



ARNOLD HOLDINGS LTD.

(Non-Banking Finance Company)

CIN No. L65993WB1981PLC034406

Corporate Office : B-502, Ramji House, 30, Jambulwadi, J.S.S. Road,
Mumbai - 400 002. (INDIA) Tel.: 91 - 22 - 2201 6640 / 3241 9304

Email : info@arnoldholdings.in / arnoldholding9@gmail.com

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Arnold Holdings Limited
2.	Annual Financial Statement for the Year Ended	31 st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of Observation	N.A.
5.	To be signed by- <ul style="list-style-type: none">• Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	<p><i>Mahendra</i> (Mahendra Prasad Mallawat)</p> <p>N.A.</p> <p>M/S. Jain Pradeep & Co. Chartered Accountants (FRN: 315109E)</p> <p><i>Pradeep Jain</i> (Pradeep Jain) Proprietor Mem. No.: 52264</p> <p><i>Gajanan Uttamrao Mante</i> (Gajanan Uttamrao Mante)</p>

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ARNOLD HOLDINGS LIMITED

BOARD OF DIRECTORS :

Mahendraprasad Mallawat
Prsanjeet Goswami
Dinesh Kumar Gupta
Gajanan Uttamrao Mante
Dr. Sopan Vishwanathrao Kshirsagar

COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Soniya Agarwal

AUDITORS :

Jain Pradeep & Co.
Chartered Accountants
Kolkata

BANKERS :

ICICI BANK LTD.

REGISTERED OFFICE :

712, Poddar Court, 7th Floor, Gate No 2,
18, Rabindra Sarani, Kolkata - 700001 India

CORPORATE OFFICE :

B-502, Ramji House, 30, Jamboolwadi,
JSS Road, Mumbai - 400002 India
Email : arnoldholding9@gmail.com
Website : www.arnoldholdings.in

REGISTRARS & SHARE TRANSFER AGENTS :

NICHE TECHNOLOGIES PVT LTD
D-511, Bagree Market 5th Floor,
71, B.R.B. Basu Road, Kolkata - 700 001.

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of **Arnold Holdings Limited** will be held at the Hotel Lindsay, Lindsay Street, Kolkata - 700087, West Bengal on 29th September, 2014 at 2:30 PM to transact the following business:

Ordinary Business: -

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 2) To declare the dividend on Equity Shares of the Company.
- 3) To appoint Mr. Mahendraprasad Mallawat (DIN 00720282), who retires by rotation and is eligible for Re-appointment.
- 4) To re-appoint and fix the remuneration of M/S JAIN PRADEEP & CO. Chartered Accountants (Registration No. 315109E), as Auditors of the Company, who has given notice to the company u/s 141 of the Companies Act, 2013 of its willingness for re-appointment. The auditors shall hold the office from the conclusion of this Annual General meeting to till the conclusion of next Annual General Meeting of the Company at such remuneration shall be fixed by the Board of Directors of the Company.

Special Business:-

- 5) To appoint Mr. Prasenjit Goswami (DIN: 03313512) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Prasenjit Goswami (DIN: 03313512), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing himself as candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 28th September, 2019."

- 6) To appoint Mr. Dinesh Kumar Gupta (DIN: 05259502) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dinesh Kumar Gupta (DIN: 05259502), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing himself as candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 28th September, 2019."



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- 7) To appoint Mr. Gajanan Uttamrao Mante (DIN: 02320965) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Gajanan Uttamrao Mante (DIN: 02320965), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing himself as candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 28th September, 2019."

- 8) To appoint Mr. Sopan Vishwanathrao Kshirsagar (DIN: 06491444) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sopan Vishwanathrao Kshirsagar (DIN: 06491444), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing himself as candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 28th September, 2019."

Registered Office:

712, Poddar Court, 7th Floor,
Gate No 2, 18, Rabindra Sarani,
Kolkata – 700001

CIN: L65993WB1981PLC034406

Dated: 13th August, 2014

By Order of the Board of Directors

SD/-

Mahendraprasad Mallawat

Whole Time Director

DIN : 00720282



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Notes:

1. 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. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before the time fixed for the meeting.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing to attend and vote on their behalf at the meeting.
3. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Members are requested to bring their attendance Slip along with their copy of Annual Report to the meeting.
5. In Case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant Documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working Days, during business hours upto the date of the Meeting.
7.
 - I) The Register of Members and Share transfer books of the company will remain closed from 25th September 2014 to 29th September 2014 (both days inclusive).
 - II) In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or its Share Transfer Agent, Niche Technologies Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of Bank particulars of Bank mandates. Such changes are to be advised only to the Depository Participant by the members.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
10. The securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts.
11. Non-Resident Indian members are requested to inform RTA, immediately of:
 - i) Change in their residential status on return to India for permanent settlement.
 - ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.



M. Maheshwari

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12. Members who have not registered their E-Mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. In Compliance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) rules, 2014, the Company is pleased to provide members with facility to exercise their votes by electronic means (E- Voting). Communication containing detailed instructions in this regard is being sent to Members.
14. The Company has implemented the 'Green Initiatives' as per circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate affairs (MCA) to enable electronic delivery of notices/documents and annual Reports to Shareholders. The email Addresses indicated in your respective Depository Participant (DP) accounts are being periodically downloaded from NSDL/CDSL will be deemed to be your registered Email Address for serving notices/ documents including those covered under section 136 of the Companies Act, 2013(Corresponding provisions of Section 219 of Companies Act, 1956). Members may also note that the notice of the 32nd AGM and Annual Report for FY 2013-2014, copies of Audited Financial Statements, directors' Report, and Auditors' Report etc. will also be available on the website of the company, www.arnoldholdings.in for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participant.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made there under companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the depository. Members holding shares in Demat form are requested to register their e-mail address with their DP. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. The notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to members whose e-mail ids are registered with the company or Depository Participant unless the members have registered their request for a hard copy of the same. Physical Copy of the Notice of the AGM, Annual Report and Attendance Slip are being sent to those members who have registered their e-mail ids with the company or Depository Participant. Members who have received the notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
16. **VOTING THROUGH ELECTRONIC MEANS**
- i.) Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means. As an alternative to vote physically at the AGM. and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL)
- ii.) Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting:



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17. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 23, 2014 at 10.00 A.M. and ends on September 25, 2014 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr. / Mrs. / Smt. / Miss / Ms. / M/s. etc. Example: <p>(1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245</p> <p>(2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on Cut Off date (record date) of August 22, 2014



N. Mahapatra

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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "ARNOLD HOLDINGS LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- " Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - " A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - " After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - " The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - " A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com



M. Maheshwari
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18. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote through e-mail : atcsbbansal@gmail.com with copy mark to helpdesk.evoting@cdslindia.com on or before September 25, 2014, upto 6 pm. without which the vote shall not be treated as valid.
19. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22-August-2014.
20. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 22-August-2014.
21. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 22-August-2014. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
22. Bhuwnesb Bansal & Associates, Practising Company Secretary (Certificate of Practice Number 9089, Membership No. 6526) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two (2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
23. The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL and website of Arnold Holdings Limited within two (2) days of passing of the resolution at the AGM of the Company and will be communicated to Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited.

ANNEXURE TO THE NOTICE:

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out the material facts relating to the business under Item No. 5 to 9 of the accompanying Notice:

Item No. 5 to 8

Pursuant to the provisions of Section 149 of the Companies Act, 2013, and amended Listing agreement the Board of Directors of the Company should have atleast one-third of the total number of Directors as Independent Director. The tenure of Independent Director will be for a period of five years and provisions relating to retirement of Directors shall not be applicable to Independent Directors.

The Board recommends the appointment of Mr. Prasenjit Goswami, Mr. Dinesh Kumar Gupta, Mr. Gajanan Uttamrao Mante and Mr. Sopan Vishwanathrao Kshirsagar as Independent Directors, in accordance with the Provisions of Section 149 read with Schedule IV of the Act, to hold office for a term upto five consecutive years on the Board of Directors of the Company with effect from the date of the Annual General Meeting.



