

ARNOLD HOLDINGS LIMITED

BOARD OF DIRECTORS

MAHENDRA PRASAD MALLAWAT	Whole Time Director
MRS. GAZALA KOLSAWALA	Whole Time Director
PRASANJEET GOSWAMI	Whole Time Director
DINESH KUMAR GUPTA	Independent Director
GAJANAN UTTAMRAO MANTE	Independent Director
DR. SOPAN VISHWANATHRAO KSHIRSAGAR	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. SONIYA AGARWAL

AUDITORS

M/s JAIN PRADEEP & CO.

Chartered Accountants

KOLTATA

SECRETARIAL AUDITOR

S PARDESHI & ASSOCIATES

BANKERS

ICICI BANK LTD.

AXIS BANK LTD.

YES BANK LTD.

REGISTERED OFFICE

ARNOLD HOLDINGS LIMITED

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

CORPORATE OFFICE

ARNOLD HOLDINGS LIMITED

B-502, Ramji House, 30, Jamboolwadi,
JSS Road, Mumbai - 400002 India

Email: arnoldholding9@gmail.com

Website: www.arnoldholdings.in

REGISTRARS & SHARE TRANSFER AGENTS

NICHE TECHNOLOGIES PVT LTD

D-511, BAGREE MARKET 5TH FLOOR,
71, B.R.B. BASU ROAD, KOLKATA - 700001.

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of **ARNOLD HOLDINGS LIMITED** will be held at the Hotel Monotel, DM 2, Sector V, Salt Lake City, Kolkata:- 700091 on 29th September, 2015 at 12.30 P.M to transact the following business:

Ordinary Business: -

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015 and Profit & Loss Account for the year ended on that date together with the Reports of Board of Director's and Auditor's thereon.
- 2) To declare the dividend on Equity Shares of the Company.
- 3) To appoint Mr. Prasenjit Goswami (DIN 03313512), who retires by rotation and being eligible, offer himself for re-appointment.
- 4) To appoint and fix the remuneration of M/s Jain Pradeep & Co. Chartered Accountants (Registration No. 315109E), as Auditors of the Company, who has given notice to the company u/s 141 of the Companies Act, 2013 of its willingness for re-appointment. The auditors shall hold the office from the conclusion of this Annual General meeting to till the conclusion of next Annual General Meeting of the Company at such remuneration shall be fixed by the Board of Directors of the Company.

Special Business:-

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

"RESOLVED that pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Gazala Kolsawala (DIN 07133943) who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Whole Time Director of the Company to hold office for 3 consecutive years for a term up to 28th September 2018."

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

"RESOLVED THAT in accordance with the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") (including any statutory modifications or re-enactment thereof, for the time being in force), the draft clauses contained in the Memorandum of Association submitted to this meeting be and are hereby

approved and adopted in substitution, and to the entire exclusion, of the clauses contained in the existing Memorandum of Association of the Company with immediate effect.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters, things and take necessary steps, proper or expedient to give effect to this resolution."

Registered Office:

18, RabindraSarani, "Poddar Court" 7th Floor,
Gate No.2, Room No. 712,
Kolkata, West Bengal,
India:- 700001.
CIN: L65993WB1981PLC034406
Dated: 12th August, 2015

By Order of the Board of Directors

Mr. Mahendraprasad Mallawat
Whole Time Director
DIN: 00720282

Notes:

1. *A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting, instead of himself/ herself and the proxy need not be a member of the company.*
2. *The instrument appointing the proxy, duly completed, must be deposited at the company's registered office not less than 48 hours before the commencement of the meeting. A proxy for the AGM is enclosed.*
3. *A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percentage of the total share capital of the company carrying voting rights. A member holding more than ten percentage of the total share capital of the company carrying voting right may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholders.*
4. *Members/ Proxies should bring the Attendance Slip duly filled, enclosed herewith to attend the meeting.*
5. *The Register and Share Transfer Books will remain closed from 23rd September, 2015 to 29th September, 2015 (both days inclusive) for the year ended 31st March, 2015 and the AGM. The Dividend, if approved in the AGM, shall be paid to the shareholders appearing in the Register of Members/Depositories as on 22nd September, 2015.*
6. *Members whose shareholding is in the electronic mode are requested to direct change of necessary details to their respective Depository Participant(s).*
7. *Members holding shares in the physical form are requested to address all correspondences to the Registrar and Share Transfer Agents, Niche Technologies Pvt. Ltd., D – 511, Bagree Market, 5th Floor, 71, B.R. B Basu Road, Kolkata – 700001.*
8. *The company is concerned about the environment and utilizes natural resources in a sustainable way. We therefore request you to register your e – mail ID with your Depository Participant(s) to enable us to send Annual Report and other correspondences via e – mail and hard copies will only be sent to the members who are not available on the e- mail. Members can also refer their folio number / Client ID and send their contact information along with the email ID to the company at arnoldholding9@gmail.com*
9. *Members may also note that the notice of the 33rd Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website www.arnoldholdings.in for their download. Members are also entitled to receive the physical copies of aforesaid documents upon making a request for the same, free of cost. For any communication, the shareholders may also send request to the email ID: arnoldholding9@gmail.com.*

10. *The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the company or the Registrar and Share Transfer Agents of the Company.*
11. *Non-Resident Indian members are requested to inform RTA, immediately of:*
 - I) *Change in their residential status on return to India for permanent settlement.*
 - II) *Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.*
12. *Members who have not registered their E-Mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.*
13. *In Compliance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) rules, 2014, the Company is pleased to provide members with facility to exercise their votes by electronic means (E- Voting). Communication containing detailed instructions in this regard is being sent to Members.*
14. *The Company has implemented the 'Green Initiatives' as per circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate affairs (MCA) to enable electronic delivery of notices/documents and annual Reports to Shareholders. The email Addresses indicated in your respective Depository Participant (DP) accounts are being periodically downloaded from NSDL/CDSL will be deemed to be your registered Email Address for serving notices/ documents including those covered under section 136 of the Companies Act, 2013(Corresponding provisions of Section 219 of Companies Act, 1956). Members may also note that the notice of the 33rd AGM and Annual Report for FY 2014-2015, copies of Audited Financial Statements, directors' Report, and Auditors' Report etc. will also be available on the website of the company, www.arnoldholdings.in for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participant.*
15. *Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made there under companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the depository. Members holding shares in Demat form are requested to register their e-mail address with their DP. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. The notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to members whose e-mail ids are registered with the company or Depository Participant unless the members have registered their request for a hard copy of the same. Physical Copy of the Notice of the AGM, Annual Report and Attendance Slip are being sent to those members who have registered their e-mail ids with the company or Depository Participant. Members who have received the notice of*

AGM, Annual Report and Attendance Slip in electronic mode are requested to print Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

16. VOTING THROUGH ELECTRONIC MEANS

- I. *In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).*
- II. *The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.*

III. *The process and manner for remote e-voting are as under*

- (i) *The remote e-voting period commences on 26th September, 2015 (9.00 A.M) and ends on 28th September 2015 (5.00 P.M). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2015 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.*
- (ii) *The shareholders should log on to the e-voting website www.evotingindia.com during the voting period*
- (iii) *Click on "Shareholders" tab.*
- (iv) *Now Enter your User ID*
 - a. *For CDSL: 16 digits beneficiary ID,*
 - b. *For NSDL: 8 Character DP ID followed by 8 Digits Client ID,*
 - c. *Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.*
- (v) *Next enter the Image Verification as displayed and Click on Login.*
- (vi) *If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.*
- (vii) *If you are a first time user follow the steps given below:*

	<i>For Members holding shares in Demat Form and Physical Form</i>
PAN	<i>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</i>

	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Bank Account Number (DBD)	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> Please Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "ARNOLD HOLDINGS LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
17. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at www.arnoldholdings.in with copy mark to spardeshiassociates@gmail.com and helpdesk.evoting@cdslindia.com on or before 29th September, 2015 upto 5.00 P.M. without which the vote shall not be treated as valid.
18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2015.
19. The shareholders shall have one vote per equity share held by them as on the cut-off date of 22nd September, 2015. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
20. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2015 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
21. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
22. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 22nd September, 2015 are requested to send the written / email communication to the Company at arnoldholding9@gmail.com by mentioning their Folio No. / DP ID

and Client ID to obtain the Login-ID and Password for e-voting.

