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# **ARNOLD HOLDINGS LIMITED**

## **TWENTY EIGHTH ANNUAL REPORT**

**2009-10**

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Phone : 033-3348 3596

# ARNOLD HOLDINGS LIMITED

6, CLIVE ROW, MEZZANINE FLOOR, ROOM NO. 16/5  
KOLKATA - 700 001

## NOTICE

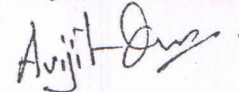
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Date.....

NOTICE is hereby given that the Twentyeighth - Annual General Meeting of the Members of Arnold Holdings Limited will be held at the Registered Office of the Company at 6, Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001 on Monday the 27<sup>th</sup> day of September, 2010 at 10.30 A. M. to transact the following business: ~

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2010 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Ravi Agarwal, who retires by rotation and being eligible offers himself for re-appointment as a Director.
- 3) To appoint Auditors of the Company and fix their remuneration.

By order of the Board



Director

**Registered Office:**

6, Clive Row,  
Mezzanine Floor,  
Room No. 16/5  
Kolkata- 700 001

**Dated: 03rd Day of September 2010**

**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. The Register of Members and the share transfer books of the Company will remain closed from 23rd September 2010 to 27<sup>th</sup> September 2010 (both days inclusive).



## DIRECTOR'S REPORT

**Dear Shareholders**

Your Directors have pleasure in presenting the Twentyeighth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2010.

### 1. FINANCIAL HIGHLIGHTS

The working result of the Company for the year-ended stand as under:

Particulars	(Rs.) Year ended 31.03.2010	(Rs.) Year ended 31.03.2009
Profit/(Loss) before Taxation	35586.71	13468.65
Less: Provision for Taxation	10997.00	17888.00
Less: Provision for Fringe Benefit Taxation	-	1000.00
Less: Provision for Deferred Taxation	-	15177.00
Profit/(Loss) after Taxation	24589.71	(20596.35)
Less: Transfer to Reserve Fund	4917.94	-
Add: Balance brought forward from previous year	8360621.84	8381218.19
Balance carried to Balance Sheet	8380293.61	8360621.84

### 2. DIVIDEND

In view of marginal profit earned by the Company, the Directors have decided not to recommend any dividend for the year.

### 3. DIRECTORS

Mr. Ravi Agarwal retires by rotation and being eligible, offers himself for reappointment.

### 4. DIRECTOR'S 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:

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, 2010, 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 31<sup>st</sup> March 2010 on a going concern basis.

#### **5. AUDITORS**

Agrawal S. Kumar & Associates, Chartered Accountants, hold the office till the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Your directors recommend their reappointment.

#### **6. LISTING OF EQUITY SHARES**

The Equity Shares of the company are listed on The Calcutta Stock Exchange Association Ltd.

#### **7. DEMATERIALIZATION OF SHARES OF YOUR COMPANY**

The company had entered into an arrangement with National Depository Limited and Central Depository Services (India) Limited for dematerialization of its equity shares and part of its equity shares have been dematerialized.

#### **8. EMPLOYEES**

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

#### **9. DEPOSITS**



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

#### 10. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosures of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

#### 11. AUDIT COMMITTEE

The Company pursuant to Companies Amendment Act 2000 has constituted an Audit Committee u/s 292A of the Companies Act 2000. The Analysis of the Committee has been given elsewhere under the report of Corporate Governance.

#### 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.

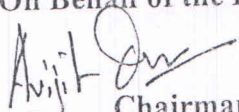
#### 13. FOREIGN EXCHANGE

The Company had no foreign exchange outflow or inflow during the year under review.

#### 14. ACKNOWLEDGEMENTS

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' place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

Dated: 22<sup>nd</sup> Day of August 2010  
Place: Kolkata

On Behalf of the Board  
  
Chairman

**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 specialisation. 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 unorganised sector and to small borrowers at the local level in response to local requirements is well recognised. 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,
- 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 unauthorised 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, 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

**FINANCIAL PERFORMANCE:**

During the fiscal 2010, the gross operational income of the Company stood at Rs.5.53 Lacs as compared to previous fiscal of Rs. 5.17 Lacs. This fiscal, Company profits have been Rs.0.32 Lacs as compared to Rs. 0.25 Lacs of fiscal 2009.

**Financial Highlights:**

- Income from operation stood at Rs. 5.53 Lacs for fiscal 2010
- Profit Before Taxes of fiscal 2010 was Rs. 0.47 Lacs.
- Profit After Taxes of fiscal 2010 was Rs.0.32 Lacs
- Net Worth of company stood at Rs.4884.85 Lacs as on March 31,2010

**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, 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.
- **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 to 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 non performing 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.

