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ARNOLD HOLDINGS LIMITED  
THIRTY FIRST ANNUAL REPORT  
2012-13

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## NOTICE

NOTICE is hereby given that the **Thirty First Annual General Meeting** of the Members of Arnold Holdings Limited will be held at the "Registered Office of the Company at 712, Poddar Court, 7<sup>th</sup> Floor, Gate No 2, 18, Rabindra Sarani, Kolkata – 700001. on 28<sup>th</sup> September, 2013 at 11.30 AM, to transact the following business:

### Ordinary Business:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 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 for the financial year 2012-13.
- 3) Mr. Prasenjit Goswami retires by rotation, being eligible offer themselves for reappointment.
- 4) To re-appoint and fix the remuneration of M/S JAIN PRADEEP & CO. Chartered Accountants, as Auditors of the Company, who has given notice to the company u/s 224(2)(b) of the Companies Act, 1956 of its willingness for re-appointment. The auditors shall hold the office from the conclusion of this meeting till the conclusion of next Annual General Meeting.

### Special Business:

- 5) To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** Mr. HARSHAD ACHLESHWAR KELA, who was appointed as an Additional Director with effect from 15<sup>th</sup> October, 2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

- 6) To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** Mr. GAJANAN UTTAMRAO MANTE, who was appointed as an Additional Director with effect from 07<sup>th</sup> February, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

- 7) To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**"RESOLVED THAT DR. SOPAN VISHWANATHRAO KHIRSAGAR,** who was appointed as an Additional Director with effect from 07<sup>th</sup> February, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

8) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and 311, read with Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the said Act' including any modification(s) or re-enactment(s) thereof for the time being in force), approval of members be and is hereby accorded for appointment of Mr. Mahendra Prasad Mallawat as Whole-time Director of the Company for a period of three (3) years from 01<sup>st</sup> February, 2013 to 31<sup>st</sup> January, 2016.

**RESOLVED FURTHER THAT** the Whole Time Director shall authorised to exercise such power and handling of day to day affairs of the Company, appointment and termination of service of employees, operation Bank accounts of the Company, signing cheques, promissory notes, bill of exchange, regularly reporting to the Board on the activities or operation of the Company and to perform all other duties that the Board may entrust to such Director from time to time.

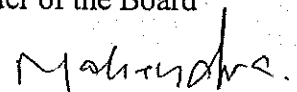
**RESOLVED FURTHER THAT** any one Director or Company Secretary of the Company be and are hereby authorised to file electronically all the necessary documents with the Registrar of Companies, to give complete effect to the above resolution."

Registered Office:

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

Dated: 22<sup>nd</sup> July, 2013

By Order of the Board



Director

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 24<sup>th</sup> September 2013 to 28<sup>th</sup> September 2013 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 5, 6 and 7 set out above is annexed hereto.

4. *Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.*

**ANNEXURE TO THE NOTICE:**

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.**

The following Explanatory Statement sets out the material facts relating to the business under items 5, 6, 7 and 8 of the accompanying Notice:

**Item : 5**

Mr. HARSHAD ACHLESHWAR KELA was appointed as an Additional Director by the Board of Director w.e.f. 15<sup>th</sup> October, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. HARSHAD ACHLESHWAR KELA on the Board is desirable and would be beneficial to the company and hence recommend aforesaid resolution for adoption.

The board recommends the above resolution for your approval

None of the Directors, except Mr. HARSHAD ACHLESHWAR KELA is concerned or interested in this resolution.

**Item : 6**

Mr. GAJANAN UTTAMRAO MANTE was appointed as an Additional Director by the Board of Director w.e.f. 7<sup>th</sup> February, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. GAJANAN UTTAMRAO MANTE on the Board is desirable and would be beneficial to the company and hence recommend aforesaid resolution for adoption.

The board recommends the above resolution for your approval

None of the Directors, except Mr. GAJANAN UTTAMRAO MANTE is concerned or interested in this resolution.

**Item : 7**

DR. SOPAN VISHWANATHRAO KHIRSAGAR was appointed as an Additional Director by the Board of Director w.e.f. 7<sup>th</sup> February, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of DR. SOPAN VISHWANATHRAO KHIRSAGAR on the Board is desirable and would be beneficial to the company and hence recommend aforesaid resolution for adoption.