23. *M/s. S Pardeshi & Associates, Practicing Company Secretary (Certificate of Practice Number 8485, Membership No. 7727) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.*
24. *The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.arnoldholdings.in and on the website of CDSL. The same will be communicated to the listed stock exchanges viz. BSE Ltd. and Calcutta Stock Exchange Ltd.*

ANNEXURE TO THE NOTICE:

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

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

Item No. 5

Mrs. Gazala Kolsawala having DIN (07133943) was appointed as an Additional Director by the Board of Director w.e.f. 25th March, 2015 in accordance with the provisions of Section 161 read with (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013 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 160 and all other applicable provisions of the Companies Act, 2013.

The Board feels that presence of Mrs. Gazala Kolsawala 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.

Except as provided above, none of the other Directors, Key Managerial Personnel of the Company or their respective Relative is in any way concerned or interested in the said Resolution set out at Item No. 5 of the Notice.

The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item no. 6

Arnold Holdings Limited was incorporated on December 24, 1981 under the provisions of the Companies Act, 1956.

The existing Memorandum of Association ("MOA") was based on the Companies Act, 1956 and several clauses / regulations in the existing MOA contain references to specific sections of the Companies Act, 1956 and which are no longer in force. Hence, it is considered expedient to amend MOA to some extent which shall be in conformity with the new companies Act, 2013. The proposed new draft MOA is being uploaded on the Company's website for perusal by the shareholders. The draft MOA shall be available for inspection during the meeting and can be inspected by members during the business hours at the registered office of the company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No.6 of the Notice for approval by the shareholders.

Registered Office:

18, Rabindra Sarani, "Poddar Court" 7th Floor,
Gate No.2, Room No. 712,
Kolkata, West Bengal,
India:- 700001
CIN: L65993WB1981PLC034406
Dated: 12th August, 2015

By Order of the Board of Directors

Mr. Mahendraprasad Mallawat
Whole Time Director
DIN: 00720282

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2015.

1. Financial Performance:-

The financial performance of the Company for the Year ended 31st March, 2015 is as summarized below:-

(In Rs.)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Gross Turnover	32,86,39,968	91,545,980
Profit/(loss) before Taxation	12,319,438	1,14,52,925
Less: Provision for Taxation	21,16,807	19,54,260
Add: Provision for Deferred Tax Assets	11,362	10,407
Profit/(loss) after Taxation	1,02,13,993	95,09,072
Less: Provision Against Standard Assets	1,003,870	10,18,259
Less : Transferred to Reserve Fund 45-1C	2,051,820	18,62,090
Add: Balance brought forward from previous year	10,210,817	64,94,983
Less: Proposed Dividend	2,506,250	25,06,250
Less: Dividend Tax	406,639	4,06,639
Balance carried to Balance Sheet	1,44,56,231	10,210,817

2. Dividend:-

Your Directors are pleased to recommend for approval of Shareholders, a maiden dividend of Rs. 0.10 per share (i.e. 5%) on Equity Shares of the face value of Rs. 2/- each.

3. State of the Company's Affairs:-

The gross turnover for the financial year 2015 at Rs. 3286.40 Lakhs and last year 2014 it was Rs. 915.46 Lakhs. The Profit before tax for FY 2015 was Rs. 123.19 Lakhs against as Rs. 114.53 Lakhs in

FY-2014an increase of 7.57% over the previous year. The Profit after tax for FY 2015 was Rs. 102.14 Lakhs compared as Rs. 95.09 Lakhs in FY-2014 an increase of 7.41% over the previous year.

This has come due to company's health interest margins, operating efficiencies and prudent risk management.

The Company's current provisioning standards are more stringent than Reserve Bank of India (RBI) prudential norms. In line with its conservative approach, the Company continues to strengthen its provisioning norms beyond the RBI regulation by accelerating the provisioning to an early stage of delinquencies based on the past experience and emerging trends.

4. Directors:-

Pursuant to Sections 149 of the Companies Act, 2013 Mr. Dinesh Kumar Gupta, Mr. GajananUttamraoMante and Mr. SopanVishwanathraoKshirsagar, have been appointed as Independent Directors for a period of five years till 31st March, 2019 at the annual general meeting held on 29th September, 2014.

Mr. Dinesh Kumar Gupta, Mr. GajananUttamraoMante and Mr. SopanVishwanathrao who are independent directors, have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

Mrs. CA. GazalaKolsawala was appointed as an Additional Director with effect from 25th March, 2015. The Board has appointed her as an executive director from the same date for a period of 3 years. She is a Chartered Accountant (Membership no: 047323) having 20 years of experience in finance, taxation, compliance, audits. She is a woman who is result oriented and the Company will be benefitted from her great potential in the above fields.

The resolution seeking approval of the members for the appointment of Mrs. CA Gazala Kolsawala have been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about them.

The brief note on Director retiring by rotation and eligible for re- appointment as well as Independent Directors and Additional Director being appointed is being furnished in the Report on Corporate Governance.

5. Key Managerial Personnel

During the year under the report, the Company has appointed following persons as Key Managerial Personnel.

Mr. MahendraprasadMallawat – Whole Time Director

Mr. Prasenjit Goswami-Whole Time Director

Mrs. CA. Gazala Kolsawala-Whole Time Director

Mrs. Soniya Agarwal - Company Secretary and Compliance Officer.

6. Directors' Responsibility Statement:-

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, 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, 2015, 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, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts for the financial year ended 31st March 2015 on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. No. of Board Meetings

Eleven meetings of the Board were held during the year. For details of the meetings of the board please refer to the corporate governance report which forms the part of this report.

8. Board Evaluation

The Nomination and Remuneration Committees lays down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board. The criteria for the performance evaluation is based on the various parameters like attendance and participation at the meetings of the Board and Committees thereof, contribution to strategic decision making, review of risk assessment and risk mitigation, review of financial statements, business performance and contribution to the enhancement of brand image of the Company.

The Board has carried out the evaluation of its own performance as well as that of the Committees of the Board and all the Directors.

9. Policy on Director's Appointment and Remuneration and Other Details:

The Nomination and Remuneration Committees lays down the criteria for Director's appointment and remuneration including criteria for determining qualification, positive attributes and independence of the Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

- The candidate should possess the positive attributes such as Leadership, Entrepreneurship, Business Advisor or such other attributes which in the opinion of the Committee are in the interest of the Company.
- The candidate should be free from any disqualifications as provided under Section 164 and 167 of the Companies Act, 2013.
- The candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges, in case of appointment of an independent director; and
- The candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, medical, social service, professional teaching or such other areas or disciplines which are relevant for the Company's business.

10. Internal financial control systems and their adequacy:-

The details in respect of internal financial control and their adequacy are included in the Management Discussion & analysis, which forms part of this report.

11. Audit Committee

The details pertaining to composition of audit committee are included in the Corporate Governance, which forms the part of this report.

12. Auditors & Auditors Report

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

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

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

The Audit report does not contain any qualification, reservations or adverse remarks.

13. Credit Ratings:

Due to economic environment, the Company is under- going the process of acquiring the credit rating owing to high capital adequacy, strong promoter support, and robust asset liability management.

Care Rating (the credit rating agency) is conducting the process of rating the Company, as these ratings indicate highest degree of safety with regard to timely payment of interest and principal.

14. Share Capital

During Financial Year 2014-2015, the Company has undergone the process of sub- division of share from Rs. 10/- per share to Rs. 2/- per share with effect from 18th April, 2015.

15. Management's Discussion and Analysis Report:-

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

16. Corporate Governance:-

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

17. Secretarial auditor report:

The secretarial report does not contain any qualification, reservations or adverse remarks. Report of the Secretarial auditor is given as an **Annexure III** which forms the part of this report.