## **REPORT ON CORPORATE GOVERNANCE**

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

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of maximizing stakeholders' value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees etc.

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements, the disclosure requirements of which are given below:

### **Mandatory Requirements:-**

#### **1. Company's Philosophy on Corporate Governance:-**

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

#### **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 Three (3) Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

Name of Director	Category of Directorship	Designation
Mr. Ravi Agarwal	Independent - Non Executive	Director
Mr. Avijit Das	Independent - Non Executive	Director
Mr. Deepak Kumar Jhawar	Independent - Non Executive	Director

##### **b) Board Meetings and attendance of Directors:-**

During the financial year ended on 31<sup>st</sup> March 2010, four (4) Board Meetings were held on the following dates:-

30<sup>th</sup> April, 2009, 29<sup>th</sup> July, 2009, 28<sup>th</sup> October, 2009 and 30<sup>th</sup> January, 2010.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board members to discharge their responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.



The information as specified in Annexure 1A to Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

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: -

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM held on 29 <sup>th</sup> September, 2009	# Directorship held in other Companies	Committee Memberships/ Chairmanships	
				Membership	Chairmanship
Mr. Ravi Agarwal	4	Absent	-	--	--
Mr. Avijit Das	4	Absent	-	--	--
Mr. Deepak Kumar Jhawar	1	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.

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

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

**Mr. Ravi Agarwal**, aged 32 years is an Independent Director of our Company. He is a Bachelor of Commerce.

**Committees of the Board of Directors of the Company:-**

**3. Audit Committee:-**

**a) Composition and attendance:-**

The Audit Committee comprises of experts specializing in accounting / financial management. 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	Attendance
Mr. Ravi Agarwal	Chairman	Independent & Non Executive Director	4
Mr. Deepak Kumar Jhawar	Member	Independent & Non Executive Director	1
Mr. Avijit Das	Member	Independent & Non Executive Director	4

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the Companies Act, 1956. All the members of Audit Committee possess knowledge of corporate finance, accounts and company law.

During the year 2009-10, four (4) Audit Committee meetings were held on 30<sup>th</sup> April, 2009, 29<sup>th</sup> July, 2009, 28<sup>th</sup> October, 2009 and 30<sup>th</sup> January, 2010.

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.

4. Remuneration Committee:-

a) Composition and attendance:-

The Remuneration Committee comprises of three (3) members. The composition of Remuneration Committee is as follows:-

Name of the Members	Position	Category
Mr. Ravi Agarwal	Chairman	Independent & Non Executive Director
Mr. Deepak Kumar Jhawar	Member	Independent & Non Executive Director
Mr. Avijit Das	Member	Independent & Non Executive Director

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, 1956.

**5. Shareholders' / Investors' Grievance 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 quorum for functioning of the committee is any two (2) Directors present. The composition and attendance of Shareholders' / Investors' Grievance Committee is as follows:-

Name of the Members	Position	Category
Mr. Ravi Agarwal	Chairman	Independent Director
Mr. Deepak Kumar Jhawar	Member	Independent Director
Mr. Avijit Das	Member	Independent Director

No Shareholders' / Investors' Grievance Committee meeting was held during 2009-10.

**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.
- 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. Niche Technologies Private Limited 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 30 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 01<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010:-

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

d) Compliance Officer:-

Mr. Ravi Agarwal, Director is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the CSE.

6. Code of Conduct and Ethics for Directors and Senior Management:-

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. A copy of the Code of conduct is available on the Company's website [www.arnoldholdings.in](http://www.arnoldholdings.in)

The Code has been circulated to all the members of the Board and Senior Management 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 Senior Management, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the Financial Year 2009-10"

Mr. Ravi Agarwal

Director

7. General Body Meetings:-

a) Details of the last Annual General Meetings of the Company are given below:-

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions Passed
2006-07	25 <sup>th</sup>	08.09.2007	7, Lyons Range, 2 <sup>nd</sup> Floor, Kolkata-700001	11.30 A.M	Nil
2007-08	26 <sup>th</sup>	26.09.2008	6, Clive Row, Mezzanine, Room No. 16/5, Kolkata - 700001	11.30 A.M	Nil
2008-09	27 <sup>th</sup>	29 <sup>th</sup> September, 2009	6, Clive Row, Mezzanine, Room No. 16/5, Kolkata - 700001	12.30 p.m.	Nil



8. **Subsidiary Company:-**

The Company does not have any subsidiary company in term of Clause 49 (III) of the Listing Agreement and hence, it is not required to have an independent director of the Company on the board of such subsidiary company.