The board recommends the above resolution for your approval

None of the Directors, except DR. SOPAN VISHWANATHRAO KHIRSAGAR is concerned or interested in this resolution.

**Item : 8**

The Board of Directors of the Company at its meeting held on 01<sup>st</sup> February, 2013 had appointed Mr. Mahendra Prasad Mallawat as the Whole-time Director of the Company for a period of 3 years with effect from 01<sup>st</sup> February, 2013 in terms of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act.

The Board is of the view that Mr. Mahendra Prasad Mallawat has vast experience and knowledge and his appointment as the Whole-time Director on terms & conditions as mentioned below including remuneration, will be in the interest of the Company.

The proposed remuneration payable to Mr. Mahendra Prasad Mallawat is as follows:

**SALARY** – 35,000/- per month i.e. Annual Remuneration of Rs. 4,20,000/- .

Brief resume with the nature of expertise in specific functional areas and name of the other Companies in which Mr. Mahendra Prasad Mallawat is holding directorships and the Chairmanships/ Memberships of Committee of the Board are given in the Corporate Governance section of the Annual Report.

The extracts of remuneration given above shall be deemed to be the extract of remuneration required to be furnished under Section 302 of The Companies Act, 1956. Save and except Mr. Mahendra Prasad Mallawat, being the recipient of remuneration none of the other Directors of the Company is in any way, concerned or interested in the resolution.

The Board of Directors recommends resolution at Item No. 8 for your approval as a Special Resolution.

## DIRECTOR'S REPORT

### Dear Shareholders

Your Directors have pleasure in presenting the Thirty First Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2013.

### 1. FINANCIAL HIGHLIGHTS.

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

Particulars	Rs. Year ended 31.03.2013	Rs. Year ended 31.03.2012
Profit/(loss) before Taxation	10256607	1272406
Less: Provision for Taxation	1786290	393173
Add: Provision for Deferred Tax Assets	228639	00
<b>Profit/(loss) after Taxation</b>	<b>8698956</b>	<b>879233</b>
Less: Provision Against Standard Assets	972172	462082
Less : Transferred to Reserve Fund 45-1C	1739791	175847
Add: Balance brought forward from previous year	3420880	6092465
Less: Proposed Dividend	2506250	2506250
Less: Dividend Tax	406639	406639
<b>Balance carried to Balance Sheet</b>	<b>6901622</b>	<b>3420880</b>

### 2. DIVIDEND

Based on Company's performance, your Directors are pleased to recommend for approval of shareholders, a maiden dividend of Rs. 0.50 pr share (i.e. 5%) of the face value of Rs.10/- each.

### 3. DIRECTORS

Mr. Prasenjit Goswami retire by rotation, being eligible offer themselves for reappointment.

#### **4.DIRECTOR' 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 31<sup>st</sup> March, 2013, 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 2013 on a going concern basis.

#### **5. AUDITORS:**

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 themselves for 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 all 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 : 30/05/2013

Place: Kolkata

On Behalf of the Board

*Mahendra*  
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 COMFORT INTECH 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 2013, the gross operational income of the Company stood at Rs.437 Lacs as compared to previous fiscal of Rs. 155 Lacs. The company has continued its lending activities and advances portfolio of the Company has been increased to Rs. 3911 Lacs and the interest income of the Company have been stood at Rs.272 Lacs as comparing to preceding fiscal of Rs.56 Lacs. This fiscal, Company profits have been Rs.86.98 Lacs as compared to Rs 8.79 Lacs of fiscal 2012.

### Financial Highlights:

- Arnold recommended a dividend of 5% as on March 31, 2012.
- Income from operation stood at Rs. 437 Lacs for fiscal 2013
- Profit Before Taxes of fiscal 2013 was Rs. 102.56 Lacs.
- Profit After Taxes of fiscal 2013 was Rs. 86.98 Lacs
- Earning per share for fiscal 2013 was Rs. 1.74 per share.
- Net Worth of company stood at Rs. 489 Lacs as on March 31, 2013

### 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 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	Designation
Mr. Mahendraprasad Mallawat	Executive	Whole Time Director
Mr. Harshad Achaleshwar Kela	Executive	Director
Mr. Sopan Vishwanthrao Kshirsagar	Independent - Non Executive	Director
Mr. Prasenjit Goswami	Independent - Non Executive	Director
Mr. Dinesh Kumar Gupta	Independent - Non Executive	Director
Mr. Gajanan Uttamrao Mante	Independent - Non Executive	Director

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

During the financial year ended on 31<sup>st</sup> March 2013, Six (6) Board Meetings were held on the following dates:-

8<sup>TH</sup> May 2012, 16<sup>th</sup> July, 2012, 15<sup>th</sup> October, 2012, 23<sup>rd</sup> October, 2012, 01<sup>st</sup> February, 2013, 07<sup>th</sup> February, 2013.