18. Risk Management.

Pursuant to the Section 134 of the Companies Act, 2013, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are provided in the Report on Corporate Governance.

19. Particulars of Loans, Guarantees and Investment.

The Company has not given any loans or guarantee or made any investments in contravention of the provisions of the Section 186 of the Companies Act, 2013. The details of the loans and guarantees given and investments made by the Company are provided in the notes to the financial statements.

20. Related Party Transactions.

All the related party transaction entered into during the financial year was not on the arm's length basis and were in the ordinary course of Company's business. The Company's has not entered into any contracts, arrangements or transaction with any related party which could be considered as material within the meaning of clause 49 of the listing agreement.

All the related party transactions are placed before the Audit Committee as well as the Board for approval on the quarterly basis. Omnibus approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions.

Related party transactions under Accounting Standards AS- 18 are disclosed in the notes to the financial statements. Prescribed Form No. AOC- 2 pursuant to clause (h) of sub- section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished as Annexure IV to this report.

Disclosure of Related Party/ Related Party Transactions:

a) Key Managerial Persons:

Mr. MahendraprasadMallawat
 Mr. PrasenjitGoswami
 Mr. Dinesh Kumar Gupta
 Mr. GajananUttamraoMante
 Dr. SopanVishwanathraoKshirsagar
 Mrs. CA. GazalaKolsawala
 Mrs. SoniyaAgarwal

b) Details of transactions:

Director's remuneration: - Mr. MahendraprasadMallawatRs. 5, 100, 04/-

Mrs. CA. GazalaKolsawalaRs. 18,000/-

Detail of Salary: Mrs. SoniyaAgarwalRs. 2, 40,800/-

21. RBI guidelines:

The Company is registered with RBI. The Company has complied with and continues to comply with all applicable Laws, Rules, Circulars, Regulations, norms and standards laid down by the Reserve Bank of India (RBI) during the Financial Year 2014-2015. In line with the RBI guidelines

for asset liability management (ALM) system for NBFCs, the Company has an Asset Liability Committee which meets monthly to review its ALM risks and opportunities.

22. Secretarial standards of ICSI:

The Institute of Company Secretaries of India (ICSI) has on 23 April 2015, notified the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) to be effective from 1 July 2015. The Company is complying with the same.

23. Extract of Annual Report:

In accordance with the requirements of Section 92(3) of the Companies Act, 2013, and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT- 9 is furnished as **Annexure V** to this report.

24. Particulates of Employees:-

None of the employees were in the category of the limits specified Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

25. Fixed Deposits:-

During the year under review, the Company has not accepted any deposits as such no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 134 of the Companies Act, 2013, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

(i) Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.

(ii) Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned	- Rs. Nil
Foreign Exchange Used	- Rs. Nil

27. Appointment of Internal Auditor

Pursuant to the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rule, 2014, Mrs. Soniya Agarwal who is the Company Secretary and compliance officer of the Company

has been appointed as the internal auditor of the Company for the financial year 2015-2016 and she is being eligible for re-appointment.

28. Human Resources:

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. The Company has a planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organization. Focus on Behavioral and Leadership traits through Learning & Development interventions, job rotation is planned for the employees who constitute the Talent Pool.

29. Business Development:

During the year, the Business Development Group ("BDG") initiated opportunities and harnessed its extensive relationship network within and outside the Company, to benefit the business.

30. Regulatory Action:

There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and operation of the Company in future.

29. Acknowledgments:-

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

On behalf of the Board of Directors

For Arnold Holdings Limited For Arnold Holdings Limited

Mahendraprasad Mallawat
Whole time Director
DIN- 00720282

Gazala Kolsawala
Director
DIN: 07133943

Place:-Kolkata
Date: 29th day of May, 2015

Annexure I to the Directors' ReportMANAGEMENT DISCUSSION & ANALYSISABOUT THE INDUSTRY:

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

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

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

An Overview of Regulation of NBFCs

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

(1) Mission

To ensure that:

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

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

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

- Entry norms for NBFCs and prohibition of deposit acceptance (save to the extent permitted under the Act) by unincorporated bodies engaged in financial business,
- Compulsory registration, maintenance of liquid assets and creation of reserve fund,
- Power of the RBI to issue directions to an NBFC or to the NBFCs in general or to a class of NBFCs.
- Comprehensive regulation and Supervision of deposit taking NBFCs and limited supervision over those not accepting public deposits.

(3) Basic Structure of Regulatory and Supervisory Framework

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

(4) Other steps for protection of depositors' interest

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

ABOUT THE ARNOLD HOLDINGS LIMITED:**Business Overview:**

Arnold Holdings Ltd is a public limited company incorporated in the year 1981 listed in Bombay Stock Exchange and Calcutta Stock Exchange. It is a non deposit taking NBFC, registered with the RBI vide Registration No.05.02617. Ever since its incorporation the company engaged in investment in shares and activity of non-banking finance company

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. 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
- ✓ Capital market
- ✓ Corporate finance
- ✓ Mortgage and loans
- ✓ Infrastructure finance

FINANCIAL PERFORMANCE:

During the fiscal Year 2015, the gross operational income of the Company stood at Rs 3231.63 Lacs compared to previous fiscal Year of Rs.864.48 Lacs. The company has continued its lending activities and advances portfolio of the Company has been increased to Rs.4062.65 Lacs and the interest income of the Company have been stood at Rs.339.61 Lacs as comparing to preceding fiscal Year of Rs.308.79 Lacs. This fiscal Year Company's profits have been Rs.102.14 Lacs compared to Rs. 95.09 Lacs of fiscal Year 2014.

Financial Highlights:

- Arnold recommended a dividend of 5% as on March 31, 2015.
- Income from operation stood at Rs. 3231.63 Lacs for fiscal Year 2015.
- Profit before Taxes of fiscal Year 2015 was Rs. 123.19 Lacs.
- Profit after Taxes of fiscal Year 2015 was Rs. 102.14 Lacs.

- Earnings per share for fiscal Year 2015 were Rs. 0.41 per share.
- Net Worth of company stood at Rs. 5035.70 Lacs as on March 31, 2015.

ASSET LIABILITY MANAGEMENT

Arnold Holdings Ltd had a total borrowing of Rs. 11.91crore as on 31 March 2015. The Company's Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the RBI, monitors asset-liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continues to very closely monitor liquidity in the market and as a part of its ALCO strategy, maintains a liquidity management desk to reduce its liquidity risk. The liquidity buffer is stepped up whenever signs of tight liquidity in the system are noticeable.

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 with the company.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

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

internal systems for review and monitoring of nonperforming assets of the company and to indicate corrective action for effecting recoveries.

CAUTIONARY:

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

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

Mr. Mahendraprasad Mallawat
Whole time Director
DIN- 00720282

Place:-Kolkata

Date: - 29th day of May, 2015

Annexure II to the Directors' Report**REPORT ON CORPORATE GOVERNANCE**

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

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

1. Corporate Governance Philosophy

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

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

2. Board of Directors (Board):-

a) Board Composition:-

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

The present strength of the Board is Six (6) Directors, comprising of Three Whole -Time Director Three Independent Non- Executive Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

Name of Directors	Category of Directorship
Mr. Mahendraprasad Mallawat	Whole Time Director
Mr. Prasenjit Goswami	Whole Time Director
Mrs. Gazala Kolsawala	Whole- Time Director
Mr. Sopan Vishwanathrao Kshirsagar	Independent - Non Executive

Mr. Dinesh Kumar Gupta	Independent – Non Executive
Mr. Gajanan Uttamrao Mante	Independent – Non Executive

b) No. of Board Meetings:-

The Board meets at regular intervals to discuss and decide on company's business policy and strategy apart from other normal business. During the financial year ended on 31st March 2015, Eleven (11) Board Meetings were held on the following dates:-

05th April, 2014 , 15th April, 2014, 30th May, 2014, 10th July, 2014, 13th August, 2014, 09th September, 2014, 01st October, 2014, 13th November, 2014, 16th January, 2015, 18th February, 2015 and 25th March, 2015.