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The Company has received Notices in writing from Members along with the requisite Deposit in accordance with Section 160 of the Act, proposing the candidature of Mr. Prasenjit Goswami, Mr. Dinesh Kumar Gupta, Mr. Gajanan Uttamrao Mante and Mr. Sopan Vishwanathrao Kshirsagar as Independent Directors.

The Company has also received the declarations from the above mentioned Independent Directors to the effect that they meet with criteria of Independence as prescribed under sub-section (6) of section 149 of the Act and clause 49 of the Listing Agreement.

In the opinion of Board, each of these Directors fulfill the conditions specified in the Act read with the relevant Rules and the Listing Agreement, for their respective appointment as Independent Director and they are independent of Management.

Brief Profile of the Independent Directors to be appointed, the nature of their expertise, names of Companies in which they hold Directorship and Membership/chairmanship of Board Committee shareholding in the Company etc. as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange are furnished in the Corporate Governance Report forming part of the Annual Report.

The Board commends the Ordinary Resolutions set out at Items Nos. 5 to 8 of the Notice for the approval of Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos. 5 to 8 of the Notice with regard to their respective appointments.

Except as provided above, none of the other Directors, Key Managerial Personnel of the Company or their respective Relative is in any way concerned or interested in the said Resolution. The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Registered Office:

712, Poddar Court, 7th Floor,
Gate No 2, 18, Rabindra Sarani,
Kolkata – 700001

CIN: L65993WB1981PLC034406

Dated: 13th August, 2014

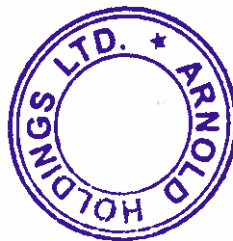
By Order of the Board of Directors

SD/-

Mahendraprasad Mallawat

Whole Time Director

DIN : 00720282



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DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2014.

1. **Financial Performance:-**

The financial performance of the Company for the Year ended 31st March, 2014 is as summarized below:-

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Gross Turnover	79396029	442320650
Profit/(loss) before Taxation	11452925	10256607
Less: Provision for Taxation	1954260	1786290
Add: Provision for Deferred Tax Assets	10407	228639
Profit/(loss) after Taxation	9509072	8698956
Less: Provision Against Standard Assets	1018259	1862090
Less : Transferred to Reserve Fund 45-1C	972172	1739791
Add: Balance brought forward from previous year	6494983	3420880
Less: Proposed Dividend	2506250	2506250
Less: Dividend Tax	406639	406639
Balance carried to Balance Sheet	10210817	6494984

2. **Dividend :-**

Your Directors are pleased to recommend for approval of shareholders, a maiden dividend of Rs. 0.50 per share (i.e. 5%) on Equity Shares of the face value of Rs.10/- each.

3. **Directors :-**

In terms of the Articles of Association of the Company, Mr. Mahendraprasad Mallawat, Whole Time Director of the Company, retires by rotation and is eligible for re-appointment at the ensuing Annual General Meeting.

Pursuant to Sections 149, 150 & 152 of the Act, read with Companies (Appointment and qualification of Director) Rules, 2014 alongwith Schedule IV or re-enactment thereof for the time being in force), the Independent Directors can hold office for a term of Five consecutive years on the Board of your Company. Accordingly, it is proposed to appoint Mr. Prasenjit Goswami, Mr. Dinesh Kumar Gupta, Mr. Gajanan Uttamrao Mante and Mr. Sopan Vishwanathrao, existing Directors as Non - Executive, Independent Directors for five consecutive years and shall not be liable to retire by rotation.

The Company has received requisite notice from Members proposing their candidature for appointment as an Independent Director and has also received Declaration from the aforesaid Independent Directors confirming that they meet the criteria of Independence as prescribed under provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resume of the Director proposed to be re-appointed, qualification, experience and the name of the Companies in which he holds directorship, membership of the board committees, as stipulated in the clause 49 of the listing agreement is provided in the Report on Corporate Governance forming a part of the annual report.



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4. Directors' Responsibility Statement :-

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:-

- i) That in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care 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) That the Directors have prepared the annual accounts for the financial year ended 31st March 2014 on a going concern basis.

5. Auditors And Auditors' Report:-

The statutory auditors of the company M/S JAIN PRADEEP & CO, Chartered Accountants, retire at the conclusion of this Annual General Meeting of the company and being eligible for Re-Appointment offer them for reappointment.

The Company has received a letter from them to the effect that their re- appointment, if made, would be within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013 and they are not disqualified for re- appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self- explanatory and do not call for any further comments.

6. Listing of Equity Shares:-

Your Directors are pleased to inform you that the Equity Shares of the Company had listed on The Bombay Stock Exchange Ltd (BSE) on 23rd December, 2013 under Script Code 537069. Now, Equity Shares of the Company are listed on The Bombay Stock Exchange Ltd. (BSE) & The Calcutta Stock Exchange Ltd. (CSE).

7. Particulars of Employees:-

None of the employees were in the category of the limits specified under section 217(2A) of the Companies Act, 1956,

8. Fixed Deposits:-

Your company has not accepted any deposits under section 58A& 58AA of The Companies Act, 1956, from the public or its stakeholders in the last fiscal as a Non-Banking Financial Company.

9. Management's Discussion and Analysis Report:-

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis Report, which forms part of this Report. as Annexure I.

10. Corporate Governance:-

We adhere to the principal of Corporate Governance mandated by the Securities and Exchange Board of India (SEBI) and have implemented all the prescribed stipulations. As required by Clause 49 of the Listing Agreement, a detailed report on Corporate Governance forms part of this Report. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached with the Corporate Governance Report. as Annexure II.



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11. Conservation of energy, technology absorption and foreign exchange earnings and outgo:-

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

- (i) Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.
- (ii) Foreign Exchange Earnings and Outgo:
- | | |
|-------------------------|-----------|
| Foreign Exchange Earned | - Rs. Nil |
| Foreign Exchange Used | - Rs. Nil |

12. Employer Employee Relationship:-

The Company maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the period under review.

13. Acknowledgments:-

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in us. Last but not the least, your Directors, places on record their sense of appreciation of the valuable contribution made by the employees of the Company.

On behalf of the Board of Directors,
For Arnold Holdings Limited

Sd/-

Mahendraprasad Mallawat
DIN - 00720282
Whole Time Director

Kolkata, 30th May, 2014



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ANNEXURE - 1

MANAGEMENT DISCUSSION & ANALYSIS

ABOUT THE INDUSTRY:

NBFCs are an integral part of the country's financial system complementing the services of commercial banks. The main reason attributed to the growth of NBFCs is the comprehensive regulation of the banking system. Other factors include higher level of customer orientation, lesser pre/post sanction requirements and higher rates of interest on deposits being offered by NBFCs. It is mandatory that every NBFC should be registered with RBI to carry on any business of non banking financial institution.

The activities of non-banking financial companies (NBFCs) in India have undergone qualitative changes over the years through functional specialization. The role of NBFCs as effective financial intermediaries has been well recognized as they have inherent ability to take quicker decisions, assume greater risks, and customize their services and charges more according to the needs of the clients. While these features, as compared to the banks, have contributed to the proliferation of NBFCs, their flexible structures allow them to unbundle services provided by banks and market the components on a competitive basis. The distinction between banks and non-banks has been gradually getting blurred since both the segments of the financial system engage themselves in many similar types of activities. At present, NBFCs in India have become prominent in a wide range of activities like hire-purchase finance, equipment lease finance, loans, investments, etc. By employing innovative marketing strategies and devising tailor-made products, NBFCs have also been able to build up a clientele base among the depositors, mop up public savings and command large resources as reflected in the growth of their deposits from public, shareholders, directors and other companies, and borrowings by issue of non-convertible debentures, etc.

The importance of NBFCs in delivering credit to the unorganized sector and to small borrowers at the local level in response to local requirements is well recognized. The rising importance of this segment calls for increased regulatory attention and focused supervisory scrutiny in the interests of financial stability and depositor protection.

An Overview of Regulation of NBFCs

In response to the perceived need for better regulation of the NBFC sector, the Reserve Bank of India (RBI) Act, 1934 was amended in 1997, providing for a comprehensive regulatory framework for NBFCs. The RBI (Amendment) Act, 1997 conferred powers on the RBI to issue directions to companies and its auditors, prohibit deposit acceptance and alienation of assets by companies and initiate action for winding up of companies.