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 24 <sup>th</sup> September, 2012	# Directorship held in other Companies	Committee Memberships/ Chairmanships	
				Membe rship	Chairm anship
Mr.Mahendrapra -sad Mallawat	6	Present	----	--	--
*Mr. Harshad Achaleshwar Kela	3	Absent	1 )Kela Company (India) Pvt.Ltd 2) Greenland Distillers (P) Ltd	--	--
*Mr. Sopan Vishwanthrao Kshirsagar	-	Absent	-	--	--
Mr. Prasenjit Goswami	6	Present	-	--	--
Mr. Dinesh Kumar Gupta	6	Present	-	--	--
*Mr. Gajanan Uttamrao Mante	-	Absent	-	--	--

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

- \* Appointed as an Additional Directors.

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. 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. 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. He has been designated as the Whole-time Director of our Company since 1<sup>st</sup> February, 2013.

Mr. Harshad Achaleshwar Kela aged 46, is the Executive Director of our Company. He is a graduate in commerce and post graduate diploma holder in business administration. He possess more than 20 years of experience in the field of finance, capital markets and related activities. He is responsible for the day-to-day activities of the Company and is instrumental in all the expansion plans of the Company The Board has the advantage of his wide experience in the financial services field.

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 Ramanand Teerth Marathwada. 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 Nanded Dist. 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.

**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. Prasenjit Goswami	Chairman	Independent & Non Executive Director	4
Mr. Dinesh Kumar Gupta	Member	Independent & Non Executive Director	4
Mr. Harshad Achaleshwar Kela	Member	Executive Director	1

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, 2012-13, four (4) Audit Committee meetings were held on 29<sup>th</sup> September, 2012, 16<sup>th</sup> July, 2012, 23<sup>rd</sup> October, 2012 and 7<sup>th</sup> February, 2013.

**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. Prasenjit Goswami	Chairman	Independent & Non Executive Director
Mr. Dinesh Kumar Gupta	Member	Independent & Non Executive Director
Mr. Harshad Achaleshwar Kela	Member	Executive Director

One meeting of the Remuneration Committee was held on 01<sup>st</sup> February, 13.

**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. Sopan Vishwanthrao Kshirsagar	Chairman	Independent Director
Mr. Dinesh Kumar Gupta	Member	Independent Director
Mr. Mahendraprasad Mallawat	Member	Whole-time Director

No Shareholders' / Investors' Grievance Committee meeting was held during 2012-13.

**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. 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 01<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013:-**

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

**d) Compliance Officer:-**

Mr. Mohsin Iqbal Momin, 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 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 2012-13"

Mr. Mahendra Prasad Mallawat

*Mahendras*

Whole Time 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
2009-10	28 <sup>th</sup>	27 <sup>th</sup> September, 2010	6, Clive Row, Mezzanine Floor, Room no.16/5, Kolkata-700001	11.30.AM	Nil
2010-11	29 <sup>th</sup>	30 <sup>th</sup> September, 2011	255 Rabindra Sarani, Burra Bazar, 4 <sup>th</sup> floor, Kolkata-700007	11.30AM	02
2011-12	30 <sup>th</sup>	29 <sup>th</sup> September, 2012	255 Rabindra Sarani, Burra Bazar, 4 <sup>th</sup> floor, Kolkata-700007	11.30AM	Nil

**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.

8.

**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, 2013 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.

9. **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:
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

10. **General Shareholder Information:-**

a) **4<sup>th</sup> Annual General Meeting:-**

Date	28 <sup>th</sup> September, 2013
Venue	712, Poddar Court, 7 <sup>th</sup> Floor, Gate No 2, 18, Rabindra Sarani, Kolkata - 700001
Day and Time	Saturday, 11.30 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 2013-14, Financial Results will be announced as per the following tentative schedule.

