Advances	9	5,593	4,626
Other Current Assets	10	4,75,510	3,34,046
Total		11,82,73,522	9,76,72,374
Significant Accounting Policies	1		

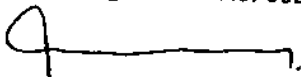
The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For Charurvedi & Co.

Chartered Accountants

Firm Registration No. 302137E



Pankaj Chaturvedi

Partner


Membership.No. 091239

Place: New Delhi

Date : August 20, 2012

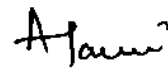


For and on behalf of the Board of Directors



Balraj Arora

Director



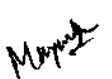
Amit Jain

Director



Amita Gola

Director



ARTH UDYOG LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	31st March, 2012	31st March, 2011
A Cash Flow from Operating Activities:		
Profit before Tax	2,09,14,938	40,62,393
Adjustment for:		
Dividend Income on Non Current Investment		
Interest on Non Current Investments	-1,60,66,693	-18,16,108
Gain on sale of Non Current Investments	-8,82,795	-7,23,600
Other Income from Investments	-40,25,512	-15,60,851
Interest Expense (Income Tax)	-1,11,029	-1,29,015
	967	-
Operating Profit / (-)Loss before working capital changes	-1,70,124	-1,67,181
Adjustment for changes in working capital:		
(-)Increase/Decrease in Other Current Assets	-1,41,464	-2,61,488
Increase/ (-)Decrease in Other Current Liabilities	31,698	3,625
Cash used in Operations	-2,79,890	-4,25,044
Direct Taxes Paid (net of Refunds)	-7,84,191	-3,17,783
Net Cash used in Operating Activities (A)	-10,64,081	-7,42,827
B Cash Flow from Investing Activities:		
Purchase of Non Current Investments	-4,76,50,000	-49,24,550
Purchase of Current Investments	-1,11,50,000	-2,33,55,930
Proceeds from Sale of Non Current Investment	1,76,40,001	2,63,48,491
Proceeds from Sale of Current Investment	2,51,62,614	-
Dividend Income on Non Current Investment	1,60,66,693	18,16,108
Interest on Non Current Investments	8,82,795	7,23,600
Other Income from Investments	1,11,029	1,29,015
Net Cash generated from Investing Activities (B)	10,63,132	7,36,734
C Net Cash generated from Financing Activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents(A+B+C)	-949	-6,093
Cash and Cash Equivalents at the beginning of the year	51,822	57,915
Cash and Cash Equivalents at the end of the year	50,873	51,822
Closing Cash and Cash Equivalents comprise:		
Cash on hand	121	896
Balances with Scheduled Banks	50,752	50,926
Total	50,873	51,822

As per our report of even date attached

For **Chaturvedi & Co.**

Chartered Accountants

Firm Registration No. 302137E



Pankaj Chaturvedi

Partner

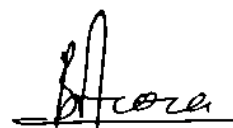
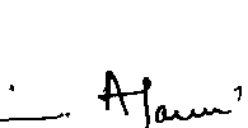
Membership No : 091239

Place : New Delhi

Date : August 20, 2012



For and on behalf of the Board of Directors

Balraj Arora
Director

Amit Jain
Director



Amita Gola
Director

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ARTH UDYOG LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

Note 1. Significant Accounting Policies

a. Basis for preparation of accounts

The Financial Statements of the Company have been prepared under the historical cost convention on the accrual basis. The Generally Accepted Accounting Principles in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 have been adopted by the Company and disclosures made are in accordance with the requirements of Schedule VI of the Companies Act, 1956.

b. Revenue Recognition

Revenue is recognized on accrual basis in accordance with Accounting Standard-9. Accordingly, wherever there are uncertainties in the ascertainment / realization of income, the same is not accounted for.