(1) Mission**To ensure that :**

- the financial companies function on healthy lines,
- these companies function in consonance with the monetary policy framework, so that their functioning does not lead to systemic aberrations,
- The quality of surveillance and supervision exercised by the RBI over the NBFCs keeps pace with the developments in this sector.
- comprehensive regulation and supervision of Asset liability and risk management system for NBFCs,

(2) Amendments to the Reserve Bank of India (RBI) Act, 1934

RBI Act was amended in January 1997 providing for, inter alia.

- Entry norms for NBFCs and prohibition of deposit acceptance (save to the extent permitted under the Act) by unincorporated bodies engaged in financial business,



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- Compulsory registration, maintenance of liquid assets and creation of reserve fund
- Power of the RBI to issue directions to an NBFC or to the NBFCs in general or to a class of NBFCs.
- Comprehensive regulation and Supervision of deposit taking NBFCs and limited supervision over those not accepting public deposits.

(3) Basic Structure of Regulatory and Supervisory Framework

- Prescription of prudential norms akin to those applicable to banks,
- Submission of periodical returns for the purpose of off-site surveillance,
- Supervisory framework comprising (a) on-site inspection (CAMELS pattern) (b) off-site monitoring through returns (c) market intelligence, and (d) exception reports by statutory auditors,
- Punitive action like cancellation of Certificate of Registration (CoR), prohibition from acceptance of deposits and alienation of assets, filing criminal complaints and winding up petitions in extreme cases, appointment of the RBI observers in certain cases, etc.
- Co-ordination with State Governments to curb unauthorized and fraudulent activities, training programmes for personnel of NBFCs, State Governments and Police officials.

(4) Other steps for protection of depositors' interest

- Publicity for depositors' education and awareness, workshops / seminars for trade and industry organizations, depositors' associations, chartered accountants, etc.

ABOUT THE ARNOLD HOLDINGS LIMITED:

Business Overview:

Our Company is a non deposit taking NBFC, registered with the RBI vide Registration No.05.02617 Our Company has been in the business of providing financial services since inception.

Our Company is primarily focused in providing inter corporate loans, personal loans, loans against shares & securities, loans against properties, trade financing, vehicle finance, bills discounting, trading in shares & securities and arbitrage business in stock and commodity market. Being an, NBFC our Company has positioned itself between the organized banking sector and local money lenders, offering the customers competitive, flexible and timely lending services.

Products & Services:

Our Company offers financial services to commercial, industrial and financial clients with a one stop financial solution:-

- Trade Finance & Bill Discounting
- Working capital loans
- Loan against property
- Margin funding and loan against approved securities
- Vehicle Finance

FINANCIAL PERFORMANCE:

During the fiscal 2014, the gross operational income of the Company stood at Rs.74 Lacs as compared to previous fiscal of Rs. 437 Lacs. The company has continued its lending activities and advances portfolio of the Company has been increased to Rs. 4103 Lacs and the interest income of the Company have been stood at Rs.308 Lacs as comparing to preceding fiscal of Rs.272 Lacs. Thisfiscal, Company profits have been Rs.95.09 Lacs as compared toRs 86.98Lacs of fiscal 2013.



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Financial Highlights:

- Arnold recommended a dividend of 5% as on March 31, 2014.
- Income from operation stood at Rs. 74 Lacs for fiscal 2014.
- Profit before Taxes of fiscal 2014 was Rs.114.52 Lacs.
- Profit After Taxes of fiscal 2014 was Rs.95.09 Lacs
- Earnings per share for fiscal 2014 was Rs. 1.90 per share.
- Net Worth of company stood at Rs.496 Lacs as on March 31, 2014.

SWOT ANALYSIS:**Strengths:**

An integrated financial services platform: We offer our clients an integrated financial services platform by offering lending against demat shares, finance consultancy, loan against immovable properties and allied products. Our integrated service platform allows us to leverage relationships across the lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base, thereby increasing our ability to cross-sell our services.

Experienced Management: We believe that our senior management and our talented and experienced Team are the principal reason for the growth of our Company. We believe that the extensive experience and financial acumen of our management and staff facilitates us with a significant competitive advantage.

Weakness:

Branding: Our Company is not a well established brand among large NBFC players who have access to larger financial resources.

Accessibility: We do not have branches so we are unable to explore the business opportunities in other areas.

Opportunities:

Large Market: The players in the NBFC sector still have a lot of scope to cover larger market and the rural markets are still untapped.

Desire for Status: With increased desire of individuals to improve their standard of living, the NBFC industry is getting exposed to new category of client (individuals) in a big way with large share of business coming from this segment apart from corporate clients.

Threats:

Economic Downturn: If the economic downturn is prolonged it can reduce the financing need of people due to shrinking business opportunities.

Private Banks: Private Banks are also working on the similar business model as the NBFCs do, thereby giving a very strong competitions to the NBFC's.

RBI and Government restrictions: With more stringent norms governing the functioning of NBFC and certain government restrictions act as a hindrance in smooth functioning of NBFC.

FUTURE STRATEGY :

- **Expansion of existing activities:** Our Company intends to expand its financial services by enhancing its focus on margin funding, loan against shares and securities, loan against properties and corporate loan, vehicle finance, bill discounting and working capital loan.
- **Differentiated Services:** In the growing economy, the corporate clients will be requiring funds for further expansions. Our Company would be providing all diversified service portfolio under one umbrella to cater most of the customer needs and demands.



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- Brand recognition: We are in such a business where we are facing lot of competition. Our Company is not a well established brand among large NBFC players. We will be making the necessary arrangements for our brand reorganization.

REGULATORY :

As Being a Non-Banking Finance Company, is regulated by department of Non-Banking supervision of Reserve Bank of India. Company is current under category of Non -Deposit taking company so company is not within purview of various guidelines applicable. However RBI has issued several guidelines applicable to Non-Deposit taking companies, notable among which are:

- Submission of Financial
- To exercise the Fair Practice Code
- Compliance with Prudential norms

Company is complying various statutory provisions such as Companies Act, Income tax, Service tax, Listing Agreement provisions and other applicable laws and regulations applicable with the company.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

Internal Control Systems has been designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance's with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. Internal check is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems. The management has put in place internal systems for review and monitoring of nonperforming assets of the company and to indicate corrective action for effecting recoveries.

CAUTIONARY:

Statement in the Management Discussion & Analysis, describing the company's objectives, projections and estimates are forward looking statement and progressive within the meaning of applicable laws & regulations. Actual result may vary from those expressed or implied. Important developments that could affect the company's operations are significant changes in political and economic environment in India tax laws, RBI regulations, exchange rate fluctuation and other incidental factors

On behalf of the Board of Directors,
For Arnold Holdings Limited

Sd/-

Mahendraprasad Mallawat
DIN - 00720282
Whole Time Director

Kolkata, 30th May, 2014



Mahendraprasad Mallawat
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**ANNEXURE II
TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE**

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

In accordance with Clause 49 of the Listing Agreement entered with BSE Limited (BSE) & CSE Limited (CSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Arnold Holdings Ltd is as follows:

1. Corporate Governance Philosophy

The Company has set itself the objective of achieving excellence in its business. As a part of its growth strategy, Company believes in adopting the 'bestpractices' that are followed in the area of Corporate Governance. The companyemphasizes the need for full transparency and accountability and conducting its business in a highly professional and ethical manner, thereby enhancing trust and confidence of all its stakeholders.

The Company continuously monitors its governance practices and benchmarks itself to the best governed companies across the industries. The Company believes in pursuing holistic growth and realise its responsibility towards its stakeholders and environment. The board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

2. Board of Directors (Board):-

a) Board Composition:-

The Board of the Company should consist of optimum combination of Executive, Non Executive - Independent Directors, which should be in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges.