1 <sup>st</sup> Quarter ending June 2013	By 13 <sup>th</sup> August, 2013
2 <sup>nd</sup> Quarter & Half Year ending September 2013	By 14 <sup>th</sup> November, 2013

3 <sup>rd</sup> Quarter ending December 2013	By 14 <sup>th</sup> February, 2014
4 <sup>th</sup> Quarter / year ending March 2014	Within 60 days from 31 <sup>st</sup> March, 2014
Annual General Meeting for the Year 2013-14	By September, 2014

**c) Book Closure Date:-**

Date of Book Closure	24 <sup>th</sup> September, 2013 to 28 <sup>th</sup> September, 2013 (both days inclusive)
----------------------	--

**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 2013-14 to both the above exchanges.

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

The Company has paid the custodial fees for the year 2013-14 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)	INE185K01010
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 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 CSE..

**j) Shareholding pattern (category wise) as on 31<sup>st</sup> March, 2013:-**

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	297000	5.93
Financial Institutions / Banks	0	0.00
Insurance Companies	0	0
NRI	0	0
Bodies Corporate	0	0
Public	4715500	94.07
Total	5012500	100.00

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

- About 100% of the shares have been dematerialized as on 31<sup>st</sup> March, 2013.
- 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) Corporate Office:-**

The Company's corporate office is situated at

B-205/206, Ramji House,  
30 Jambulwadi, Kalbadevi Road,  
Mumbai-400 002  
Tel - +91 22-2270 0994 / +91 22 4344 6444  
Fax: +91 22-4344 6409

n) **Address for correspondence:-**

**Company Secretary and Compliance Officer**  
Mr. Mohsin Iqbal Momin  
B-205/206, Ramji House,  
30 Jambulwadi, Kalbadevi Road,  
Mumbai-400 002  
Maharashtra, India  
Tel: +91 22-2270 0994 / +91 22 4344 6444;  
Fax: +91 22-4344 6409  
Email: [info@arnoldholdings.in](mailto:info@arnoldholdings.in) / [arnoldholding9@gmail.com](mailto:arnoldholding9@gmail.com)

**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 Marathi newspaper widely circulated in Mumbai. 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

*Mahmood*

Director



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members

### ARNOLD HOLDINGS LIMITED

We have examined the compliance of conditions of Corporate Governance by Arnold Holdings Limited, for the year ended March 31, 2013 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: 30<sup>th</sup> Day of May, 2013



## 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 31<sup>st</sup> March 2013, 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.

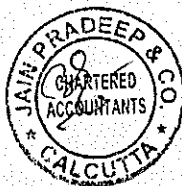
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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 31<sup>st</sup> March , 2013;
- b) In the case of the Profit & Loss Account, of the profit/loss for the year ended on that date;

(contd- P/2)





c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.


#### 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 purpose s 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 31<sup>st</sup>, 2013, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2013, 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.

Kolkata

Dated: 30<sup>th</sup> Day of May, 2013

M/S. JAIN PRADEEP & CO.  
Chartered Accountants  
(FRN: 315109E)

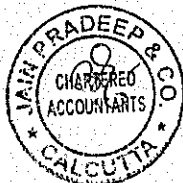
  
(PRADEEP JAIN)  
Proprietor  
Mem no: 52264



**ARNOLD HOLDINGS LTD.**

**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.



Contd.....p/2

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.

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.

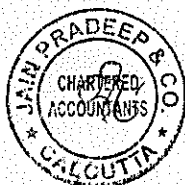
b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March' 2013 for a period of more than six months from the date of becoming payable.

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.

Contd.....P/3



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.