The Dividend income from Companies and Mutual fund units is recognized as and when the Company becomes entitled to it i.e. after the declaration of dividend by the Investee Company / Mutual Fund. Interest income is recognized on accrual basis taking into account, the amount invested and the rate of interest applicable. Interest on tax refund is accounted for on receipt basis.

c. Investments

Long Term Investments are valued at cost of acquisition, as reduced by provision for diminution in their respective values. Provision for diminution in value of investments is made only if, in the opinion of the management, such decline is other than temporary and is provided for each investment individually.

d. Provision and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made by way of a Note, when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.



e. Earning Per Share

Basic Earnings Per Share is calculated by dividing the net profit available, before appropriation of mandatory transfer (20% out of its net profit) to the Special Reserve constituted pursuant to section 45-IC of Reserve Bank of India Act, 1934, for the year, attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

f. Taxes on Income

Provision for income tax is made on the basis of taxable income for the year at current rates in accordance with the provisions of Income Tax Act, 1961. Tax expense comprises of current tax and deferred tax. The Current charge for income tax is calculated in accordance with the Income Tax Act, 1961. Minimum Alternative Tax (MAT) paid in accordance with the tax laws which give rise to future economic benefits in the form of adjustments of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax in future.

Deferred Tax is recognized, subject to considerations of prudence, on timing difference, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent years



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ARTH UDYOG LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

Note-2: Share Capital

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Authorised :		
6,00,000 (Previous Year 6,00,000) Equity Shares of ₹10/- each	60,00,000	60,00,000
Issued:		
4,90,000 (Previous Year 4,90,000) Equity Shares of ₹10/- each	49,00,000	49,00,000
Subscribed & Paid-up :		
4,90,000 (Previous Year 4,90,000) Equity Shares of ₹10/- each fully paid-up in cash	49,00,000	49,00,000
Total	49,00,000	49,00,000

a) There is no change in the Share Capital during the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

b) The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each holder of Equity Shares is entitled to one vote per share.

No dividend has been proposed / declared during the year ended 31st March, 2012 (31st March, 2011 : Nil). As and when the Company proposes the payment of dividend, the same will be paid in Indian rupees.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

c) Detail of Shareholders holding more than 5% Shares

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Number of Shares	Number of Shares
M/s Ashoka Marketing Limited	46,000	46,000
M/s Mahavir Finance Limited	32,750	32,750
M/s TM Investments Limited	35,550	35,550
M/s Matrix Merchandise Limited	71,200	71,200
M/s Bharat Nidhi Limited	90,000	90,000
M/s Sanmati Properties Limited	48,000	48,000
Mr. Vineet Jain	1,65,000	1,65,000



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ARTH UDYOG LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

Note-3 : Reserves and Surplus

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Special Reserve (U/s 45-IC of the Reserve Bank of India Act, 1934)		
Opening Balance	1,96,67,100	1,88,57,100
Transferred from Surplus	41,14,000	8,10,000
Closing Balance	2,37,81,100	1,96,67,100
General Reserve	27,11,000	27,11,000
Surplus/(-) Deficit in the Statement of Profit and Loss		
Balance as per Last Financial Statement	7,03,69,652	6,71,30,170
Add: Profit for the year	2,05,68,483	40,49,482
Less: Appropriations		
Transferred to Special Reserve	41,14,000	8,10,000
Net Surplus/(-) Deficit in the Statement of Profit and Loss	8,68,24,135	7,03,69,652
Total	11,33,16,235	9,27,47,752

Note-4 : Other Current Liabilities

Particulars	As at 31st March, 2012	As at 31st March, 2011
Expenses Payable	56,320	24,622
Interest on Income Tax Payable	967	-
Total	57,287	24,622



Mayank

ARTH UDYOG LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

Note - 5 : Non Current Investments

(Long Term - Other than Trade - At Cost)