The present strength of the Board is Six (6) Directors, comprising of two Promoter Directors and Four Independent Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

Name of Director	Category of Directorship
Mr. Mahendraprasad Mallawat	Executive Director
Mr. Harshad Achaleshwar Kela	Executive Director
Mr. Sopan Vishwanthrao Kshirsagar	Independent - Non Executive
Mr. Prasenjit Goswami	Independent - Non Executive
Mr. Dinesh Kumar Gupta	Independent - Non Executive
Mr. GajananUttamrao Mante	Independent - Non Executive

b) No. of Board Meetings:-

The Board meets at regular intervals to discuss and decide on company's business policy and strategy apart from other normal business. During the financial year ended on 31st March 2014, Ten (10) Board Meetings were held on the following dates:-

30th May 2013, 13th July, 2013, 22nd July, 2013, 25th July, 2013, 3rd October, 2013, 11th November, 2013, 01st February, 2014, 10th February, 2014, 11th March, 2014 and 28th March, 2014.

c) Directors' Attendance Record and Directorships Held :-

The attendance at the Board Meetings held during the year and attendance at the last Annual General Meeting, number of directorships in other Public Limited companies and membership in committees across various companies of which the Director is a Member / Chairman are given below :-



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Name of Directors	DIN	No. of Board Meetings Attended	Attendance at last AGM held on 28th September, 2013	# Directorship held in other Companies	Committee Memberships / Chairmanships	
					Membership	Chairmanship
Mr. Mahendra prasad Mallawat	00720282	10	Present	-	-	-
Mr. Harshad Achaleshwar Kela	05235299	10	Present	-	-	-
Mr. Sopan Vishwanthrao Kshirsagar	06491444	8	Present	-	-	-
Mr. Prasenjit Goswami	03313512	8	Present	-	-	-
Mr. Dinesh Kumar Gupta	05259502	10	Present	-	-	-
Mr. Gajanan Uttamrao Mante	02320965	8	Present	-	-	-

Excluding Private Companies and Companies under Section 25 of the Companies Act, 1956.

The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all companies in which they are Director. As per Clause 49 of the Listing agreement, for the purpose of reckoning the said limit, Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance Committee alone shall be considered.

d) **Information of Directors' Appointment / Re-appointment:-**

The brief profiles of Directors who are seeking re-appointment / appointment at the Annual General Meeting are furnished below:-

Mr. Mahendraprasad Mallawat aged 55, is the Whole time Director of our Company. He is a graduate in commerce. He has 35 years of experience in securities and financial services. He is responsible for the day-to-day activities of the Company and is instrumental in all the expansion plans of the Company.

Mr. Prasenjit Goswami, aged 42 years is an Independent Director of the Company. He has completed his graduation in commerce and also completed his Masters in Business Administration (MBA). He possess 18 years of experience various aspect of finance. As an Independent Director of our Company and MBA by qualification, he brings value addition to the Company.

Mr. Sopan Vishwanthrao Kshirsagar, aged 61 years is an Independent Director of our Company. He is gold medalist in masters of Science. He has also completed PHD in Management from Swami RamanandTeerthMarathwada. He is a veteran in banking and finance industry. He was instrumental in developing rural Banking business. He has worked as a Managing Director of the NandedDist. Central Co-Operative Bank Ltd.

Mr. Gajanan Uttamrao Mante, aged 46 years is an Independent Director of our Company. He is a Bachelor of Commerce.

Mr. Dinesh Kumar Gupta aged 46 years is an Independent Director of our Company. He is a LLB Graduate.



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3. Board Committees

The Company's guidelines relating to Board Meetings are applicable to committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meeting are circulated to the Directors and placed before Board meeting for noting.

1). Audit Committee:- a)

Composition and attendance:-

The Audit Committee of the Board comprises of two Independent & Non-Executive Directors and one Executive Director. The Chairman of the Audit Committee is a Non-executive and Independent Director. The composition and attendance of Audit Committee is as follows:-

Name of the Members	Position	Category	No. of Meetings Held	No. of Meetings attended
Mr. Gajanan Uttamrao Mante	Chairman	Independent & Non Executive Director	4	4
Mr. Sopan Vishwanathrao Kshirsagar	Member	Independent & Non Executive Director	4	4
Mr. Mahendraprasad Mallawat	Member	Whole Time Director	4	4

The Audit Committee is constituted in accordance with the section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial/ accounting expertise/ exposure.

During the year 2012-13, four (4) Audit Committee meetings were held on 30th May, 2013, 13th July, 2013, 11th November, 2013 and 10th February, 2014.

b) Power & Terms of Reference:-

The Power and terms of reference of the Audit Committee are as mentioned in Clause 49 II (C), (D) & (E) of the Listing Agreement entered into with the Stock Exchanges and includes overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issue and issues related to risk management and compliances. The Statutory Auditors are invited to the meeting.

2). Nomination & Remuneration Committee:-

a) Composition and attendance:-

The Nomination & Remuneration Committee of the Board comprises of two Independent & Non-Executive Directors and one Executive Director. The composition of Remuneration Committee is as follows:-

Name of the Members	Position	Category
Mr. Sopan Vishwanathrao Kshirsagar	Chairman	Independent & Non Executive Director
Mr. Gajanan Uttamrao Mante	Member	Independent & Non Executive Director
Mr. Mahendraprasad Mallawat	Member	Whole Time Director

The Board of Directors of the company at its meeting held on 28th March, 2014 constituted the Nomination & Remuneration Committee in Compliance with Section 178 of the Companies Act and Clause 49 of the Listing Agreement.



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Meeting Details : Onemeting of the Nomination & Remuneration Committee was held on 28th March, 2014 during the Year.

b) Terms of Reference:-

The broad terms of reference of the committee are to appraise the performance of Chairman, Managing Director, Whole Time Directors and Chief Executive Officer, determine and recommend to the Board compensation payable to Chairman, Managing Director, Whole Time Directors and Chief Executive Officer. The Remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

c) Remuneration Policy:-

Subject to approval of the Board of Directors and subsequent approval by the members at the Annual General Meeting and such authorities as the case may be, remuneration of Chairman, Managing Director, Whole Time Directors, Chief Executive officer is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.

The remuneration structure comprises of basic salary, perquisites, allowances (fixed component), and contribution to provident fund, in accordance with the provisions of the Companies Act, 2013.

3) Stakeholders Relationship Committee :-

a) Composition and attendance:-

The Board has delegated the powers to approve transfer of shares etc. to this Committee of Three (3) Directors. The Board comprises of two Independent & Non-Executive Directors and one Executive Director. The composition and attendance of Shareholders' / Investors' Grievance Committee is as follows:-

Name of the Members	Position	Category
Mr. Prasanjeet Goswami	Chairman	Independent & Non Executive Director
Mr. Dinesh Kumar Gupta	Member	Independent & Non Executive Director
Mr. Harshad Kela	Member	Whole-time Director

The Stakeholders Relationship Committee composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

Meeting Details : No Shareholders' / Investors' Grievance Committee meeting was held during 2013-14.

b) Terms of Reference:-

The Committee looks into redressal of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.

The committee deals with various matters relating to -

- Transfer / transmission of shares.
- Issue of share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios.
- Review of shares dematerialized and all other related matters.



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- Investors' grievance and redressal mechanism and recommend measures to improve the level of investors' services.

The secretarial department of the Company and registrar and transfer agents viz. System Support Services attend expeditiously to all grievances / correspondences of the shareholders / investors, received directly or through SEBI, Stock Exchanges, Department of Corporate Affairs, and Registrar of Companies etc. The complaints are generally resolved within 15 days of receipt of letter, except in the cases that are constrained by disputes or legal impediment.

- c) **Information on Investor Grievances for the period from 01st April, 2013 to 31st March, 2014:-**

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

- d) **Compliance Officer:-**

Ms. Soniya Agarwal, Company Secretary, is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE & CSE.

4. **Code of Business Conduct and Ethics for Directors and Management personnel:-**

The Code of Business Conduct and Ethics for Directors and Management Personnel ("the Code") as adopted by the Board, is a comprehensive Code applicable to all Directors and Management Personnel. The Code, while laying down in detail, the standards of Business conduct, ethics and governance centres around the Following theme:

"The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit.