M/S. JAIN PRADEEP & CO.  
Chartered Accountants  
(FRN: 315109E)

(PRADEEP JAIN)

Proprietor

Mem no: 52264

Kolkata

Dated: 30<sup>th</sup> Day of May, 2013





**ARNOLD HOLDINGS LIMITED****BALANCE SHEET**

( Figures in INR )

PARTICULARS	NOTES	As at 31/03/2013	As at 31/03/2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	50,125,000	50,125,000
(b) Reserves and Surplus	2	439,798,157	434,012,090
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Current Liabilities</b>			
(a) Short term borrowings	3	11,009,100	-
(b) Trade payables	4	29,083,279	631,949
(c) Short term provisions	5	4,699,179	2,912,889
<b>TOTAL</b>		<b>534,714,715</b>	<b>487,681,928</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	6	43,821	27,952
(b) Deferred Tax Asset		228,759	120
<b>(2) Current Assets</b>			
(a) Inventories	7	105,434,433	307,396,915
(b) Cash and cash equivalents	8	37,832,191	(3,923,652)
(c) Short term loans and advances	9	391,175,511	184,180,593
<b>TOTAL</b>		<b>534,714,715</b>	<b>487,681,928</b>
		<b>0</b>	<b>0</b>

Significant Accounting Policies &amp;

Other notes attached form an integral part of the Financial Statement - 17

Signed in terms of report attached of even date

M/S JAIN PRADEEP &amp; CO.

Chartered accountants

FIRM REG. NO : 315109E

ARNOLD HOLDINGS LIMITED

Place : KOLKATA - 700 007

Dated : The 30Th Day of May 2013.

( PRADEEP JAIN )

Proprietor

M.NO-052264




DIRECTOR

DIRECTOR


  
 Company Secretary

**ARNOLD HOLDINGS LIMITED**  
**STATEMENT OF PROFIT AND LOSS**

( Figures in INR )

PARTICULARS		NOTES	For The Year Ended 31/03/2013	For The Year Ended 31/03/2012
I.	Revenue from Operations	10	437,097,337	155,420,171
II.	Other Income	11	5,223,313	70,529
	<b>Total revenue</b>		<b>442,320,650</b>	<b>155,490,700</b>
III	Purchases of stock in trade		225,934,017	33,709,639
IV	Changes in inventories of finished goods	12	201,962,482	119,216,847
V	Employee benefits expense	13	1,537,800	826,800
VI	Depreciation and amortization expense	14	3,932	4,933
VII	Other expenses	15	2,625,813	460,074
	<b>Total Expenses</b>		<b>432,064,043</b>	<b>154,218,293</b>
VIII	Profit/(Loss) before exceptional and extraordinary items and tax		<b>10,256,607</b>	<b>1,272,406</b>
IX	Exceptional items		-	-
X	Profit before extraordinary items and tax		<b>10,256,607</b>	<b>1,272,406</b>
XI	Extraordinary items		-	-
XII	Profit before tax		<b>10,256,607</b>	<b>1,272,406</b>
XIII	Tax expense:			
	(1) Current tax		1,786,290	393,174
	(2) Deferred tax		(228,639.00)	-
XIV	Profit/(Loss) for the period from continuing operations		<b>8,698,956</b>	<b>879,233</b>
XV	Earning per equity share:	16		
	(1) Basic		1.74	0.18
	(2) Diluted		1.74	0.18
Significant Accounting Policies & Other notes attached form an integral part of the Financial Statement - 17				

Signed in terms of report attached of even date

M/S PRADEEP JAIN & CO.

Chartered accountants

FIRM REG. NO: 315109E

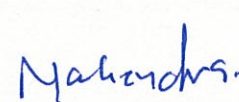


( PRADEEP JAIN )

Proprietor

M.NO-052264

FOR ARNOLD HOLDINGS LIMITED



DIRECTOR



DIRECTOR



Company Secretary



Place : KOLKATA - 700 007

Dated : The 30Th Day of May 2013.



**ARNOLD HOLDINGS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

PARTICULARS	For The Year Ended 31/03/2013	For The Year Ended 31/03/2012
<b>1 Share Capital:</b>		
<b><u>Equity Share Capital</u></b>		
Authorized Capital	50,500,000	50,500,000
50,50,000 Equity shares of Rs.10 /- each	<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>
 <b><u>Reconciliation of Shares:</u></b>	<b><u>QTY</u></b>	<b><u>QTY</u></b>
At the beginning of the year	5,012,500	5,012,500
Allotted / Redeemed during the year	-	-
Outstanding at the end of the year	<u>5,012,500</u>	<u>5,012,500</u>

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:**

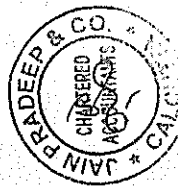
**I Particulars of equity share holders holding more than 5% of the total number of equity share capital:**