➤ The Last Annual General Meeting of the Company was held on 29th September, 2014

c) Directors' Attendance Record and Directorships Held:-

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

Name of Directors	DIN	No. of Board Meetings Attended	Attendance at last AGM held on 29 th September, 2014	# Directorship held in other Companies	Committee Memberships / Chairmanships	
					Members hip	Chairmanship
Mr. Mahendraprasad Mallawat	00720282	11	Present	-	--	--
Mrs. Gazala Kolsawala	07133943	-	-	-	--	--
Mr. Sopan Vishwanathrao Kshirsagar	06491444	11	Present	-	--	--
Mr. Prasenjit Goswami	03313512	11	Present	-	--	--

Mr. Dinesh Kumar Gupta	05259502	11	Present	-	--	--
Mr. Gajanan Uttamrao Mante	02320965	11	Present	Apratim Infrastructure Private Limited	--	--

Excluding Private Companies and Companies under Section 25 of the Companies Act, 1956. The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all companies in which they are Director. As per Clause 49 of the Listing agreement, for the purpose of reckoning the said limit, Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance Committee alone shall be considered.

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

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

Mr. Prasenjit Goswami DIN:-03313512 (Whole -time Director)

Mr. Prasenjit Goswami, aged 42 years is a Whole Time 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 a Whole time Director of our Company and MBA by qualification, he brings value addition to the Company.

Mrs. Gazala Kolsawala DIN:- 07133943 (Woman Director)

Mrs. Gazala Kolsawala is the additional director of the Company. She is a Chartered Accountant (Membership no: 047323) having 20 years of experience in finance, taxation, compliance, audits. She is a woman who is result oriented and the Company will be benefitted from her great potential in the above fields

e) Code of Conduct

The Board has laid down the Code of Conduct for Board Members and Senior Management personnel of the Company. The code incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The said code of conduct is posted on the company's website www.arnoldholdings.in . The Board and the senior management personnel have affirmed compliance with the said code of conduct.

3. Board Committees

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

1). Audit Committee:-

a) *Composition and attendance:-*

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

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

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

During the year 2014-15, four (4) Audit Committee meetings were held on 30th May, 2014, 13th August, 2014, 13th November, 2014 and 16th January, 2015.

b) *Power & Terms of Reference:-*

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

2). Nomination & Remuneration Committee:-**a) Composition and attendance:-**

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

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

Committee is as follows:-

The Board of Directors of the company at its meeting held on 25th March, 2015 constituted the Nomination & Remuneration Committee in Compliance with Section 178 of the Companies Act and Clause 49 of the Listing Agreement.

Meeting Details: One meeting of the Nomination & Remuneration Committee was held on 25th March, 2015 during the Year.

b) Terms of Reference:-

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

c) Remuneration Policy:-

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

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

3) Stakeholders Relationship Committee:-**a) Composition and attendance:-**

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

Name of the Members	Position	Category
Mr. Gajanan Uttamrao Mante	Chairman	Independent & Non Executive Director
Mr. Dinesh Kumar Gupta	Member	Independent & Non Executive Director
Mr. Mahendraprasad Mallawat	Member	Whole-time Director

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

Meeting Details: No Shareholders' / Investors' Grievance Committee meeting was held during 2014-15.

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 01st April, 2014 to 31st March, 2015:-

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

d) Compliance Officer:-

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

e) Independent Directors Meeting.

During the year under the review, the Independent Directors met on 25th March, 2015 without the attendance of non- Independent Directors and members of management, inter-alia, to discuss:

- 1) Evaluation of the performance of non- Independent Directors and the Board of Directors as a whole.
- 2) Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and non- Executive Directors; and
- 3) Evaluation of the quality, content and timelines of flow of information, between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

4. Subsidiary Company:-

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

5. General Body Meetings:-

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

<i>Financial Year</i>	<i>Date</i>	<i>Time</i>	<i>No. of Special Resolutions Passed</i>
2011-12	29 th September, 2012	11.30AM	Nil

2012-13	28 th September, 2013	11.30 AM	01
2013-2014	29 th September, 2014	2.30 P.M	Nil

6. Disclosures

i) Details of Non – compliances by the company, penalties and strictures imposed on the company by SEBI, ROC, Stock Exchanges or any other statutory authorities on any matters related to capital market during the last 3 financial year. **None**

ii) Whistle Blowing Policy/ Vigil Mechanism

Pursuant to section 177(9) of Companies Act, 2013 and Clause 49 of the listing agreement Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower mechanism wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. This mechanism provides safeguards against victimization of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases.

None of the employees has been denied access to the Audit Committee under this policy during the year under review.

iii) The Company has complied with all the mandatory requirements of Corporate Governance under clause 49 of the listing agreement as amended from time to time.

iv) The CEO/CFO Certificate forms part of this Annual Report.

v) Reconciliation of Share Capital

A qualified Practicing Company Secretary carries out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued / paid- up capital is in agreement with total numbers of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

7. Means of Communication:-

a) **Quarterly/ Annual Results:** The Company's Quarterly results are published in Financial Express and Durant Barta in Kolkata and the Company's Annual results are published in 'Free Press' and 'Navshakti' in Mumbai and 'Financial Express and Durant Barta Kolkata and are also displayed on its website www.arnoldholdings.in

(b) **Annual Report:** The Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members

and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Directors' Report in the Annual Report. The Annual Report is displayed on the Company's website www.arnoldholdings.in

(c) **BSE Corporate Compliance & Listing Centre (the "Listing Centre"):** BSE's Listing Centre is a web- based Application designed for Corporates. All periodical compliances filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.

(d) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web- based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of Actions taken on the complaint and its current status.

(e) **Website:** The Company's website www.arnoldholdings.in contains a separate dedicated section, "Investor Relation", where shareholding pattern is available. The company's Annual report is also available in a user- friendly and downloadable form.

1) For any query in Annual Report mail on info@arnoldholdings.in

8. General Shareholder Information:-

a) Company Registration Details: The Company is registered in the state of West Bengal, India. The Corporate Identity Number (CIN) allotted to the company by the Ministry of Corporate Affairs (MCA) is L65993WB1981PLC034406

b) Annual General Meeting:-

Date : 29th September, 2015

Venue : Hotel Monotel, DM 2, Sector V, Salt Lake City, Kolkata:- 700091

Day and Time : Tuesday, 12:30 PM

c) Financial Year of the Company:-

The Company follows the period of 01st April to 31st March, as the Financial Year.
Tentative Calendar for the Financial Year ending 31st March, 2015:

1st Quarter ending 30th June 2015

By 13th August, 2015

2 nd Quarter & Half Year ending 30 th September 2015	By 14 th November, 2015
3 rd Quarter ending December 2015	By 14 th February, 2016
4 th Quarter / year ending March 2016	Within 60 days from 31 st March, 2016
Annual General Meeting for the Year 2015-16	By September, 2016

d) *Book Closure Date*: - From 23rd September, 2015 to 29th September, 2015 (Both Days inclusive)

e) *Dividend Payment Date*: Credit/ dispatch of Dividend warrants on 30th September, 2015

f) *Listing on Equity Shares on Stock Exchange:-*

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

g) *Payment of Listing Fees:-*

The Company has paid the Listing Fees for the year 2015-16 to both the above exchanges.

h) *Payment of Depository Fees:-*

The Company has paid the custodial fees for the year 2015-16 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

i) *Stock Code / Symbol:-*

Bombay Stock Exchange Limited (BSE)	537069
Calcutta Stock Exchange Limited (CSE)	10011234
International Securities Identification Number (ISIN)	INE185K01028

j) Share Price Data:

<i>Month</i>	<i>BSE Limited (BSE) (in Rs. per Share)</i>	
	<i>Month's High Price</i>	<i>Month's Low Price</i>
<i>April 2014</i>	236.80	230.55
<i>May 2014</i>	275.00	231.50
<i>June 2014</i>	283.00	247.25
<i>July 2014</i>	273.00	258.05
<i>August 2014</i>	317.55	262.70
<i>September 2014</i>	345.60	272.80
<i>October 2014</i>	349.95	288.25
<i>November 2014</i>	309.20	288.75
<i>December 2014</i>	312.05	275.00
<i>January 2015</i>	306.00	292.05
<i>February 2015</i>	302.30	289.50
<i>March 2015</i>	323.20	276.10

k) Registrar and Share Transfer Agent:-

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

M/s. Niche Technologies Private Limited
D-511, Bagree Market,
71, B R B Basu Road,
Kolkata-700 001

Tel: +91 33 2235 7270
 Fax: +91 33 2215 6823
 Website: www.nichetechpl.com
 E-mail: nichetechpl@nichetechpl.com

l) Share Transfer System:-

Presently, the share transfers received by the R&TA of the Company are processed and returned within a period of 15 days from the date of its receipt, subject to documents being valid and complete in all respect. The Board has delegated the authority for approving the transfers to the registrar & transfer agent subject to approval by Grievance Committee. Shareholders' Grievances and other miscellaneous correspondence on change of address, mandates, etc. received from Members are generally processed by R&TA of the Company within 15 days. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47 (c) of the Listing Agreement and files a copy of the certificate with stock exchanges.

m) Distribution of shareholding (category wise) as on 31st March, 2015:-

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	330035	6.58
Financial Institutions / Banks	0	0.00
Insurance Companies	0	0
NRI	5	0.00
Bodies Corporate	782129	15.60
Public	3900331	77.82
Total	5012500	100.00

n) Dematerialization of shares and liquidity:-

- About 100% of the shares have been dematerialized as on 31st March, 2015.
- Trading in the shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

o) Outstanding GDR / ADR / Warrants or any convertible instruments:

The Company has not issued any GDRs/ Warrants or any other instrument, which is convertible into Equity Shares of the Company.

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

q) Address for correspondence:-

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

M/s. Niche Technologies Private Limited
D-511, Bagree Market, 71, B R B Basu Road,
Kolkata-700 001.
Tel: +91 33 2235 7270, Fax: +91 33 2215 6823
Website: www.nichetechpl.com
E-mail: nichetechpl@nichetechpl.com

(ii) For any Query on Annual Report:

Mrs. Soniya Agarwal
Company Secretary and Compliance Officer
Arnold Holdings Limited
B-502, Ramji House, 30 Jambulwadi, J.S.S. Road,
Mumbai-400 002, Maharashtra, India
Tel: +91 22-22016640, Fax: +91 22-4344 640
Email: info@arnoldholdings.in / arnoldholding9@gmail.com

8. Compliance Certificate of the Auditors:

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

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

9. Adoption of Mandatory and Non-Mandatory requirements of Clause 49:-

The Company has complied with all the mandatory requirements of Clause 49 of the Listing agreement. The company has adopted following non- mandatory requirements of Clause 49 of the Listing Agreement:

a) Remuneration Committee:-

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

b) Communication to shareholders:-

Company's quarterly financials are published in English newspaper having a wide circulation all over India and in a Marathi newspaper widely circulated in Mumbai and Bengali newspaper widely circulated in Kolkata. The quarterly results and limited

review report thereon are also put on the Company's website www.arnoldholdings.in. The same are not sent to the shareholders of the Company, individually.

c) *Disclosure of Risk Management:-*

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

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

CEO / CFO Certification: -

To,
The Board of Directors
Arnold Holdings Limited
18, Rabindra Sarani, "Poddar Court" 7th Floor,
Gate No.2, Room No. 712, Kolkata, West Bengal,
India:- 700001.

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

1. I have reviewed financial statements and the cash flow statement of Arnold Holdings Limited for the year ended 31st March, 2015 and due to the best of our knowledge and belief:
 - (i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of company's internal control systems pertaining to financial reporting.

I have not come across any reportable deficiencies in the design or operations of such internal controls.

4. I have indicated to the Auditors and the Audit Committee:
 - (i) That there are no significant changes in internal control over financial reporting during the year:

- (ii) That there are no significant changes in accounting policies during the year: and
- (iii) That there are no instances of significant fraud of which we have become aware.

By Order of the Board of Directors,
For Arnold Holdings Limited

Mr. Mahendraprasad Mallawat
Whole Time Director
DIN: 00720282

Place:Kolkata
Date: 29th May, 2015

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2015

To,
The Members,
ARNOLD HOLDINGS LTD

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ARNOLD HOLDINGS LTD (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the ARNOLD HOLDINGS LTD's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by ARNOLD HOLDINGS LTD ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Other laws applicable to the Company as per the representation made by management.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited and Bombay Stock Exchange Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decision at the Board Meetings, as represented by the management, were taken unanimously.

We further report that as per the explanations given to us and the representations made by the management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Board of Directors of the Company has approved the followings:

- a) Sub division of Equity Shares.
- b) Increased its Authorised Capital.
- c) Adoption of New set of Article of Association

Place: Mumbai
Date: 29/05/2015

S Pardeshi & Associates

Santosh Pardeshi
FCS No. 7727
C. P. No.: 8485

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Arnold Holding Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appreciates to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of finance records and books of the accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 29/05/2015

S Pardeshi & Associates

Santosh Pardeshi
FCS No. 7727
C. P. No.: 8485

Annexure IV to the Directors' Report

Form AOC -2

Pursuant to clause (h) of sub-section -3 of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014.

Form of disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to sub-section 1 of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1) Details of contracts/ arrangements or transactions not at arm's length basis:

Arnold Holdings Limited has not entered into any contracts/ arrangements or transactions with its related parties during the financial year 2014-2015.

By Order of the Board of Directors,
For Arnold Holdings Limited

Place: Kolkata
Date: 29th May, 2015

Mr. Mahendraprasad Mallawat
Whole Time Director
DIN:00720282

Annexure V to the Directors' Report**FormNo.MGT-9****Extract Of Annual Return as on the Financial year ended On 31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L65993WB1981PLC034406
ii.	Registration Date	24/12/1981
iii.	Name of the Company	ARNOLD HOLDINGS LTD
iv.	Category/Sub-Category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON- GOVERNMENT COMPANY.
v.	Address of the Registered office and contact details	18, RABINDRA SARANI, "PODDAR COURT" 7TH FLOOR,, GATE NO.2, ROOM NO. 712, KOLKATA,, WEST BENGAL, INDIA, - 700001.
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NICHE TECHNOLOGIES PRIVATE LIMITED. D-511, BAGREE MARKET, 5 TH FLOOR, 71 B. R. B. BASU ROAD, KOLKATA: 700001. CONTACT NO: 033-22357271.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Non- Banking Finance Business Activities.		100%

for GDRs & ADRs									
GrandTotal (A+B+C)	437014 6	-	43701 46	87.1 8	41460 74	-	41460 74	82.7	-

ii. Share holding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	HARSHAD ACHALESHWA	67000	1.34	-	67000	1.34	-	-
2.	MAHENDRA	5000	0.10	-	5000	0.10	-	-
3.	PAWANKUMAR NATHMAL MALLAWAT	10000	2.00	-	10000	2.00	-	-
4.	RAMA HARSHAD KELA	25000	0.50	-	25000	0.50	-	-
5.	VARSHA PAWAN MALLAWAT	10000	2.00	-	10000	2.00	-	-
6.	KAMLADEVI CHAGANLAL KELA	5	0.00	-	5	0.00	-	-
7.	PANKAJ BHAGWANKIS HORE KELA	5	0.00	-	5	0.00	-	-
8.	NIDHI PANKAJ KELA	5	0.00	-	5	0.00	-	-
9.	BHAGAWANKI SHORE CHHAGANLAL	5	0.00	-	5	0.00	-	-
10.	PREMADEVI BHAGWANKIS HORE KELA	5	0.00	-	5	0.0	-	-
11.	KAILASHCHAND N MALLAWAT	1000	0.02	-	1000	0.02	-	-
12.	MANJU MAHENDRA MALLAWAT	1300	0.03	-	1300	0.03	-	-
13.	MAHENDRA PRASAD NATHMAL	100	0.00	-	100	0.00	-	-