9. **Compliance with other mandatory requirements:-**

1) **Disclosures:-**

a) **Materially significant related party transactions:-**

There were no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, directors or the management, their subsidiary or relatives etc. during the year, that may have potential conflict with interest of the Company at large.

b) **Disclosure of accounting treatment:-**

In the preparation of financial statements, the Company has followed the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India to the extent applicable.

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) **CEO / CFO Certification:-**

In line with the requirements of Clause 49 (V) of the Listing Agreement, the Managing Director of the Company has submitted the CEO/CFO Certification, certifying to the Board inter alia that the Financial Statements and the Cash Flow Statements for the financial year ended on 31<sup>st</sup> March, 2010 were reviewed to the best of his knowledge and belief, that they do not contain any untrue statement, omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with applicable laws and regulations.

e) **Statutory Compliance, Penalties and Strictures:-**

The Company has complied with all requirements of the Listing Agreements entered with Stock Exchanges as well as applicable regulation and guidelines of SEBI. There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authorities for non compliance of any matter related to the capital markets during the last three years.

10. **Means of Communication:-**

Quarterly / Half yearly financial results sent to each shareholder's residence.	No, but published in the newspapers
In Which Newspapers Quarterly, half yearly & annual results were normally Published.	English & Bengali
Any-website, where results or official news are displayed.	<a href="http://www.arnoldholdings.in">www.arnoldholdings.in</a>
Whether Management Discussion & Analysis Report is a part of the Annual Report or not.	Yes, it is part of Annual Report - As Annexure - I

11. **General Shareholder Information:-**

a) **28<sup>th</sup> Annual General Meeting:-**

Date	27 <sup>th</sup> September, 2010
Venue	6, Clive Row, Mezzanine Floor, Room No. 16/5 Kolkata - 700001
Day and Time	Monday, 10,30 a.m.

b) **Financial Calendar:-**

The Company follows the period of 01<sup>st</sup> April to 31<sup>st</sup> March, as the Financial Year.

For the Financial Year 2010-11, Financial Results will be announced as per the following tentative schedule.

1 <sup>st</sup> Quarter ending June 2010	By 14 <sup>th</sup> August, 2010
2 <sup>nd</sup> Quarter & Half Year ending September 2010	By 14 <sup>th</sup> November, 2010
3 <sup>rd</sup> Quarter ending December 2010	By 14 <sup>th</sup> February, 2011
4 <sup>th</sup> Quarter / year ending March 2011	Within 60 days from 31 <sup>st</sup> March, 2011
Annual General Meeting for the Year 2010-11	By September, 2011

c) **Book Closure Date:-**

Date of Book Closure	23 <sup>rd</sup> September, 2010 to 27 <sup>th</sup> September, 2010 (both days inclusive)
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d) **Listing:-**

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

e) **Listing Fees to Stock Exchanges:-**

The Company has paid the Listing Fees for the year 2010-11 to both the above exchanges.



**f) Custodial Fees to Depositories:-**

The Company has paid the custodial fees for the year 2010-11 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**g) Stock Code / Symbol:-**

Calcutta Stock Exchange Limited (CSE)	10011234
International Securities Identification Number (ISIN)	INE185KO1010
Corporate Identity Number (CIN)	L65993WB1981PLC034406
Allotted by the Ministry of Corporate Affairs (MCA)	

**h) 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,  
71, B R B Basu Road,  
Kolkata-700 001  
Tel: +91 33 2235 7270  
Fax: +91 33 2215 6823  
Website: [www.nichetechpl.com](http://www.nichetechpl.com)  
E-mail: [nichetechpl@nicetechpl.com](mailto:nichetechpl@nicetechpl.com)

**i) Share Transfer System:-**

Presently, the share transfers received by the R&TA of the Company are processed and returned within a period of 30 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 30 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 CSE..

**j) Shareholding pattern (category wise) as on 31<sup>st</sup> March, 2010:-**

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	80000	1.60
Financial Institutions / Banks	0	0.00
Insurance Companies	0	0

NRI	0	0
Bodies Corporate	0	0
Public	4932500	98.40
<b>Total</b>	<b>5012500</b>	<b>100.00</b>

**k) Dematerialization of shares and liquidity:-**

- About 48.36% of the shares have been dematerialized as on 31<sup>st</sup> March, 2010.
- Trading in the shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

**l) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and its impact on equity:-**

Nil

**m) Address for correspondence:-**

**Compliance Officer**

Mr. Ravi Agarwal

6, Clive Row, Mezzanine Floor, Room No. 16/5 Kolkata - 700001

**Non Mandatory Requirements:-**

**a) Remuneration Committee:-**

Please refer item number 4 under Mandatory requirements.