	<b><u>As at 31.03.2013</u></b>		<b><u>As at 31.03.2012</u></b>	
	<b><u>% of Total</u></b>	<b><u>QTY</u></b>	<b><u>% of Total</u></b>	<b><u>QTY</u></b>
<b>NAME OF THE SHAREHOLDER</b>				
a) JAMEET SINGH INDERJIT SINGH CHHABRA	5.49	275,000	5.49	275,000
b) KULMEETSINGH INDERJITSINGH CHHABRA	5.49	275,000	5.49	275,000

# NOTES TO FINANCIAL STATEMENTS

## 2 Reserves and Surplus:

PARTICULARS		Capital Reserve	Surplus i.e. balance in Statement of Profit & Loss	General Reserve	Statutory Reserve	Reserve Fund U/Sec 45-IC @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	3,420,879	428,889,249	11,441	175,847	462,082	434,012,090
<u>Add</u> : Transferred from Profit & Loss Account		-	8,698,956	-	-	-	-	8,698,956
<u>Less</u> : Contingent Provision Against Standard Assets		-	(972,172)	-	-	-	972,172	-
<u>Less</u> : Transferred to Reserve Fund U/sec 45-1C		-	(1,739,791)	-	-	1,739,791	-	-
<u>Less</u> : 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	6,901,622	428,889,249	11,441	1,915,638	1,434,254	439,798,157
At the close of the previous reporting period		1,052,591	3,420,879	428,889,249	11,441	175,847	462,082	434,012,090





**ARNOLD HOLDINGS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**PARTICULARS**

*For The Year  
Ended  
31/03/2013*

*For The Year  
Ended  
31/03/2012*

**3 Short Term Borrowings**

Secured Loan

Unsecured Loan:

Short Term Advances

11,009,100

11,009,100

**4 Trade Payables**

Sundry Creditors

Outstanding Expenses

Audit Fees Payable

29,055,779

27,500

29,083,279

117,290

447,995

66,664

631,949

**5 Short term provisions:**

Provisions:

Provision for Income Tax (AY 2013-14)

For Proposed Dividend

For Dividend Tax (A.Y.2013-14)

For Dividend Tax (A.Y.2012-13)

1,786,290

2,506,250

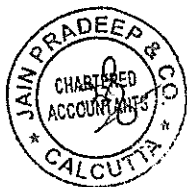
406,639

4,699,179

2,506,250

406,639

2,912,889



# **NOTES TO FINANCIAL STATEMENTS**

(As per Companies Tax Act)

## **6 Fixed Assets:**

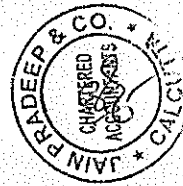
(Figures in INR)

Particulars	Rate	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
		Cost as on 01/04/2012	Additions for the year	Deductions during the year	Cost as on 31/03/2013	Upto 31/03/2012	For the year	Total Depreciation	WDV as on 31/03/2013	WDV as on 31/03/2012
Tangible Assets: Own Assets										
Computer Air Conditioner	40%	-	19,800	-	19,800	-	43	43	19,757	-
	13.91%	38,198	-	-	38,198	10,246	3,888	14,134	24,064	27,952
TOTAL		38,198	19,800	-	57,998	10,246	3,932	14,177	43,821	27,952

## **Computers**

Date of Purchase  
30.03.2013

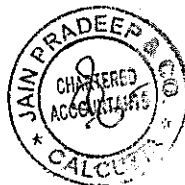
Amount  
19,800



**ARNOLD HOLDINGS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

( Figures in INR )