A Copy of the Code has been put on the Company's website www.arnoldholdings.in. The Code has been circulated to all the members of the Board and Management Personnel and the compliance of the same has been affirmed by them. A declaration signed by the Director is given below:-

"I hereby confirm that -

The Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Management Personnel in respect of the Financial Year 2013-14"

Sd/-

Mahendraprasad Mallawat

DIN - 00720282

Whole Time Director

Kolkata, 30th May, 2014

5. **General Body Meetings:-**

Financial Year	Date	Time	No. of Special Resolutions Passed
2010-11	30th September, 2011	11.30AM	Nil
2011-12	29th September, 2012	11.30AM	Nil
2012-13	28th September, 2013	11.30 AM	01



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6. Subsidiary Company:-

The Company does not have any subsidiaries during the Year. Hence, the provisions relating to "Subsidiary Companies" in Clause 49 of the Listing Agreement for the purpose of Compliance are not applicable to the Company.

7. Means of Communication:-

- (a) **Quarterly/ Annual Results** : The Company's Annual results are published in 'Free Press' and 'Navshakti' in Mumbai and 'Business Standard' & 'DainikLipi' in Kolkata and are also displayed on its website www.arnoldholdings.in
- (b) **Annual Report** : The Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Directors' Report in the Annual Report. The Annual Report is displayed on the Company's website www.arnoldholdings.in
- (c) **BSE Corporate Compliance & Listing Centre (the "Listing Centre")**: BSE's Listing Centre is a web- based Application designed for Corporates. All periodical compliances filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.
- (d) **SEBI Complaints Redress System (SCORES)**: The investor complaints are processed in a centralized web- based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of Actions taken on the complaint and its current status.
- (e) **Website** : The Company's website www.arnoldholdings.in contains a separate dedicated section, "Investor Relation", where shareholding pattern is available. The company's Annual report is also available in a user- friendly and downloadable form.
- 1) For any query in Annual Report mail on info@arnoldholdings.in

8. General Shareholder Information :-

- a) **Company Registration Details**: The Company is registered in the state of West Bengal, India. The Corporate Identity Number (CIN) allotted to the company by the Ministry of Corporate Affairs (MCA) is L65993WB1981PLC034406.
- b) **Annual General Meeting :-**
- Date : 29th September, 2014
- Venue : Hotel Lindsay, Lindsay Street, Kolkata-700087, West Bengal
- Day and Time : Monday, 2:30 PM
- c) **Financial Year of the Company :-**
- The Company follows the period of 01st April to 31st March, as the Financial Year. Tentative Calendar for the Financial Year ending 31st March, 2015 :
- | | |
|--|--------------------------------------|
| 1st Quarter ending 30th June 2014 | By 13th August, 2014 |
| 2nd Quarter & Half Year ending 30th September 2014 | By 14th November, 2014 |
| 3rd Quarter ending December 2014 | By 14th February, 2015 |
| 4th Quarter / year ending March 2015 | Within 60 days from 31st March, 2015 |
| Annual General Meeting for the Year 2014-15 | By September, 2015 |
- d) **Book Closure Date** : From 25th September, 2014 to 29th September, 2014 (Both Days inclusive)
- e) **Dividend Payment Date** : Credit/ dispatch of Dividend warrants on 30th September, 2014



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f) Listing on Equity Shares on Stock Exchange :

The Shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE) & Calcutta Stock Exchange Limited (CSE).

g) Payment of Listing Fees:

The Company has paid the Listing Fees for the year 2014-15 to both the above exchanges.

h) Payment of Depository Fees :

The Company has paid the custodial fees for the year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

i) Stock Code / Symbol :

Bombay Stock Exchange Limited (BSE)	537069
Calcutta Stock Exchange Limited (CSE)	10011234
International Securities Identification Number (ISIN)	INE185K01010

j) Share Price Data:

Month	BSE Limited (BSE) (in Rs. per Share)	
	Month's High Price	Month's Low Price
December-2013	237.75	195
January-2014	275.8	186.1
February- 2014	236.75	229
March-2014	279	230.2

Note : Company was listed in BSE on 23rd December, 2013.

k) Registrar and Share Transfer Agent:-

Share transfers and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. Niche Technologies Private Limited.

M/s. Niche Technologies Private Limited

D-511, Bagree Market, 5th Floor,
71, B R B Basu Road,
Kolkata -700 001.
Tel : +91 33 2235 7270
Fax : +91 33 2215 6823
Website : www.nichetechpl.com
E-mail : nichetechpl@nichetechpl.com

l) Share Transfer System :-

Presently, the share transfers received by the R&TA of the Company are processed and returned within a period of 15 days from the date of its receipt, subject to documents being valid and complete in all respect. The Board has delegated the authority for approving the transfers to the registrar & transfer agent subject to approval by Grievance Committee. Shareholders' Grievances and other miscellaneous correspondence on change of address, mandates, etc. received from Members are generally processed by R&TA of the Company within 15 days. The Company obtains from a 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 certificate with stock exchanges.



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m) Distribution of shareholding (category wise) as on 31st March, 2014:-

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	330035	6.58
Financial Institutions / Banks	0	0.00
Insurance Companies	0	0
NRI	5	0.00
Bodies Corporate	621997	12.41
Public	4060463	81.01
Total	5012500	100.00

n) Dematerialization of shares and liquidity:-

- About 100% of the shares have been dematerialized as on 31st March, 2014.
- Trading in the shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

o) **Outstanding GDR / ADR / Warrants or any convertible instruments:** The Company has not issued any GDRs/ Warrants or any other instrument, which is convertible into Equity Shares of the Company.

p) **Plant Locations:** The Company is in the business of providing financial services; therefore, it does not have any manufacturing plants.

q) Address for correspondence :-

(i) **Investor Correspondence:** For transfer/dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company:

M/s. Niche Technologies Private Limited

D-511, Bagree Market, 5th Floor,

71, B R B Basu Road, Kolkata - 700 001

Tel : +91 33 2235 7270

Fax : +91 33 2215 6823

Website : www.nichetechpl.com

E-mail : nichetechpl@nichetechpl.com

(ii) **For any Query on Annual Report:**

Ms. Soniya Agarwal

Company Secretary and Compliance Officer

Arnold Holdings Limited

B-502, Ramji House,

30 Jambulwadi, J.S.S. Road,

Mumbai - 400 002.

Maharashtra, India

Tel : +91 22-22016640

Fax : +91 22-4344 6409

Email: info@arnoldholdings.in

arnoldholding9@gmail.com



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9. **Compliance Certificate of the Auditors:** Certificate from the Company's Auditors M/s. Jain Pradeep & Company, confirming compliance with conditions of Corporate Governance as stipulated under clause 49 of the listing Agreement, is annexed to the Directors' report forming part of the Annual Report.

This certificate has also been forwarded to the Stock Exchanges where the shares of the Company are listed.

10. **Adoption of Mandatory and Non-Mandatory requirements of Clause 49:-** The Company has complied with all the mandatory requirements of Clause 49 of the Listing agreement. The company has adopted following non- mandatory requirements of Clause 49 of the Listing Agreement:

a) **Remuneration Committee:-**

The Company has constituted the Nomination and Remuneration Committee meeting the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013.

b) **Communication to shareholders:-**

Company's quarterly financials are published in English newspaper having a wide circulation all over India and in a Marathi newspaper widely circulated in Mumbai and Bengali newspaper widely circulated in Kolkata. The quarterly results and limited review report thereon are also put on the Company's website www.arnoldholdings.in. The same are not sent to the shareholders of the Company, individually.

c) **Disclosure of Risk Management:-**

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedure. These would be periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

d) **Audit Qualification:** The Company is in the regime of unqualified financial statements.

e) **Whistle Blower Policy:** The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower mechanism wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. Such reports will be reviewed by the Audit Committee of Directors from time to time. The mechanism provides that the confidentiality and they are not subjected to any discrimination practice.

11. **CEO / CFO Certification: -**

The Whole-time Director of the company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Whole-time Director also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual Certificate given by the Whole-time Director is given below:



Nalanda

TRUE COPY

To,
The Board of Directors
Arnold Holdings Limited

1. I have reviewed financial statements and the cash flow statement of Arnold Holdings Limited for the year ended 31st March, 2014 and due to the best of our knowledge and belief:
 - (i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of company's internal control systems pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operations of such internal controls.
4. I have indicated to the Auditors and the Audit Committee:
 - (i) That there are no significant changes in internal control over financial reporting during the year:
 - (ii) That there are no significant changes in accounting policies during the year: and
 - (iii) That there are no instances of significant fraud of which we have become aware.