**b) Shareholder Rights:-**

Company's quarterly financials are published in English newspaper having a wide circulation all over India and in a 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](http://www.arnoldholdings.in). The same are not sent to the shareholders of the Company, individually.

By Order of the Board of Directors,

For Arnold Holdings Limited

Director

Kolkata, 22<sup>nd</sup> August, 2010



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

The Members—

**ARNOLD HOLDINGS LIMITED**

We have examined the compliance of conditions of Corporate Governance by concrete Credit Limited, for the year ended March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

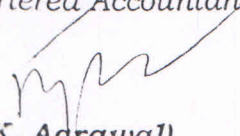
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression 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 stipulate 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 assurances 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, AGRAWAL S. KUMAR & ASSOCAITES**  
*Chartered Accountants*

  
**(S. K. Agrawal)**  
Partner

Membership No.: 54232

Place: Kolkata

Dated: The 22<sup>nd</sup> Day of August 2010



**Head Office :**

23A, N. S. Road, 1st Floor,  
Room No. 27A, Kolkata - 700 001  
Phone : 3028 8510 - 512  
Email : agrsk@vsnl.net

**Branch Office :**

21, Hemanta Basu Sarani,  
3rd Floor, Room No. 306,  
'CENTRE POINT', Kolkata - 700 001  
Ph. : 3028 8500 - 506, Fax : 3028 8499

## Auditors' Report

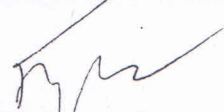
To  
The Members of  
ARNOLD HOLDINGS LIMITED

1. We have audited the attached Balance Sheet of M/s. Arnold Holdings Limited as at 31<sup>st</sup> March, 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's Management our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are not material misstatements. An audit includes examining on test check basis, evidence supporting the amounts and disclosure of the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (as amended), issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a report as required by paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (1) above.
  - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by Law, have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account as submitted to us.
  - d) In our opinion, the Profit & Loss Account and the Balance Sheet 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 of the company as at 31<sup>st</sup> March 2010 and taken on records by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of account read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and
  - ii. In the case of the Profit & Loss Account, of the profit for the year ended on that date.
  - iii. In case of Cash Flow Statement, of the Cash Flows for the year ended as on that date.

For, Agrawal S. Kumar & Associates  
*Chartered Accountants*

  
(S. K. Agrawal)  
Partner

M. No. 054232

Place: Kolkata

Dated: The 22<sup>nd</sup> Day of August 2010

Annexure to the Auditor's Report referred to in paragraph 3 of our report of even date

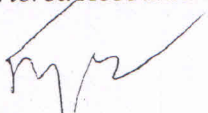
As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government in terms of Sections 227(4A) of the Companies Act, 1956 and on the basis of such checks as was considered appropriate and according to the information and explanations given to us, we report that:

1. The company does not own any fixed asset during the year..
2. The Company maintains proper record of inventory during the year.
3. The Company has neither taken or nor given any loans or advances in the nature of loans, secured or unsecured, from or to, Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our Opinion and according to explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to fixed assets. No major weakness has been noticed in the internal control.
5. Based on the audit-procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, in our opinion, the Company has not accepted any public deposits so far up to 31<sup>st</sup> March 2010.
7. There is adequate Internal Audit system commensurate with the size and nature of its business.
8. According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Hence the provision of Section 209(1) (d) does not apply to the Company. Hence in my opinion, no comment is required on maintains of cost record.
9. According to the record of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including, Income Tax, Wealth-tax, Sales-tax, cess and other statutory dues applicable to the Company.
10. The Company has not incurred cash losses during the financial year covered by our audit. Hence no comment is required.
11. According to records the Company has not borrowed from financial institutions or banks or issued debentures till 31<sup>st</sup> March 2010. Hence in our opinion the question of reporting on defaults in repayment of dues to financial institutions or banks or debentures doesn't arise.



12. According to the records the Company has not granted any Loans on the basis of security or pledge of shares, debentures or other securities.
13. As the Company is neither a Chit fund nor a nidhi mutual benefit society. Hence the requirement under Para 4(xiii) is not applicable.
14. The Company is dealing in shares securities and debentures and other investments.
15. According to the information and explanations provided by the management, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the records the Company, the Company has not obtained any terms Loans.
17. The Company has not raised any funds during the year.
18. According to the records the Company, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the records the Company, the Company has not issued any debentures.
20. The Company has not raised any public issues during the period covered by our audit report.
21. Based on the audit procedures applied by us and according to the information and explanation provided by the management. We report that no frauds on or by the Company has been noticed or reported during the course of our audit.