PARTICULARS	For The Year Ended 31/03/2013	For The Year Ended 31/03/2012
<b>7 Inventories:</b>		
Shares & Securities	105,434,433	307,396,915
	<b>105,434,433</b>	<b>307,396,915</b>
<b>8 Cash and cash equivalents:</b>		
Balances with banks		
- Axis Bank Ltd.	12,983	1,019,175
- ICICI Bank 1480301115032	288,051	288,051
- ICICI Bank Mumbai	37,332,368	(5,251,884)
Cash in hand	198,789	21,006
	<b>37,832,191</b>	<b>(3,923,652)</b>
<b>Short term loans and advances &amp; Deposits:</b>		
Loans & Advances	388,868,822	183,419,800
TDS Refundable	446,626	446,626
TDS (AY 2013-14)	1,860,063	-
Miscellaneous Expenditure	-	314,167
	<b>391,175,511</b>	<b>184,180,593</b>
<b>10 Revenue from Operations</b>		
Sales	427,947,954	152,926,486
Profit / (Loss) from Derivatives Transactions	(18,088,919)	(3,117,290)
Interest	27,238,302	5,610,975
	<b>437,097,337</b>	<b>155,420,171</b>
<b>11 Other Income:</b>		
Dividend Income	5,223,313	70,529
	<b>5,223,313</b>	<b>70,529</b>
<b>Changes in inventories of finished goods:</b>		
Stocks at the beginning of the year	307,396,915	426,613,762
Less: Stocks at the end of the year	105,434,433	307,396,915
	<b>201,962,482</b>	<b>119,216,847</b>



**ARNOLD HOLDINGS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

( Figures in INR )

P A R T I C U L A R S	For The Year Ended 31/03/2013	For The Year Ended 31/03/2012
<b>13 Employee Benefit Expenses:</b>		
Salaries and Bonus	877,800	466,800
Directors Remuneration	360,000	360,000
Directors Siting Fees	300,000	-
	<u>1,537,800</u>	<u>826,800</u>
<b>14 Depreciation and amortization:</b>		
Depreciation	3,932	4,933
	<u>3,932</u>	<u>4,933</u>
<b>15 Other expenses:</b>		
Payment to the auditors		
- Audit Fees	27,500	20,000
Advertisement	-	2,036
Bank Charges	2,098	15,517
Depository Charges	39,326	47,239
Consultancy Charges	115,150	48,000
General Expenses	396,155	35,587
Listing Fees	67,718	25,624
Office Rent	180,000	96,000
Office Expenses	133,067	70,632
Postage & Telegram	41,539	24,335
Provision For Bad & Doubtful Debts	745,746	-
Registrar Fees	14,341	16,000
Rates & Taxes	10,100	8,300
Telephone Expenses	3,741	2,320
Printing & Stationery	302,100	-
Travelling Expenses	547,232	43,700
Interest on Dividend Tax Paid	-	4,784
	<u>2,625,813</u>	<u>460,074</u>
<b>16 Earnings per share:</b>		
Profit for the year after tax expense	8,698,956	879,233
	<u>8,698,956</u>	<u>879,233</u>
Weighted average number of equity shares	5,012,500	5,012,500
Earning per share	1.74	0.18



**NOTE : 17**

NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31ST MARCH' 2013

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**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.

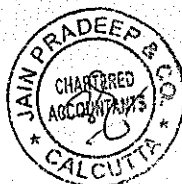
The depreciation on Fixed Assets has been provided for on written down value method at the rate and in the manner prescribed in Schedule XIV of The Companies Act' 1956.

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. There is no investment held by the company.

**G. INVENTORIES:**

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

**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.

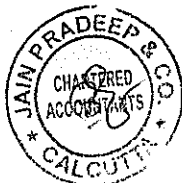
**J. EMPLOYEES BENEFITS UNDER THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006.**

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:**

Ravi Agarwal  
Mahendra Prasad Mallawat  
Avijit Das  
Prsanjeet Goswami  
Dinesh Kumar Gupta  
Gajanan Uttamrao Mante  
Harshad Achaleshwar Kela  
Dr. Sopan Vishwanathrao Khirsagar



Contd.....p/3

b) DETAILS OF TRANSACTION:

Directors' Remuneration:- Mahendra Prasad Mallawat 3,60,000/-

Director sitting fees: Prasanjeet Goswami 1,80,000/- Dinesh Gupta 1,20,000/-

**III. NOTES ON ACCOUNTS**

1. Payment to Auditors Rs. 27,500/- (prev. year- Rs. 20,000/-).
2. Directors Remuneration Rs. 3,60,000/- (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 31/03/2013 - 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.

As per our report of even date

**ARNOLD HOLDINGS LTD.**

For JAIN PRADEEP & CO.  
Chartered Accountants (FRN: 315109E)

(Pradeep Jain)  
Proprietor, Membership no.52264

Place : Kolkata

Dated: 30<sup>th</sup> Day of May, 2013

Mahendras.