Particulars	Face Value	Nos	(Amount in ₹)		
			As at 31st March, 2012	As at 31st March, 2011	
QUOTED					
Fully Paid Equity Shares					
Ashoka Marketing Ltd.	100	1,915	1,01,640	1,915	1,01,640
Bharat Nidhi Limited	10	57,974	5,68,013	57,974	5,68,013
Sub Total			6,69,653		6,69,653
Bonds					
6.70%, 10 Years Tax Free Bonds of Indian Railway Finance Corporation Limited	1,00,000	108	1,08,00,000	108	1,08,00,000
8.09%, 10 Years Tax Free Bonds of Power Finance Corporation Limited	1,00,000	50	50,00,000		-
Sub Total			1,58,00,000		1,08,00,000
Total Quoted Investments			1,64,69,653		1,14,69,653
UNQUOTED					
Fully Paid Equity Shares					
Bennett, Coleman & Co. Ltd. (Includes 2,65,68,626 Equity Shares received as Bonus)	10	2,67,19,848	53,66,408	2,67,19,848	53,66,408
Bennett Advisory Services Ltd	10	12,500	1,25,000	12,500	1,25,000
Bennett Property Holdings Co. Ltd. (Shares received under the Scheme of Demerger of BCCL valued at 'NIL' cost)	10	44,53,308	-	-	-
Cyber Space infotainment Ltd	10	6,000	60,000	6,000	60,000
Mahavir Finance Ltd. (Includes 900 Equity Shares received as Bonus)	100	1,000	10,089	1,000	10,089
Nanadavrat Properties & Developers Ltd	10	3,99,990	39,99,900	3,99,990	39,99,900
TM Investments Ltd.	10	1,70,000	17,06,000	1,70,000	17,06,000
Times Business Solutions Ltd. (Shares received under the Scheme of Demerger of BCCL valued at 'NIL' cost)	10	4,93,509	-	4,93,509	-
Sub Total			1,12,67,397		1,12,67,397
Mutual Funds					
Birla Sun Life FRF Long Term Retail Growth	100	1,11,485	1,71,00,000	11,14,849	1,71,00,000
HDFC Cash Management Treasury Advantage-Wholesale Plan Growth	10	6,95,531	1,60,50,000	-	-
ICICI Prudential Annual Interval Plan 1 IP Growth	10	13,06,148	1,41,00,000	-	-
ICICI Prudential Flexible Income Plan Premium-G	100	1,946	3,50,000	1,946	3,50,000
Templeton FRIF Long Term IP Growth	10	2,87,270	38,42,635	11,06,426	1,48,00,000
Templeton FRIF Long Term Retail Growth	10	1,71,232	28,06,500	4,17,938	68,50,000
Templeton India Income Opportunities Fund - G	10	11,29,467	1,27,00,000	18,859	2,00,000
UTI Floating Rate Fund Short Term - Growth	1,000	7,714	1,11,79,512	8,004	1,15,99,820
Sub Total			7,81,28,647		5,08,99,820
Total Unquoted Investments			8,93,96,044		6,21,67,217
Total Non Current Investments			10,58,65,697		7,36,36,870
Aggregate of Quoted Investments:					
Book Value			1,64,69,653		1,14,69,653
Market Value			1,65,67,108		1,15,67,108
Aggregate Book Value of Unquoted Investments					
			8,93,96,044		6,21,67,217



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ARTH UDYOG LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

Note 6 : Deferred Tax Assets (net)

Deferred tax assets/ liabilities are recognized in accordance with and in compliance with the Accounting Standard (AS)- 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, as per the following calculation:
(Amount in ₹)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Timing Difference (Long Term Capital Losses)	-7,25,849	-	-2,89,080	-
Deferred Tax Assets (net)	-7,25,849	-	-2,89,080	-