14	SARITA MAHENDRA MALLAWAT	1000	0.02	-	1000	0.02	-	-
15	HARISH MALLAWAT	100	0.00	-	100	0.00	-	-
16	MONICA M MALLAWAT	24310	0.48	-	24310	0.48	-	-
17	SANDEEP M MALLAWAT	100	0.00	-	100	0.00	-	-
18	MAMTA K MALLAWAT	5000	0.10	-	5000	0.10	-	-
19	NIRMALKUMAR NATHMALJI MALLAWAT	100	0.00	-	100	0.00	-	-
	Total	330035	6.58	-	330035	6.58	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
		-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total(i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	=	=	=	=
3.	Sweat Equity	=	=	=	=
4.	Commission - as % of profit - others, specify...	-	=	=	=

5.	Others, please specify	=	=	=	=
6.	Total	=	=	=	=

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR ARNOLD HOLDINGS LTD

FOR ARNOLD HOLDINGS LTD

(Mahendraprasad Mallawat)
Whole Time Director

(Gazala Kolsawala)
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, 2015 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: 29th Day of May, 2015



Independent Auditor's Report

To,
The Members of ARNOLD HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ARNOLD HOLDINGS LIMITED, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year then ended, the Cash flow Statement and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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



Page: 2

the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information 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, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, We give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent possible.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



Page: 3

- c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,
- e) On the basis of the written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would materially impact its financial position. except please refer point no 5 of note no 1.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jain Pradeep & Co.
Chartered Accountants
FRN No: 315109E

Place: Kolkata
Date: 29th May, 2015

(Pradeep Jain)
(Proprietor)
Membership No. 052264

ARNOLD HOLDINGS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015

P A R T I C U L A R S	NOTES	As at 31/03/2015 Rs.	As at 31/03/2014 Rs.
A EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	50,125,000	50,125,000
(b) Reserves and Surplus	3	453,695,444	446,394,340
(2) Current Liabilities			
(a) Short term borrowings	4	119,533,774	47,097,674
(b) Trade payables	5	230,010	14,022,171
(c) Short term provisions	6	7,808,998	5,001,592
TOTAL		631,393,226	562,640,777
B ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	138,888	116,738
(b) Deferred Tax Asset		250,528	239,166
(c) Non - Current Investments	8	100,000	100,000
(2) Current Assets			
(a) Inventories	9	193,512,728	140,125,268
(b) Trade Receivables	10	4,872,798	178,000
(c) Cash and cash equivalents	11	23,555,891	11,556,361
(d) Short term loans and advances	12	406,265,394	410,325,244
(e) Preliminary Expenses	13	2,697,000	-
TOTAL		631,393,226	562,640,777

Significant Accounting Policies &

Other notes attached form an integral part of the Financial Statement - 1

Signed in terms of report attached of even date

M/S PRADEEP JAIN & CO.

Chartered accountants

FIRM REG. NO: 315109E

FOR ARNOLD HOLDINGS LIMITED

(M.P.Mallawat)
DIRECTOR

(Gazala Kolsawala)
DIRECTOR

(PRADEEP JAIN)

M.NO-052264

Place : KOLKATA - 700 007

Dated : The 29Th Day of May 2015.

Company Secretary

ARNOLD HOLDINGS LIMITED
STATEMENT OF PROFIT AND LOSS

(Figures in INR)

P A R T I C U L A R S		NOTES	For The Year Ended 31/03/2015	For The Year Ended 31/03/2014
I.	Revenue from Operations	14	323,162,696	86,448,223
II.	Other Income	15	5,477,272	5,097,757
	Total revenue		328,639,968	91,545,980
III	Purchases of stock in trade		347,329,793	102,997,568
IV	Changes in inventories of finished goods	16	(53,387,460)	(34,690,835)
V	Employee benefits expense	17	2,116,901	1,766,045
VI	Finance Cost	18	6,929,158	1,224,195
VII	Depreciation and amortization expense	19	98,925	4,363
VIII	Other expenses	20	13,233,213	8,791,719
	Total Expenses		316,320,530	80,093,056
IX	Profit/(Loss) before exceptional and extraordinary items and tax		12,319,438	11,452,925
X	Exceptional items		-	-
XI	Profit before extraordinary items and tax		12,319,438	11,452,925
XII	Extraordinary items		-	-
XIII	Profit before tax		12,319,438	11,452,925
XIV	Tax expense:			
	(1) Current tax		2,116,807	1,954,260
	(2) Deferred tax		(11,362)	(10,407)
XV	Profit/(Loss) for the period from continuing operations		10,213,993	9,509,072
XVI	Earning per equity share:	21		
	(1) Basic		0.41	0.38
	(2) Diluted		0.41	0.38
	Weighted average number of equity shares (Refer note 21)		25,062,500	25,062,500
	Face Value		Rs.2/-	Rs.2/-
	Significant Accounting Policies & Other notes attached form an integral part of the Financial Statement - 1			

Signed in terms of report attached of even date

M/S PRADEEP JAIN & CO.

Chartered accountants

FIRM REG. NO: 315109E

FOR ARNOLD HOLDINGS LIMITED

(PRADEEP JAIN)

Proprietor

M.NO-052264

(M.P.Mallawat)
DIRECTOR

(Gazala Kolsawala)
DIRECTOR

Company Secretary

Place : KOLKATA - 700 007

Dated : The 29Th Day of May 2015.

ARNOLD HOLDINGS LTD.

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

NOTE : 1

NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH' 2015

I. CORPORATE INFORMATION:-

Arnold Holdings Ltd. is a public limited NBFC company, incorporated 1981 listed on BSE Ltd. & Calcutta Stock Exchange. The company is engaged in field of Corporate Finance, Infrastructure Finance, Mortgage and Gold Loans, Capital Market.

Arnold has been seasoned provider of private equity capital to companies across sectors. Arnold private equity practice has led investments across a range of sectors-pharmaceutical research, high-end telecom technology product development, media production services, technology, textiles, drug, manufacturing, construction, processed foods, component and tool fabrication and real estate.

II. SIGNIFICANT ACCOUNTING POLICIES :

- A. a) **BASIS OF ACCOUNTING POLICIES:-** The financial statements have been prepared in accordance with generally accepted accounting principles in India (India GAAP) under the historical cost convention on an accrual basis in compliance with material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- b) All assets and liabilities have been classified as current or non- current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Company's Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycles as up to twelve months for the purpose of current/ non- current classification of assets and liabilities.
- c) 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, 2013. 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 amounts of assets and liabilities and disclosures of 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 cost 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 less accumulated depreciation up to the balance sheet date.

The depreciation on Fixed Assets has been provided for on written down value method at the rate and in the manner prescribed in Schedule II of The Companies Act' 2013 based on recommended useful lives.

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II of the Companies Act, 2013. Accordingly, in respect of Air Conditioner where the remaining useful life is "Nil", the carrying amount as on 1st April 2014 (after retaining the residual value aggregating to Rs. 2218/-), being Rs. 18499/- has been charged to depreciation in the Statement of Profit and Loss for the year and for other assets depreciation has been charged based on their remaining useful life. Due to this change in basis of calculation of depreciation, the depreciation charged for the year ended 31st March 2015 is higher by Rs 18499/-.

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

D. RECOGNITION OF INCOME & EXPENDITURE:

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

E. FOREIGN CURRENCY TRANSACTIONS:

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

F. INVESTMENTS:

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

G. INVENTORIES:

The inventories of equity shares have been valued at Cost.