On behalf of the Board of Directors,
For Arnold Holdings Limited

Sd/-

Mahendraprasad Mallawat
DIN '- 00720282
Whole Time Director

Kolkata, 30th May, 2014



Mahendras

TRUE COPY

ARNOLD HOLDINGS LTD.**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by **Arnold Holdings Limited**, for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement for the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Director and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, there were no investor's grievances remaining unattended/ pending for more than 30 days.

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

For JAIN PRADEEP & CO.

Chartered Accountants

FRN: 315109E

(Pradeep Jain)

Proprietor

Membership No.: 052264

Place : Kolkata

Dated: 30th Day of May, 2014



Pradeep Jain

TRUE COPY

ARNOLD HOLDINGS LTD.**INDEPENDENT AUDITOR'S REPORT :**

To The Members of Arnold Holdings Limited

Reports on the Financial Statements

We have audited the accompanying financial statements of Arnold Holdings Limited which comprise the Balance Sheet as at 31st March 2014, Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the Preparation of these financial statement that give a true and fair view of the Financial Position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimate made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so 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:

- a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014;
- b) In the case of the Profit & Loss Account, of the profit for the year ended on that date;
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Mahendra
TRUE COPY

Reports on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order , 2003 (" the order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act , we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - c) The Balance Sheet and Statement of Profit & Loss dealt with by this report are in agreement with the books of account [and with the returns received from branches not visited by us];
 - d) In our opinion , the Balance Sheet and Statement of Profit or Loss, comply with the Accounting Standards referred to in sub section (3C)of section 211 of the Companies Act, 1956;
 - e) On the basis of written representation received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For JAIN PRADEEP & CO.

Chartered Accountants

FRN: 315109E

(Pradeep Jain)

Proprietor

Membership No.: 052264

Place : Kolkata

Dated: 30th Day of May, 2014



Pradeep Jain

TRUE COPY

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 2 of our Report of even date:

1. In respect of its Fixed Assets :
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories :
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, and on the basis of our examination of records of inventory, the company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
 - a. As per records and according to the information and explanation given to us, the company has not taken or accepted or advanced any loans to the persons covered in the registrar maintained u/s 301 of the companies Act' 1956.
4. 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 for the purchase of fixed assets and also for providing services relating to its activities. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of transaction covered under Section 301 of the Companies Act' 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of such parties during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits form the public.
7. In our opinion, the internal audit system of the company is commensurate with its size and nature of its business.
8. The central Government has not prescribed maintenance of cost Records under Section 209 (1) of the Companies Act' 1956 for any of the products of the company for any of the products of the company.

*Handwritten signature in blue ink.***TRUE COPY.**

9. In respect of statutory dues :
- a. According to the records of the company and information and explanations given to us, undisputed statutory dues including P.F. & E.S.I., Income Tax, VAT, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally deposited with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March' 2014 for a period of more than six months from the date of becoming payable.
10. The company has neither accumulated losses as at the year end nor has incurred any cash losses during the financial year covered by our audit and immediately preceding financial year.
11. Based on the audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, clauses 4(xiii) of the companies (Auditor's Report) order 2003 is not applicable to the company.
14. Based on the records examined by us and according to information and explanations given to us, the proper records has been maintained of the transactions and contracts and timely entries have been made there in. The shares and securities are held by the company in its own name.
15. In our opinion according to the information & explanation given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not availed any term loan during the year.
17. Based on overall examination of records by us and according to the information and explanation given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act' 1956.
19. According to the information & explanation given to us and records examined by us, during the year the company has not issued any debentures hence question of creating security over the same does not arise.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For JAIN PRADEEP & CO.

Chartered Accountants

FRN: 315109E

(Pradeep Jain)

Proprietor

Membership No.: 052264

Place : Kolkata

Dated: 30th Day of May, 2014



Pradeep Jain

TRUE COPY

ARNOLD HOLDINGS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2014

	Schedule No.	31.03.2014 Rs.	31.03.2013 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	50,125,000	50,125,000
(b) Reserves and Surplus	2	446,394,340	439,798,156
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT			
(3) Current Liabilities :			
(a) Short term borrowings	3	47,097,674	11,009,100
(b) Trade payables	4	14,022,171	29,083,279
(c) Short term provisions	5	5,001,592	4,699,179
TOTAL		562,640,777	534,714,714
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	6	116,738	43,821
(b) Deferred Tax Asset		239,166	228,759
(c) Non - Current Investments	7	100,000	-
(2) Current Assets			
(a) Inventories	8	140,125,268	105,434,433
(b) Sundry Debtors	9	178,000	
(c) Cash and cash equivalents	10	11,556,361	37,832,191
(d) Short term loans and advances	11	410,325,244	391,175,511
TOTAL		562,640,777	534,714,715

Significant Accounting Policies &
Other notes attached form an integral part
of the Financial Statement - 20

Signed in terms of report attached of even date

For ARNOLD HOLDINGS LIMITED

M/S. PRADEEP JAIN & CO.

Chartered Accountants
Firm Reg. No : 315109E

(PRADEEP JAIN)

Proprietor
Membership No. 052264

M. P. MALLAWAT
DIRCETOR

HARSHAD KELA
DIRCETOR

Place : Kolkata - 700 007.

Dated : The 30th Day of May 2014.

Company Secretary



M. Mallawat

TRUE COPY

ARNOLD HOLDINGS LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	Schedule No.	31.03.2014 Rs.	31.03.2013 Rs.
I. Revenue from Operations	12	74,298,272	437,097,337
II. Other Income	13	5,097,757	5,223,313
Total revenue		79,396,029	442,320,650
III. Purchases of stock in trade		90,847,616	225,934,017
IV. Changes in inventories of finished goods	14	(34,690,835)	201,962,482
V. Employee benefits expense	15	1,766,045	1,537,800
VI. Finance Cost	16	1,224,195	-
VII. Depreciation and amortization expense	17	4,363	3,932
VIII. Other expenses	18	8,791,719	2,625,813
Total Expenses		67,943,104	432,064,044
IX. Profit/(Loss) before exceptional and extraordinary items and tax		11,452,925	10,256,607
X. Exceptional items		-	-
XI. Profit before extraordinary items and tax		11,452,925	10,256,607
XII. Extraordinary items		-	-
XIII. Profit before tax		11,452,925	10,256,607
XIV. Tax expense:			
(1) Current tax		1,954,260	1,786,290
(2) Deferred tax		(10,407)	(228,639)
XV. Profit/(Loss) for the period from continuing operations		9,509,072	8,698,956
XVI. Earning per equity share:	19		
(1) Basic		1.90	1.74
(2) Diluted		1.90	1.74

Signed in terms of report attached of even date

M/S. PRADEEP JAIN & CO.
Chartered Accountants
Firm Reg. No : 315109E

For **ARNOLD HOLDINGS LIMITED**

(PRADEEP JAIN)
Proprietor
Membership No. 052264

M. P. MALLAWAT
DIRECTOR

HARSHAD KELA
DIRECTOR

Place : Kolkata - 700 007.
Dated : The 30th Day of May 2014.

Company Secretary



Mahendra.
TRUE COPY

ARNOLD HOLDINGS LTD.**NOTES TO FINANCIAL STATEMENTS**

SCHEDULES '1' TO '19' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	Rs.	31.03.2014 Rs.	31.03.2013 Rs.
1. Share Capital:			
Equity Share Capital			
Authorized Capital			
50,50,000 Equity shares of Rs.10 /- each		50,500,000	50,500,000
		<u>50,500,000</u>	<u>50,500,000</u>
Issued, subscribed and fully paid up:			
50,12,500 Equity shares of Rs.10 /- each		50,125,000	50,125,000
At the close of the reporting period		<u>50,125,000</u>	<u>50,125,000</u>

Reconciliation of Shares :	QTY		QTY	
At the beginning of the year	5,012,500	50,125,000	5,012,500	50,125,000
Allotted / Redeemed during the year	-	-	-	-
Outstanding at the end of the year	5,012,500	50,125,000	5,012,500	50,125,000

The Company has only one class of equity shares having a face value of Rs 10/-. Each holder of Equity Shares is entitled to one vote per share.

In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the 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.