Director

H. K. K.

Director



A. K. K.

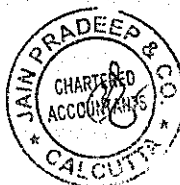
Secretary



# ARNOLD HOLDINGS LIMITED

## Cash Flow Statement for the year ended 31/03/2013

<u>Particulars</u>	<u>Amount</u>	<u>Amount</u>
<b>A. <u>Cash Flow From Operating Activities</u></b>		
Profit Before Tax	10256607	
Provision For Current Taxation	-1786290	
Proposed Dividend & Dividend Distribution Tax	-2912889	
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	3932	
<b><u>Operating Profit Before Working Capital Changes</u></b>		5561360
Movements in Working Capital		
Increase/ (decrease) in other current liabilities	28451329	
Decrease / (increase) in inventories	201962482	
Decrease / (increase) in other current assets	0	
Decrease / (Increase) long term loans and advances	0	
Decrease / (increase) short term loans and advances	-205134855	
Increase / (Decrease) in long term provisions	0	
Increase / (decrease) in short-term provisions	1786290	27065246
		32626606
Less: Income Tax paid	-1860063	-1860063
<b><u>Net Cash from Operating Activities</u></b>		30766543
<b>B. <u>Cash Flow From Investing Activities</u></b>		
Purchase of Fixed Assets	-19800	
Proceeds from Sale Of Fixed Assets	0	
Purchase of Non-Current Investment	0	
Purchase of Current Investment	0	
Proceeds from Sale Of Current Investment	0	
Dividends On Long term Investments	0	
<b><u>Net Cash from Investing Activities</u></b>		-19800
<b>C. <u>Cash Flow From Financing Activities</u></b>		
Proceeds from issuance of Share Capital	0	
Proceeds from Long Term Borrowing	0	
Proceeds from Short Term Borrowings	11009100	
Repayment of Short Term Borrowings	0	
<b><u>Net Cash from Financing Activities</u></b>		11009100
<b><u>Net (Decrease)/Increase in Cash &amp; Cash Equivalents</u></b>		41755843
<b><u>Opening Cash &amp; Cash Equivalents</u></b>		-3923652
<b><u>Closing Cash &amp; Cash Equivalents</u></b>		37832191





**D. Reconciliation of Cash and cash equivalents with the Balance Sheet:**

**Components of Cash & Cash Equivalent at the end of Year**

Cash on hand	198789
Cash at bank	
Current Account	37633402
<b>Total cash and cash equivalents</b>	<b>37832191</b>

**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.*

As per our report attached.

M/S JAIN PRADEEP & CO.

Chartered Accountants

FIRM REG. NO. 315109E

( PRADEEP JAIN )

Proprietor

M.NO-052264

*For & on behalf of the Board*

*Mahendra.*

Director

*Heale*

Director

*Arnold*  
Company Secretary



# ARNOLD HOLDINGS LIMITED

Registered Office :712, Poddar Court ,7<sup>th</sup> floor, Gate no.2,18, Rabindra Sarani, Kolkata-700001

## ATTENDANCE SLIP

Folio no./Demat A/c. no.....

No of Shares.....

PLEASE COMPLETE THIS ATTENDANCE SLIP AND  
HAND OVER AT THE ENTRANCE OF THE MEETING HALL

NAME AND ADDRESS OF THE MEMBER:

.....

.....

I certify that I am a registered member/proxy for the registered member of the Company.

I hereby record my presence at the Thirty First Annual General Meeting of the Company being held on 28<sup>th</sup> September, 2013 at 11.30 AM at Company Registered Office situated at 712, Poddar Court ,7<sup>th</sup> floor, Gate no.2,18, Rabindra Sarani, Kolkata-700001

Name of the attending Member/Proxy

MEMBER'S/PROXY'S Signature.

## PROXY FORM

Folio no./Demat A/c no.....

I/We(Name/s).....of

Address .....

Being a member/members of Arnold Holdings Limited hereby appoint (name)

.....

(Address).....

Or failing him (Name).....of

(Address).....

As my/our proxy to vote for me/us and on my/our behalf at the Thirty First Annual General Meeting of the Company to be held on Saturday, September 28, 2013 at 11.30 AM or at any adjournment thereof

Signed this .....day of .....2013

Signed by the said .....

Affix Revenue stamp

Of one rupee

Note: The proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.