For, Agrawal S. Kumar & Associates  
*Chartered Accountants*

  
(S. K. Agrawal)

Partner

M. No. 054232

Place: Kolkata

Dated: The 22<sup>nd</sup> Day of August 2010

# ARNOLD HOLDINGS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at		As at	
		31st March, 2010		31st March, 2009	
		Rs.	P.	Rs.	P.
<b>SOURCES OF FUNDS</b>					
1 SHAREHOLDERS FUND					
(a) Share Capital	A	50,125,000.00		50,125,000.00	
(b) Reserve & Surplus	B	438,359,790.96		438,327,052.04	
		<u>488,484,790.96</u>		<u>488,452,052.04</u>	
<b>APPLICATION OF FUNDS</b>					
1 INVESTMENT	C	479,256,471.60		480,653,721.60	
2 DEFFERRED TAX ASSETS			120.25		-
3 FIXED ASSESTS					
Air Conditionor			38,198.00		-
4 CURRENT ASSETS, LOANS & ADVANCES					
(a) Cash & Bank Balances	D	1,416,102.11		173,189.44	
(b) Sundry Debtors		4,500,000.00		7,800,000.00	
(c) Other Current Assets	E	218,766.00		166,917.00	
(d) Loans & Advances	F	41,103,340.00		29,137,509.00	
		<u>47,238,208.11</u>		<u>37,277,615.44</u>	
5 LESS : CURRENT LIABILITIES & PROVISIONS					
(a) Current Liabilities	G	38,296,959.00		29,742,627.00	
(b) Provisions	H	65,415.00		50,825.00	
		<u>38,362,374.00</u>		<u>29,793,452.00</u>	
6 NET CURRENT ASSETS			8,875,834.11		7,484,163.44
7 MISCELLANEOUS EXPENDITURE					
(a) Capital Registration Fees			314,167.00		314,167.00
		<u>488,484,790.96</u>		<u>488,452,052.04</u>	

Significant Accounting Policies & Notes on Accounts K  
As per Schedule A to K form an integral part of the accounts

As per our Report of even date  
For Agrawal S. Kumar & Associates  
Chartered Accountants

(S.K. Agrawal)  
Membership No. 054232  
(Partner)

ARNOLD HOLDINGS LTD.  
*Ajit*  
Director/Authorised Signatory  
ARNOLD HOLDINGS LTD.  
*Ravi Agrawal*  
Director/Authorised Signatory

Place : Kolkata

Dated : The 22nd Day of August, 2010

DIRECTORS

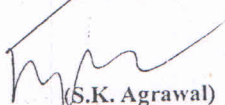


# ARNOLD HOLDINGS LIMITED

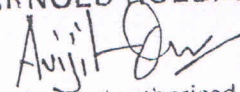
## PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

Schedule	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs.	P.	Rs.	P.
INCOME				
Other Income	I	553,083.00	516,562.99	
		<u>553,083.00</u>	<u>516,562.99</u>	
EXPENDITURE				
Administrative & Other Expenses	J	491,542.33	466,644.28	
Audit Fees		14,332.00	14,332.00	
		<u>505,874.33</u>	<u>480,976.28</u>	
Profit before Taxation		47,208.67	35,586.71	
Less : Provision for Taxation		14,590.00	10,997.00	
Profit after Taxation		<u>32,618.67</u>	<u>24,589.71</u>	
Less: Transferred to Reserve Fund		6,523.73	4,917.94	
Add : Deffered Tax Assets		120.25	-	
Balance Cr./(Dr.) brought forward		8,380,293.61	8,360,621.84	
Balance Carried to Balance Sheet		<u>8,406,508.80</u>	<u>8,380,293.61</u>	
		0.001	0.000	
Significant Accounting Policies & Notes on Accounts K				
As per Schedule A to K form an integral part of the accounts				

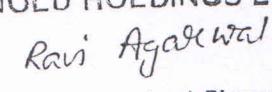
As per our Report of even date  
For Agrawal S. Kumar & Associates  
Chartered Accountants

  
(S.K. Agrawal)  
Membership No. 054232  
(Partner)

**ARNOLD HOLDINGS LTD.**

  
Director/authorised Signatory

**ARNOLD HOLDINGS LTD.**

  
Director/authorised Signatory  
**DIRECTORS**

Place : Kolkata

Dated : The 22nd Day of August, 2010

# ARNOLD HOLDINGS LIMITED

Schedules 'A' to 'K' attached to and forming part of the Balance Sheet as at 31st March, 2010 and  
Profit & Loss Account for the period ended 31st March, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	P.	Rs.	P.