Note 7 : Current Investments

Particulars	Face Value	Nos	As at	
			31st March, 2012	31st March, 2011
Current maturity of Long Term Investment - Valued at Cost				
Quoted				
Mutual Funds				
HDFC FMP 370D August 2010(1) - Growth	10	-	-	13,35,593
ICICI Pru FMP Series 52 one year Plan C-Growth	10	-	-	10,00,000
Reliance FHF - XX Series 13 Growth	10	10,85,000	1,08,50,000	-
Reliance FHF - XIX Series 4 Growth	10	30,000	3,00,000	-
Total Current Investments			1,11,50,000	2,33,55,930
Aggregate of Quoted Investments:				
Book Value			1,11,50,000	2,33,55,930
Market Value			1,16,40,217	2,42,22,333

Note - 8 : Cash and Cash Equivalents

Particulars	As at	
	31st March, 2012	31st March, 2011
Balance with Scheduled Banks		
In Current Accounts	50,752	50,926
Cash on Hand	121	896
Total	50,873	51,822



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ARTH UDYOG LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

Note - 9 : Short Term Loans and Advances

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
(Unsecured, considered good) Advance Income Tax and TDS (Net of Provisions)	5,593	4,626
Total	5,593	4,626

Note - 10 : Other Current Assets

Particulars	As at 31st March, 2012	As at 31st March, 2011
Interest Accrued on Bonds	4,75,510	3,34,046
Total	4,75,510	3,34,046

Note - 11 : Finance Costs

Particulars	31st March, 2012	31st March, 2011
Interest Expense (Income Tax)	967	-
Total	967	-

Note - 12 : Other Expenses

Particulars	31st March, 2012	31st March, 2011
<u>Payment to Auditor</u>		
Audit Fee	13,483	11,582
Other Services	8,989	-
Legal & Professional Charges	29,552	26,474
Director's Sitting Fees	53,000	58,000
Miscellaneous Expenses	65,100	71,125
Total	1,70,124	1,67,181



ARTH UDYOG LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

Note 13. Earnings Per Share:

Particulars	(Amount in ₹)	
	31 st March 2012	31 st March 2011
Net Profit / (-) Loss attributable to Equity Shareholders	2,05,68,483	40,49,482
Weighted Average no. of Equity Shares outstanding during the year	4,90,000	4,90,000
Nominal Value per Equity Share	10	10
Basic and Diluted Earnings per share	41.98	8.26

Note 14. The Company has complied with the guidelines issued by the Reserve Bank of India in respect of Prudential Norms for Income Recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

Note 15. Income from Interest, Dividend and Gains on redemption of investments is shown as 'Other Income' as the Company has only parked its surplus funds in certain investments. It may be clarified that, while the Company is classified as a NBFC by virtue of the RBI guidelines on NBFC's, it does not carry on any investment or financing activity as a business operation and also does not hold or accept Public Deposits.

Note 16. Foreign Exchange earnings and outgo during the period are as follows:-

<u>Particulars</u>	<u>Amount (₹)</u>
Earning	Nil (Previous Year – Nil)
Outgo	Nil (Previous Year – Nil)

Note 17. Contingent Liabilities and Commitments (to the extent not provided for) as on 31st March, 2012: Nil (Previous Year: Nil).

Note 18. Related party Disclosures:

In accordance with the requirements of Accounting Standard (AS-18) "Related Party Disclosures", the name of the related party where there exists control / ability to exercise significant influence along with the aggregate transactions and year end balances as given below:

a) List of Related Party & Relationship:

Name of the Company/ Person	Relationship
Bennett Advisory Services Limited	Substantial Interest held
Mahavir Finance Limited	Substantial Interest held
Nandavrat Properties & Developers Limited	Substantial Interest held



b) Details of Related Party Transactions during the period ended March 31, 2012 in the ordinary course of the Business:

(Amount in ₹)

Name of the Party	Nature of Transaction	Amount for the Year ended		Amount Outstanding as on	
		31 st March 2012	31 st March 2011	31 st March 2012	31 st March 2011
Nandavrat Properties & Developers Limited	Purchase / Subscription of Equity Shares	-	39,99,900	39,99,900	39,99,900

Note 19. The Company has made provision for Income Tax on the basis of MAT for the Year ended 31st March, 2012.