Other Information:

1 Particulars of equity share holders holding more than 5% of the total number of equity share capital:

NAME OF THE SHAREHOLDER	As at 31.03.2014		As at 31.03.2013	
	% of Total	QTY	% of Total	QTY
JAMEET SINGH INDERJIT SINGH CHHABRA	NIL	NIL	5.49	275,000
KULMEETSINGH INDERJIT SINGH CHHAHRA	NIL	NIL	5.49	275,000



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ARNOLD HOLDINGS LTD.

NOTES TO FINANCIAL STATEMENTS2. Reserves and Surplus:

PARTICULARS	Capital Reserve	Surplus i.e. balance in Statement of Profit & Loss	General Reserve	Statutory Reserve	Reserve Fund U/Sec 45-1C @20% of NP After Tax	Prov Against Standard Assets @ 0.25% of Loans & Advances	Total
At the beginning of the reporting period	1,052,591	6,494,983	428,889,249	11,441	1,915,638	1,434,254	439,798,156
Add: Transferred from Profit & Loss Account	-	9,509,072	-	-	-	-	9,509,072
Less: Contingent Provision Against Standard Assets	-	(1,018,259)	-	-	-	1,018,259	-
Less: Transferred to Reserve Fund U/Sec 45-1C	-	(1,862,090)	-	-	1,862,090	-	-
Less: Proposed Dividend	-	(2,506,250)	-	-	-	-	(2,506,250)
: Dividend Distribution Tax	-	(406,639)	-	-	-	-	(406,639)
At the close of the reporting period	1,052,591	10,210,817	428,889,249	11,441	3,777,728	2,452,513	446,394,340
At the close of the previous reporting period	1,052,591	6,494,983	428,889,249	11,441	1,915,638	1,434,254	439,798,156



Arnold Holdings

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ARNOLD HOLDINGS LTD.
NOTES TO FINANCIAL STATEMENTS

SCHEDULES '1' TO '19' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014	31.03.2013
Rs.	Rs.	Rs.
3. Short Term Borrowings		
Secured Loan	-	-
Unsecured Loan:		
Short Term Advances	47,097,674	11,009,100
	<u>47,097,674</u>	<u>11,009,100</u>
4. Trade Payables		
Sundry Creditors	13,786,171	29,055,779
Outstanding Expenses	206,500	-
Audit Fees Payable	29,500	27,500
	<u>14,022,171</u>	<u>29,083,279</u>
5. Short term provisions:		
Provisions:		
Provision for Income Tax (AY 2013-14)	-	1,786,290
Provision for Income Tax (AY 2014-15)	1,954,260	-
For Proposed Dividend	2,506,250	2,506,250
For Dividend Tax (A.Y.2013-14)	-	406,639
For Dividend Tax (A.Y.2014-15)	406,639	-
TDS On Interest Paid (A.Y. 2014-15)	122,426	-
TDS On Professional Fees (A.Y. 2014-15)	12,017	-
	<u>5,001,592</u>	<u>4,699,179</u>



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ARNOLD HOLDINGS LTD.

NOTES TO FINANCIAL STATEMENTS

(As per Companies Tax Act)

6. Fixed Assets:

(Figures in INR)

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET B LOCK			
	Rate	Cost as on 01/04/2013	Additions for the year	Deductions during the year	Cost as on 31/03/2014	Upto 31/03/2013	For the year	Total Depreciation	WDV as on 31/03/2014	WDV as on 31/03/2013
Tangible Assets: Own Assets										
Computer	40%	19,800	77,280	-	97,080	43	1,016	1,059	96,021	19,757
Air Conditioner	13.91%	38,198	-	-	38,198	14,134	3,347	17,481	20,717	24,064
TOTAL		57,998	77,280	-	135,278	14,177	4,363	18,540	116,738	43,821

Computers :

Date of Purchase	Amount
15.03.2014	38,640
25.03.2014	38,640

PARTICULAR OF DEPRECIATION ALLOWABLE AS PER THE INCOME TAX ACT, 1961
IN RESPECT OF EACH ASSETS OR BLOCK OF ASSETS, AS THE CASE MAY BE.

6. Fixed Assets:

(Figures in INR)

Description of Assets	Rate of Deprn.	W.D.S as on 01/04/2013	Addition / Deduction		Depreciation Allowable	W.D.S as on 31/03/2014
			More Than 180 Days	Less Than 180 Days		
Computer	60%	13,860.00	-	77,280.00	31,500.00	59,640.00
Air Conditioner	15%	23,759.00	-	-	3,564.00	20,195.00
Total Rs.		37,619.00	-	77,280.00	35,064.00	79,835.00



Arnold Holdings
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ARNOLD HOLDINGS LTD.**NOTES TO FINANCIAL STATEMENTS**

SCHEDULES '1' TO '19' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014	31.03.2013
Rs.	Rs.	Rs.
7. Inventories:		
Shares & Securities	140,125,268	105,434,433
	<u>140,125,268</u>	<u>105,434,433</u>
8. NON - CURRENT INVESTMENTS :		
HDFC Debt Fund For Cancer Cure (Interest free)	100,000	-
	<u>100,000</u>	<u>-</u>
9. SUNDRY DEBTORS		
Outstanding for a period exceeding 6 months	-	-
Others	178,000	-
	<u>178,000</u>	<u>-</u>
10. Cash and cash equivalents:		
Balances with banks	11,299,397	37,633,402
Cash in hand	256,965	198,789
	<u>11,556,362</u>	<u>37,832,191</u>
11. Short term loans and advances & Deposits :		
Loans & Advances	407,303,566	388,868,822
TDS Refundable	446,626	446,626
TDS (AY 2013-14) Refundable	73,773	1,860,063
TDS (AY 2014-15)	2,201,279	-
Rent Deposit	300,000	-
	<u>410,325,244</u>	<u>391,175,511</u>
12. Revenue from Operations		
Sales	43,822,373	427,947,954
Profit / (Loss) from Derivatives Transactions	(403,309)	(18,088,919)
Interest	30,879,208	27,238,302
	<u>74,298,272</u>	<u>437,097,337</u>
13. Other Income:		
Dividend Income	5,097,757	5,223,313
	<u>5,097,757</u>	<u>5,223,313</u>
14. Changes in inventories of finished goods:		
Stocks at the beginning of the year	105,434,433	307,396,915
Less :Stocks at the end of the year	140,125,268	105,434,433
	<u>(34,690,835)</u>	<u>201,962,482</u>



M. Anandh

TRUE COPY.

ARNOLD HOLDINGS LTD.**NOTES TO FINANCIAL STATEMENTS**

SCHEDULES '1' TO '19' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.3.2014	31.3.2013
Rs.	Rs.	Rs.
15. Employee Benefit Expenses:		
Salaries and Bonus	1,288,600	877,800
Directors Remuneration	402,445	360,000
Directors Siting Fees	75,000	300,000
	<u>1,766,045</u>	<u>1,537,800</u>
16. Finance Costs		
Interest Paid	1,224,195	-
	<u>1,224,195</u>	<u>-</u>
17. Depreciation and amortization:		
Depreciation	4,363	3,932
	<u>4,363</u>	<u>3,932</u>
18. Other expenses:		
Payment to the auditors		
- Audit Fees	29,500	27,500
Bank Charges	2,992	2,098
Depository Charges	33,688	39,326
Consultancy Charges	545,440	115,150
General Expenses	468,151	396,155
Listing Fees	681,042	67,718
Office Rent	501,000	180,000
Office Expenses	459,573	133,067
Postage & Telegram	177,627	41,539
Bad & Doubtful Debts W/off	5,091,506	745,746
Registrar Fees	21,910	14,341
Rates & Taxes	17,923	10,100
Telephone Expenses	4,803	3,741
Printing & Stationery	136,538	302,100
Travelling Expenses	620,026	547,232
	<u>8,791,719</u>	<u>2,625,813</u>
19. Earnings per share :		
Profit for the year after tax expense	9,509,072	8,698,956
	<u>9,509,072</u>	<u>8,698,956</u>
Weighted average number of equity shares	5,012,500	5,012,500
Earning per share	1.90	1.74



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NOTE - '20' : NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH' 2014**I. CORPORATE INFORMATION :-**

Arnold Holdings Limited deals in Shares and securities and Advancing of Loans.