## SCHEDULE - A SHARE CAPITAL AUTHORISED

5050000 Equity shares of Rs. 10/- each	50,500,000.00		50,500,000.00	
--	---------------	--	---------------	--

## ISSUED, SUBSCRIBED & PAID UP

5012500 Equity Shares of Rs.10/- each fully paid up in cash	50,125,000.00		50,125,000.00	
out of which 4812500 equity shares of Rs 10 each fully paid up being issued for consideration other than cash in scheme of amalgamation	50,125,000.00		50,125,000.00	

## SCHEDULE - B RESERVE & SURPLUS

Capital Reserve	1,052,591.00		1,057,508.94	
Amalgamation Reserve	428,889,249.49		428,889,249.49	
Statutory Reserve	11,441.67		-	
Profit & Loss Accounts	8,406,508.80		8,380,293.61	
	438,359,790.96		438,327,052.04	

## SCHEDULE - C

### INVESTMENTS

(Other than trade investments (equity shares of Rs. 10 each))

#### Name of the company

No. of  
share

#### Quoted Share

Conrad Mfg & Trds Ltd.	16,930	52,821.60	52,821.60
Tatia Skylines Ltd.	14,600	1,440,800.00	1,440,800.00
Rajasthan Sponge & wvg Ltd	900	89,100.00	89,100.00
State Bank of India	200	64,000.00	64,000.00
A	32,630	1,646,721.60	1,646,721.60

#### Un-quoted Share

in Equity Shares

		477,609,750.00	479,007,000.00
B		477,609,750.00	479,007,000.00
A+B		479,256,471.60	480,653,721.60



# ARNOLD HOLDINGS LIMITED

Schedules 'A' to 'K' attached to and forming part of the Balance Sheet as at 31st March, 2010 and  
Profit & Loss Account for the period ended 31st March, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - D</b>				
<b>CASH &amp; BANK BALANCES</b>				
1. Cash Balance in Hand (As Certified by the Management)	921,980.00		94,393.00	
2. With Schedule Banks: In Current Account	494,122.11		78,796.44	
	<u>1,416,102.11</u>		<u>173,189.44</u>	
<b>SCHEDULE - E</b>				
<b>OTHER CURRENT ASSETS</b>				
Advance Tax Paid	16,867.00		16,867.00	
Tax Deducted at Source	56,307.00			
Tax Deducted at source (A.Y.10-11)	22,599.00			
Tax Deducted At Source( A.Y. 09-10)	-		27,057.00	
Tax Deducted At Source	89,215.00		89,215.00	
TDS Arnold Old	33,778.00		33,778.00	
	<u>218,766.00</u>		<u>166,917.00</u>	
<b>SCHEDULE - F</b>				
<b>LOANS &amp; ADVANCES</b>				
( Unsecured considered good)				
Loans	6,865,840.00		12,468,897.00	
Other advances	28,625,000.00		8,168,612.00	
Share Application Money Paid	2,700,000.00		8,500,000.00	
Advance to Creditors	2,912,500.00		-	
	<u>41,103,340.00</u>		<u>29,137,509.00</u>	
<b>SCHEDULE - G</b>				
<b>CURRENT LIABILITIES</b>				
Liabilities for Expenses	28,664.00		32,627.00	
Filing fees Payable	-		-	
Others	-		-	
Advances	38,268,295.00		20,400,000.00	
Sundry Creditors	-		9,310,000.00	
	<u>38,296,959.00</u>		<u>29,742,627.00</u>	
<b>SCHEDULE - H</b>				
<b>PROVISIONS</b>				
Provision for income tax	50,825.00		50,825.00	
Provision for Fringe Benefit Taxation	-		-	
	<u>50,825.00</u>		<u>50,825.00</u>	
<b>SCHEDULE - I</b>				
<b>OTHER INCOME</b>				
Interest	551,283.00		505,924.00	
Dividend	1,800.00		10,638.99	
Capital gain on fixed assets	-		-	
	<u>553,083.00</u>		<u>516,562.99</u>	

# ARNOLD HOLDINGS LIMITED

Schedules 'A' to 'K' attached to and forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the period ended 31st March, 2010

	As at		As at	
	31st March, 2010		31st March, 2009	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - J</b>				
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>				
Advertisement	2,032.00		1,018.00	
Advocate Fees	-		15,000.00	
Bank Charges	13,662.59		6,224.28	
Depsitory Charges	39,728.00		-	
Depreciation	2,385.00		-	
Filing Fees	2,000.00		2,000.00	
General Charges	24,771.00		20,317.00	
Legal Charges	2,600.00		-	
Listing Fees	37,709.74		70,039.00	
Merger Expenses	7,348.00		7,500.00	
Office expenses	17,450.00		18,640.00	
Postage & telegram	17,856.00		19,780.00	
Professional fees	15,000.00		15,000.00	
Register Fees	20,000.00		19,500.00	
Relation Advertising	-		2,026.00	
Salaries	287,000.00		268,000.00	
Secreterial Charges	2,000.00		1,600.00	
	<u>491,542.33</u>		<u>466,644.28</u>	