H. PROVISION FOR CURRENT AND DEFERRED TAX:

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

Continuedp/3

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:

Mahendraprasad Mallawat
CA Gazala Kolsawala
Prasanjeet Goswami
Dinesh Kumar Gupta – Independent Director
Gajanan Uttamrao Mante – Independent Director
Dr. Sopan Vishwanathrao Khirsagar – Independent Director
Soniya Agarwal – Company Secretary

b) DETAILS OF TRANSACTION:

Directors' Remuneration:- Mahendra Prasad Mallawat 5,10,004/-

Director sitting fees:- NIL (Prev. Year: 75000)

III. NOTES ON ACCOUNTS

1. Payment to Auditors Rs. 29,500/- (prev. year- Rs. 29,500/-).
2. Directors Remuneration Rs. 5, 10,004/- (Prev. Year: 4, 02,445/-).
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 31/03/2015

The company has filed and contesting an appeals before CIT(A), Kolkata against the Assessment orders u/s 143(3) of Income Tax Act, 1961 in the case of erstwhile transferor companies which were merged in the company pursuant to Order of Hon'ble High Court, Kolkata. The demand raised by the department for the Asst. year 2007-08 is Rs. 79.25 Lacs. The Management is confident to get the relief from the Appellate Authorities.

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. The Loans and Advances are considered good in respect of which the company does not hold any security other than personal guarantee of persons.
8. Balances of Sundry Debtors and Sundry Creditors, Advances from customers and advances are subject to confirmation.
9. 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.

10. Earning per Share

Earnings Per Share of the Company is calculated by dividing the profit attributable to the equity shareholders by the weighted number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity shares are stated below

Particulars	For the year ended 31 st March, 2015 (Amt. in Rs)	For the year ended 31 st March, 2014 (Amt. in Rs)
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	1,02,13,993	95,09,072
Weighted number of equity shares used in computing EPS	2,50,62,500	2,50,62,500
EPS – Basic & Diluted	0.41	0.38
Face Value	Rs. 2	Rs. 2

Previous Year's EPS has been restated pursuant to Split of Equity Shares of the company.

11. Previous Year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the classification adopted for the current year.
12. 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

Director

Director

Place : Kolkata

Dated: 29th Day of May, 2015

Secretary

ARNOLD HOLDINGS LIMITED
NOTES TO FINANCIAL STATEMENTS

PARTICULARS	For The Year Ended 31/03/2015	For The Year Ended 31/03/2014
-------------	-------------------------------------	-------------------------------------

2 Share Capital:

Equity Share Capital

Authorized Capital

25,000,000,0 Equity shares of Rs.2 /- each	500,000,000	50,500,000
Previous Year 50,50,000 Equity shares of Rs.10 /- each	500,000,000	50,500,000

Issued, subscribed and fully paid up:

2,50,62,500 Equity shares of Rs.2 /- each	50,125,000	50,125,000
Previous Year 50,12,500 Equity shares of Rs.10 /- each	50,125,000	50,125,000

At the close of the reporting period

Reconciliation of Shares:

	<u>QTY</u>	
At the beginning of the year	5,012,500	50,125,000
Allotted as Sub divided during the year	20,050,000	-
Outstanding at the end of the year	25,062,500	50,125,000

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

The existing shareholder of the company given their consent for increase in authorised share capital and subdivision of existing issued share capital through postal ballot on 22/02/2015.

The existing shares of the company are in fully dematerialised form and depository has the record date 17/04/2015.

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:

	<u>As at 31.03.2015</u>	<u>As at 31.03.2014</u>
<u>NAME OF THE SHAREHOLDER</u>	<u>% of Total</u>	<u>% of Total</u>
	QTY	
	NIL	NIL
	NIL	NIL

ARNOLD HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS

3 Reserves and Surplus:

P A R T I C U L A R S	Capital Reserve	Surplus i.e. balance in Statement of Profit & Loss	General Reserve	Statutory Reserve	Reserve Fund U/Sec: 45-1C @20% of NP After Tax	Prov Against Standard Assets @ 0.25% of Loans & Advances	Total
At the beginning of the reporting period	1,052,591	10,210,817	428,889,250	11,441	3,777,728	2,452,513	446,394,340
<u>Add:</u> Transferred from Profit & Loss Account	-	10,213,993	-	-	-	-	10,213,993
<u>Less:</u> Contingent Provision Against Standard Assets	-	(1,003,870)	-	-	-	1,003,870	-
<u>Less:</u> Transferred to Reserve Fund U/sec 45-1C	-	(2,051,820)	-	-	2,051,820	-	-
<u>Less:</u> Proposed Dividend	-	(2,506,250)	-	-	-	-	(2,506,250)
: Dividend Distribution Tax on proposed Dividend	-	(406,639)	-	-	-	-	(406,639)
At the close of the reporting period	1,052,591	14,456,231	428,889,250	11,441	5,829,548	3,456,383	453,695,444
At the close of the previous reporting period	1,052,591	10,210,817	428,889,250	11,441	3,777,728	2,452,513	446,394,340

ARNOLD HOLDINGS LIMITED
NOTES TO FINANCIAL STATEMENTS

PARTICULARS	For The Year Ended 31/03/2015	For The Year Ended 31/03/2014
4 <u>Short Term Borrowings</u>		
Secured Loan	-	-
<u>Unsecured Loan:</u>		
Short Term Advances	119,533,774	47,097,674
	<u>119,533,774</u>	<u>47,097,674</u>
5 <u>Trade Payables</u>		
Sundry Creditors	-	13,786,171
Outstanding Expenses	203,500	206,500
Audit Fees Payable	26,510	29,500
	<u>230,010</u>	<u>14,022,171</u>
6 <u>Short term provisions:</u>		
Provisions:		
Provision for Income Tax (AY 2015-16)	2,116,807	-
Provision for Income Tax (AY 2014-15)	1,954,260	1,954,260
For Proposed Dividend	2,506,250	2,506,250
Dividend Tax payable (A.Y.2015-16)	406,639	-
Dividend Tax Payable (A.Y.2014-15)	-	406,639
TDS On Interest Paid (A.Y. 2015-16)	624,885	122,426
TDS On Professional Fees (A.Y. 2015-16)	50,157	12,017
TDS On Rent (A.Y. 2015-2016)	150,000	-
	<u>7,808,998</u>	<u>5,001,592</u>

ARNOLD HOLDINGS LIMITED
NOTES TO FINANCIAL STATEMENTS

(As per Companies Act, 2013)

7 Fixed Assets:

(Figures in INR)

Particulars	Rate	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
		Cost as on 01/04/2014	Additions for the year	Deductions during the year	Cost as on 31/03/2015	Upto 31/03/2014	For the year	Total Depreciation	WDV as on 31/03/2015	WDV as on 31/03/2014
Tangible Assets: Own Assets										
Computer	40%	97,080	121,075	-	218,155	1,059	80,426	81,485	136,670	96,021
Air Conditioner	13.91%	38,198	-	-	38,198	17,481	18,499	35,980	2,218	20,717
TOTAL		135,278	121,075	-	256,353	18,540	98,925	117,465	138,888	116,738

ARNOLD HOLDINGS LIMITED
NOTES TO FINANCIAL STATEMENTS

P A R T I C U L A R S	Ended 31/03/2015	Ended 31/03/2014
8 <u>NON - CURRENT INVESTMENTS :</u>		
HDFC Debt Fund For Cancer Cure (Interest free)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
9 <u>Inventories:</u>		
Shares & Securities	193,512,728	140,125,268
	<u>193,512,728</u>	<u>140,125,268</u>
10 <u>TRADE RECEIVABLES</u>		
Outstanding for a period exceeding 6 months		
Others	4,872,798	178,000
	<u>4,872,798</u>	<u>178,000</u>
11 <u>Cash and cash equivalents:</u>		
Balances with banks	23,289,157	11,299,397
Cash in hand	266,734	256,964
	<u>23,555,891</u>	<u>11,556,361</u>
12 <u>Short term loans and advances & Deposits:</u>		
Loans & Advances	401,547,974	407,303,566
Income Tax Refundable	292,716	446,626
TDS & Advance Tax (AY 2013-14) Refundable	73,773	73,773
TDS & Advance Tax (AY 2014-15)	2,201,279	2,201,279
TDS & Advance Tax (AY 2015-16)	1,849,652	-
Corporate Office Rent Deposit	300,000	300,000
	<u>406,265,394</u>	<u>410,325,244</u>
13 <u>Preliminary Expenses</u>		
Authorised Capital Registration Charges	3,371,250	-
Less : Write Off During the year	674,250	-
	<u>2,697,000</u>	<u>-</u>
14 <u>Revenue from Operations</u>		
Sales	289,201,448	55,569,015
Interest	33,961,247	30,879,208
	<u>323,162,696</u>	<u>86,448,223</u>
15 <u>Other Income:</u>		
Dividend Income	5,477,272	5,097,757
	<u>5,477,272</u>	<u>5,097,757</u>
16 <u>Changes in inventories of finished goods:</u>		
Stocks at the beginning of the year	140,125,268	105,434,433
Less: Stocks at the end of the year	193,512,728	140,125,268
	<u>(53,387,460)</u>	<u>(34,690,835)</u>