II. SIGNIFICANT ACCOUNTING POLICIES :**A. a) BASIS OF ACCOUNTING POLICIES:-**

The financial statements have been prepared under the historical cost convention using accrual method of accounting in accordance with the generally accepted accounting principles in India and the provisions of companies Act, 1956 and the accounting standards as specified in companies(Accounting Standards) Rule, 2006.

- b) The Company is not a Small and Medium-sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the company has complied with the Accounting Standards as applicable to it.

B. USE OF ESTIMATES:

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment.

C. FIXED ASSETS & DEPRECIATION:

The Fixed Assets are stated at their original cost of acquisition including all expenses attributable to bring the assets to its intending use.

The depreciation on Fixed Assets has been provided for on written down value method at the rate and in the manner prescribed in Schedule XIV of The Companies Act' 1956.

None of the Fixed Assets have been revalued during the year.

D. RECOGNITION OF INCOME & EXPENDITURE :

- a. Revenues /Income and cost/Expenditure are generally accounted on Accrual basis as they are earned or incurred.
- b. Revenue includes Income from Sale of Shares, Derivative trading, Interest & Dividend.

E. FOREIGN CURRENCY TRANSACTIONS:

- a. The reporting currency of the company is the Indian rupee.
- b. The company has not made any transaction in foreign exchange during the year.

F. INVESTMENTS:

- a. The investment held by the company is carried at cost. (Cost Rs. 1,00,000/- Market value Rs. 1,00,000/-)

G. INVENTORIES:

The inventories of quoted equity shares have been valued at Cost or market price whichever is lower and of unquoted equity shares have been valued at cost.

H. PROVISION FOR CURRENT AND DEFERRED TAX:

Current Income Tax is determined as an amount of taxes payable in respect of taxable income for the year. Deferred tax liability/assets in terms of Accounting Standard - 22, issued by The Institute of Chartered Accountants of India, is recognized, subject to the consideration of prudence in respect of Deferred Tax liability/assets arising due to timing differences.

I. IMPAIRMENT OF ASSETS:

At each balance sheet date, the management reviews the carrying amounts of its assets included in the cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment.



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J. EMPLOYEES BENEFITS UNDER THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006.

The Company has applied the revised Accounting Standard AS-15 EMPLOYEES BENEFITS UNDER THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006 relating to employees benefits notified under the companies (Accounting Standards) Rules 2006. According to the management there is no present obligation of any post employment benefits including payment of gratuity during the year. Therefore no actuarial gains or losses arose at the end of the year.

K. DISCLOSURE OF RELATED PARTY/ RELATED PARTY TRANSACTIONS :**a) KEY MANAGERIAL PERSONS:**

Mahendraprasad Mallawat
Prsanjeet Goswami
Dinesh Kumar Gupta
Gajanan Uttamrao Mante
Harshad Achaleshwar Kela
Dr. Sopan Vishwanathrao Kshirsagar - Independent Director

b) DETAILS OF TRANSACTION:

Directors' Remuneration:- Mahendraprasad Mallawat 4,02,445/-
Director siting fees:- Prsanjeet Goswami 45,000/- Dinesh Gupta 30,000/-

III. NOTES ON ACCOUNTS

1. Payment to Auditors Rs. 29,500/- (prev. year- Rs. 27,500/-).
2. Directors Remuneration Rs. 4,02,445/- (Prev. Year - 3,60,000/-).
3. (i) Expenditure in Foreign Currency Rs. NIL.
(ii) Earnings in Foreign Currency Rs. NIL.
4. Estimated amount of contract remaining to be executed on capital accounts and not provided for - NIL. (Prev.year - NIL).
5. Contingent liability as on 31/03/2014 -NIL
6. The company has not received any intimation from vendors regarding their status under the Micro Small & Medium Enterprises Act, 2006 and hence disclosures relating to their outstanding amount and interest have not been made.
7. Balances of Sundry Debtors and Sundry Creditors, Advance from customers and advances are subject to confirmation.
8. In the opinion of the Board of Directors, the current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provisions for depreciation and all know liabilities are adequate and not in excess of the amounts reasonably necessary.
9. Previous Year's figures have been regrouped and rearranged wherever necessary to conform to the classification adopted for the current year.
10. No employees of the company are in receipt of or are entitled to receive remuneration more than or equal to the rates prescribed under 217(2A) of the Companies Act, 1956.

Signed in terms of report attached of even date

M/S. PRADEEP JAIN & CO.
Chartered Accountants
Firm Reg. No : 315109E

For ARNOLD HOLDINGS LIMITED

(PRADEEP JAIN)
Proprietor
Membership No. 052264

M. P. MALLAWAT
DIRCETOR

HARSHAD KELA
DIRCETOR

Place : Kolkata - 700 007.
Dated : The 30th Day of May 2014.

Company Secretary



Mahendraprasad
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ARNOLD HOLDINGS LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2014**

	2013-2014	
	Rs.	Rs.
A. Cash Flow From Operating Activities		
Profit Before Tax	11452925	
Provision For Current Taxation	(1954260)	
Proposed Dividend & Dividend Distribution Tax	(2912889)	
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	4363	
		6590139
Operating Profit Before Working Capital Changes		
Movements in Working Capital		
Increase/ (decrease) in other current liabilities	(15061108)	
Decrease / (increase) in inventories	(34690835)	
Decrease / (increase) in other current assets	(178000)	
Decrease / (Increase) long term loans and advances	0	
Decrease / (increase) short term loans and advances	(16948455)	
Increase / (Decrease) in long term provisions	0	
Increase / (decrease) in short-term provisions	302413	(66575984)
		(59985845)
Less: Income Tax paid	(2201279)	(2201279)
Net Cash from Operating Activities		(62187124)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(77280)	
Proceeds from Sale Of Fixed Assets	0	
Purchase of Non-Current Investment	(100000)	
Purchase of Current Investment	0	
Proceeds from Sale Of Current Investment	0	
Dividends On Long term Investments	0	
Net Cash from Investing Activities		(177280)
C. Cash Flow From Financing Activities		
Proceeds from issuance of Share Capital	0	
Proceeds from Long Term Borrowing	0	
Proceeds from Short Term Borrowings	36088574	
Repayment of Short Term Borrowings	0	
Net Cash from Financing Activities		36088574



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ARNOLD HOLDINGS LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2014**

	2013-2014	
	Rs.	Rs.
Net (Decrease) / Increase in Cash & Cash Equivalents		(26275830)
Opening Cash & Cash Equivalents		37832191
Closing Cash & Cash Equivalents		11556361
D. Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Components of Cash & Cash Equivalent at the end of Year		
Cash on hand		256965
Cash at bank		
Current Account		11299396
Total cash and cash equivalents		11556361

Notes to the Cash Flow Statement:

1. The Cash Flow Statement has been prepared in accordance with requirement of Accounting Standard-3
2. Cash Flow have been reported using the indirect method, where by the net profit is adjusted for the effects of the transactions of the non cash nature and my deferrals or accruals of past or future cash receipts or payments, segregated between cash flows.
3. Cash and cash equivalents balances held by the company are available for its use.

This is the cash Flow Statement referred in our report of even date.

Signed in terms of report attached of even date

M/S. PRADEEP JAIN & CO.

Chartered Accountants
Firm Reg. No : 315109E

(PRADEEP JAIN)

Proprietor
Membership No. 052264

For ARNOLD HOLDINGS LIMITED

M. P. MALLAWAT
DIRCETOR

HARSHAD KELA
DIRCETOR

Place : Kolkata - 700 007.

Dated : The 30th Day of May 2014.

Company Secretary



Harshad Kela

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ATTENDANCE SLIP

32nd ANNUAL GENERAL MEETING
MONDAY, SEPTEMBER 29, 2014

Registered Folio/ _____

DP ID and Client ID _____

Name of the Member _____ Signature _____

Name of Proxyholder _____ Signature _____

1. Only Member/Proxy holder can attend the Meeting.
2. Members/Proxy holder desiring to attend the meeting should bring his/ her copy of the Annual Report for reference at the Meeting.

ELECTRONIC VOTING PARTICULARS

EVSN	User ID	Password
140901030	Please refer to Note no. 17 in the Notice	