# ARNOLD HOLDINGS LIMITED

## SCHEDULE - K

Significant Accounting Policies and Notes on Accounts forming part of accounts for the period ended 31st March, 2010

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF ACCOUNTING :

Accounts have been prepared under Historical Cost convention and in accordance with generally accepted accounting principals

#### 2. INCOME RECOGNITION :

All revenues/incomes except dividend are recognised on accrual basis of accounting.

#### 3. INVENTORIES :

Inventories Valued at Cost

#### 4. FIXED ASSETS

Fixed assets have been recognised at Historical cost, Depreciation on assets has been provided during the year on WDV basis as per Companies Act 1956.

#### 5. TAXATION:

Current taxation provision is made keeping in view the current tax rates in force.

#### 6. RETIREMENT BENEFITS:

Provision for retirement benefits has not been made as no employee has put in the qualifying period of service for entitlement of benefits.

### B. NOTES ON ACCOUNTS:

1. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for

2. Earning/Expenditure in foreign Currency

3. Contingent liabilities not provided

4. Quantitative details of Stock Traded  
Opening Stock

Purchases Sales

Sales

Closing Stock

5. Figures in bracket represent previous year figures.

#### 6. Earnings per share

The company reports basic and diluted earning per equity share in accordance with Accounting Standard-20 'Earning Share' issued by the Institute of Chartered Accountants of India :

	2009-10	2008-09
Numerator: Profit for the year	34,577.67	24,589.71
Denominator: No. of Shares	50125000	50125000
EPS	0.001	0.000

7. Previous years figure have been re-arranged, re-scheduled, re-casted wherever considered necessary to make them comparable with the current years figure.

8. Schedule A to J annexed herewith are forming part of the Balance Sheet and Profit & Loss Account.

As per our report of even date  
For Agrawal S. Kumar & Associates  
Chartered Accountants

(S.K. Agrawal)  
Membership No. 054232  
(Partner)

ARNOLD HOLDINGS LTD.

Director/Authorised Signatory

ARNOLD HOLDINGS LTD.

Ravi Agarwal

Director/Authorised Signatory

Place : Kolkata

Dated : The 22nd Day of August, 2010

# ARNOLD HOLDINGS LIMITED

(Additional Information pursuant to Part IV of Schedule VI of the Companies Act, 1956)

## BALANCE SHEET ABSTRACT & COMPANIES BUSINESS PROFILE:

### 1) Registration Details

Registration No.

State Code

Balance Sheet date

34406  
21  
31.03.2010

### 2) CAPITAL RAISED DURING THE YEAR (AMOUNT IN THOUSAND)

Allotment pursuant to amalgamation

### 3) POSITION OF MOBILISATION & DEPLOYMENT OF FUND (AMOUNT IN THOUSAND)

Total Assets

Total Liabilities

488,484.79  
488,484.79

### Sources of Fund:

Share Capital

Reserve & Surplus

50,125.00  
438,359.79

### Application of Fund

Investment

Net Current Assets

Capital Registration Fees

479,256.47  
8,875.83  
314.17

### 4) PERFORMANCE OF THE COMPANY (AMOUNT IN THOUSAND)

Operating & Other Income

Total Expenditures

Profit before tax

Profit after tax

Dividend

553.08  
505.87  
47.21  
32.62  
NIL

### 5) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

PRODUCT DESCRIPTION

ITEM CODE NO.

As per our report of even date  
For Agrawal S. Kumar & Associates  
Chartered Accountants

(S.K. Agrawal)  
Membership No. 054232  
Partner

ARNOLD HOLDINGS LTD.

Director/authorised Signatory

ARNOLD HOLDINGS LTD.