Note 20. There are no separate reportable segments as per Accounting Standard 17 "Segment Reporting" as the entire operations of the Company relate to one segment, viz. Investment.

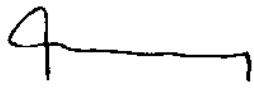
Note 21. As identified, there were no outstanding dues during the accounting year towards the enterprises as defined in the Micro, Small & Medium Enterprises Development Act, 2006.

Note 22. Previous year figures have been recast to correspond to current year figures, based on disclosure requirements of the revised Schedule VI to the Companies Act, 1956.

Note 23. Figures have been rounded off to the nearest rupee.

As per our Report of even date attached For and on behalf of the Board of Directors

For **CHATURVEDI & CO.**
Chartered Accountants
Firm Registration No. 302137E


Pankaj Chaturvedi
Partner
Membership No. 091239

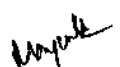



Balraj Arora
Director


Amit Jain
Director


Amita Gola
Director

Place: New Delhi.
Dated: August 20, 2012



ARTH UDYOG LIMITED

Disclosure in the Balance Sheet of a Non-Deposit taking Non Banking Financial Company as at
31st March, 2012
(As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding
Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Amount in ₹)

Particulars		Amount Outstanding	Amount Overdue
Liabilities side:			
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	Nil	Nil
	: Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Other Loans (specify nature)	Nil	Nil
Assets side :			
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	Amount outstanding	
	(a) Secured	Nil	
	(b) Unsecured	Nil	
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	Nil	
	(b) Operating lease	Nil	
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	Nil	
	(b) Repossessed Assets	Nil	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	
	(b) Loans other than (a) above	Nil	
(4)	Break-up of Investments :		
	Current Investments :		
	1. <u>Quoted</u> :		
	(i) Shares : (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	1,11,50,000	
	(iv) Government Securities	Nil	
	(v) Others (Please specify)	Nil	
	2. <u>Unquoted</u> :		
	(i) Shares : (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please specify)	Nil	



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Long Term Investments :			
1. Quoted :			
(i) Shares : (a) Equity			6,69,653
(b) Preference			Nil
(ii) Debentures and Bonds			1,58,00,000
(iii) Units of mutual funds			Nil
(iv) Government Securities			Nil
(v) Others (Please specify)			Nil
2. Unquoted :			
(i) Shares : (a) Equity			1,12,67,397
(b) Preference			Nil
(ii) Debentures and Bonds			Nil
(iii) Units of mutual funds			7,81,28,647
(iv) Government Securities			Nil
(v) Others (Please specify)			Nil
(5) Borrower group-wise classification of assets financed as in (2) and (3) above:			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties.	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	Nil
Total	Nil	Nil	Nil
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties			
(a) Subsidiaries	Nil		Nil
(b) Companies in the same group	Nil		Nil
(c) Other related parties	49,14,808		41,34,989
2. Other than related parties	5,28,09,77,066		11,28,80,708
Total	5,28,58,91,874		11,70,15,697
(7) Other Information			
Particulars	Amount		
(i) Gross Non- performing Assets			
(a) Related parties	Nil		
(b) Other than related parties	Nil		
(ii) Net Non Performing Assets			
(a) Related parties	Nil		
(b) Other than related parties	Nil		
(iii) Assets acquired in satisfaction of debt.	Nil		

As per our report of even date attached

For and on behalf of the Board of Directors

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

Pankaj Chaturvedi
Partner
Membership No : 091239



Balraj Arora

Balraj Arora
Director

Amit Jain

Amit Jain
Director

Amita Gola

Amita Gola
Director

Mayank

Place : New Delhi
Date : August 20, 2012