Director/authorised Signatory

DIRECTORS

Place :Kolkata

Dated : The 22nd Day of August, 2010



CALCULATION OF WDV AS PER COMPANIES ACT  
DEPRECIATION PROVIDED FOR

OPENING	DEP(15%)	WDV
40,583.00	2,418.30	38,164.70

CALCULATION OF WDV AS PER INCOME TAX ACT ACT  
DEPRECIATION PROVIDED FOR HALF YEAR

OPENING	DEPRE (10%)	WDV
40,583.00	2,029.15	38,553.85

DIFFERENCE

(389.15)

DEFFERED TAX ASSETS

389.15

120.25

**Schedule to the**  
**Balance Sheet of a non-deposit taking non-banking financial company**  
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit  
Accepting or Holding ) Companies Purdential Norms (Reserve Bank)  
Directions , 2007)

Pariticulars			
<b>Liabilities side :</b>			
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		Amount Outstanding	Amount Overdue
(a) Debentures : Secured		NIL	NIL
: Unsecured		NIL	NIL
(other than falling within the meaning of public deposits*)			
(b) Deferred Credits		NIL	NIL
(C ) Term Loans		NIL	NIL
(d) Inter-corporate loans borrowing		NIL	NIL
(e) Commercial Paper		NIL	NIL
(f) Other loans (Specify Nature)		NIL	NIL
*Please See Note 1 Below			
<b>Assets Side :</b>		<b>Amount Outstanding</b>	
(2) Break-up of loans and Advances including bills receivables (other than those included in (4) below) :			
(a) Secured		NIL	
(b) Unsecured		41,103,340.00	
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities			
(I) Lease assets including lease rentals under sundry debtors :			
(a) Financial Lease		NIL	
(b) Operating Lease		NIL	
(ii) Stock on hire including hire charges under Sundry debtors :			
(a) Assets on Hire		NIL	
(b) Repossessed Assets		NIL	
(iii) Other loans counting towards AFC activities :			
(a) loans where assets have been repossessed		NIL	
(b) Loans other than (a) above.		NIL	



(4)	<b>Break-up of Investments</b>  <b>Current Investments :</b> 1 Quoted : (I) Shares : (a) Equity  (b) Preference  (ii) Debentures and Bonds) (iii) Units of mutual funds (iv) Government Securities (V) Other (olease Specify)	NIL  NIL  NIL NIL NIL NIL
	2. Unquoted : (i) Shares : (a) Equity (b) Preference	NIL NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securitiress	NIL
	(v) Others (please Specify).	NIL
	<b>Long Term investments :</b> 1 Quoted (I) Shares (a) Equity (b) Preference  (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Other (please Specify)	1,646,721.60 NIL  NIL NIL NIL NIL
	2 Unquoted : (I) Shares : (a) Equity (b) Preference  (ii) Debentures and Bonds (ii) Units of mutual funds (iv) Government Securities (v) Others (Please Specify)	477,609,750.00 NIL  NIL NIL NIL NIL
(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above.</b>  Please see Note 2 below	
	<b>Category</b>	<b>Amount net of provisions</b> SecuredUnsecured NilTotal Nil
	1. Related Parties**	
	(a) Subsidiaries	
	(b) Companies in the same group	
	(c ) Other related Parties	
	2.Other than related Parties	41,103,340.0041,103,340.00
	Total	41,103,340.0041,103,340.00

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries		
(b) Companies in the Same group		
(c) Other related Parties		
2. Other than related Parties	479,256,471.60	479,256,471.60
<b>Total</b>	<b>479,256,471.60</b>	<b>479,256,471.60</b>

\*\* As per accounting standard of ICAI (Please see Note 3)

(7) Other Information

	Pariticulars	Amount
(i)	Gross Non-Performing Assets	NIL
	(a) Related Parties	
	(b) Other than related parties	
(ii)	Net Non-Performing Assets	NIL
	(a) Related parties	
	(b) Other than related parties	
(iii)	Assets acquired in satisfaction of debt	NIL

Notes :

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions , 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding Companies Prudential Norms (Reserve Bank) Directions , 2007
- All Accounting Standards and Guidance Notes Issued By ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.



## Arnold Holdings Limited

Regd. Office: 6, Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001

### PROXY FORM

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I/We.....resident at  
.....being a  
Member/Member(s) of Arnold Holdings Limited hereby appoint Mr. /  
Ms.....or failing him/her, Mr. / Ms.....  
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held  
on Monday 27<sup>th</sup> September, 2010 at 10.30 a.m. at 6, Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001  
and at any adjournment thereof.

Signed this ..... day of.....2010.

Affix Re.1.00  
Revenue  
Stamp

- Notes:** a) The form should be signed across the stamp as per specimen signature registered with the Company.  
b) The form should be deposited at the Registered Office of the Company **forty-eight hours before** the time for holding the Meeting.

## Arnold Holdings Limited

Regd. Office: 6, Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001

### ATTENDANCE SLIP

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company held on Monday 27<sup>th</sup> September, 2010 at 10.30 a.m. at 6, Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001 and at any adjournment thereof.

.....  
Signature of Member/Proxy

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)