ARNOLD HOLDINGS LIMITED
NOTES TO FINANCIAL STATEMENTS

(Figures in INR)

PARTICULARS	For The Year Ended 31/03/2015	For The Year Ended 31/03/2014
17 <u>Employee Benefit Expenses:</u>		
Salaries and Bonus	1,630,967	1,288,600
Directors Remuneration & Siting Fees	485,934	477,445
	<u>2,116,901</u>	<u>1,766,045</u>
18 <u>Finance Costs</u>		
Interest Paid	6,929,158	1,224,195
	<u>6,929,158</u>	<u>1,224,195</u>
19 <u>Depreciation and amortization:</u>		
Depreciation	98,925	4,363
	<u>98,925</u>	<u>4,363</u>
20 <u>Other expenses:</u>		
Payment to the auditors		
- Audit Fees	29,500	29,500
Bank Charges	1,061	2,992
Depository Charges	101,727	33,688
Consultancy Charges	540,678	545,440
General Expenses	411,679	468,151
Listing Fees	112,360	681,042
Office Rent	1,707,000	501,000
Office Expenses	859,055	459,573
Postage & Telegram	146,902	177,627
Bad & Doubtful Debts W/off	7,776,152	5,091,506
Registrar Fees	-	21,910
Rates & Taxes	42,255	17,923
Telephone Expenses	38,087	4,803
Printing & Stationery	263,243	136,538
Travelling Expenses	529,263	620,026
Preliminary Expenses W/Off	674,250	-
	<u>13,233,213</u>	<u>8,791,719</u>
21 <u>Earnings per share:</u>		
Profit for the year after tax expense	10,213,993	9,509,072
	<u>10,213,993</u>	<u>9,509,072</u>
Weighted average number of equity shares	25,062,500	5,012,500
Earning per share		
Basic	0.41	0.38
Diluted	0.41	0.38
Face Value	Rs. 2/-	Rs. 2/-

ARNOLD HOLDINGS LIMITED

Cash Flow Statement for the year ended 31/03/2015

Particulars	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Amount	Amount	Amount	Amount
Cash Flow From Operating Activities				
Profit Before Tax	12,319,438		11,452,925	
Provision For Current Taxation	(2,116,807)		(1,954,260)	
Proposed Dividend & Dividend Distribution Tax	(2,912,889)		(2,912,889)	
Preliminary Expenses written off during the year	(2,697,000)		NIL	
Depreciation	98,925		4,363	
Operating Profit Before Working Capital Changes		4,691,667		6,590,139
Movements in Working Capital				
Increase/ (decrease) in trade payables	(13,792,161)		(15,061,107)	
Decrease / (increase) in inventories	(53,387,460)		(34,690,835)	
Decrease / (increase) in trade receivables	(4,694,798)		(178,000)	
Decrease / (increase) short term loans and advances	5,909,502		(16,948,455)	
Increase / (decrease) in short-term provisions	2,807,406	(63,157,511)	302,413	(66,575,984)
		(58,465,844)		(59,985,845)
Less: Income Tax paid	(1,849,652)	(1,849,652)	(2,201,279)	(2,201,279)
Net Cash from Operating Activities		(60,315,496)		(62,187,124)
Cash Flow From Investing Activities				
Purchase of Fixed Assets	(121,075)		(77,280)	
Purchase of Non Current Investments	NIL		-100,000	
Net Cash from Investing Activities		(121,075)		(177,280)
Cash Flow From Financing Activities				
Proceeds from Short Term Borrowings	72,436,100		36,088,574	
Net Cash from Financing Activities		72,436,100		36,088,574
Net (Decrease)/Increase in Cash & Cash Equivalents		11,999,529		(26,275,830)
Opening Cash & Cash Equivalents		11,556,361		37,832,191
Closing Cash & Cash Equivalents		23,555,890		11,556,361
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Components of Cash & Cash Equivalent at the end of Year				
Cash on hand		266,733		256,965
Cash at bank				
Current Account		23,289,157		11,299,396
Total cash and cash equivalents		23,555,890		11,556,361

Notes to the Cash Flow Statement:

- The Cash Flow Statement has been prepared in accordance with requirement of Accounting Standard-3
- 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 any deferrals or accruals of past or future cash receipts or payments , segregated between cash flows.
- 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

For & on behalf of the Board

(PRADEEP JAIN)

Proprietor

M.NO-052264

Place - Kolkatta

Date:- 29th May 2015.

Director

Director

Company Secretary

ARNOLD HOLDINGS LIMITED

Registered office: 18, Rabindra Sarani, "Poddar Court" 7th Floor, Gate No.2, Room No. 712 Kolkata, West Bengal, India:- 700001.

Tel No: 022-22016640

E- mail: arnoldholding9@gmail.com Website: www.arnoldholdings.in

CIN: L65993WB1981PLC034406

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

(Annual General Meeting – 29th September, 2015)

I/We hereby record my/our presence at the **Annual General Meeting of “ARNOLD HOLDINGS LIMITED”** held on Tuesday, 29th September, 2015 at 12.30 P. M at Hotel Monotel, DM 2, Sector V, Salt Lake City, Kolkata:- 700091.

Full Name of the member (in BLOCK LETTERS): _____

Folio No. _____, DP ID No. _____,

Client ID No. _____

Full Name of Proxy (in BLOCK LETTERS): _____

Member/ Proxy(s)

Signature: _____

(Please cut here and bring the Attendance Slip duly Signed, to the meeting and hand it over the entrance. Duplicate slips will not be issued at the venue of the meeting.)

PROXY FORM
ARNOLD HOLDINGS LIMITED

Registered office: 18, RabindraSarani, "Poddar Court" 7th Floor, Gate No.2, Room No. 712 Kolkata, West Bengal, India:- 700001.

Tel No: 022-22016640

E- mail: arnoldholding9@gmail.com Website: www.arnoldholdings.in

CIN: L65993WB1981PLC034406

(33rd ANNUAL GENERAL MEETING – 29TH September, 2015)

FORM NO. MGT - 11

[Pursuant to Section 105(6) of the Companies Act, 2013 of the Companies(Management and Administration) Rules, 2014]

CIN: L65993WB1981PLC034406

Name of the Company: **ARNOLD HOLDINGS LIMITED**

Registered Office: 18, RabindraSarani, "Poddar Court" 7th Floor, Gate No.2, Room No. 712, Kolkata, West Bengal, India:-700001.

Name of the member(s): -----

Registered Address: -----

Email id: -----

Folio No. / DP ID-

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Client ID No.:

I/ We, being the member(s) of -----shares of the above named Company, hereby appoint

1. Name: -----

Address: -----

Email Id: -----

Signature: -----, or failing him/her

2. Name: -----

Address: -----

Email Id: -----

Signature: -----, or failing him/her

3. Name: -----

Address: -----

Email Id: -----

Signature: -----, or failing him/her

As my / our proxy to addend and vote (on a poll) for me/us and on my / our behalf at the 33rd Annual General Meeting of the Company, to be held on Tuesday, September 29, 2015 at 12.30 P. M At the Hotel Monotel, DM 2, Sector V, Salt Lake City, Kolkata:- 700091 and any adjournment thereof in respect of such resolution (s) as are indicated below:

Resolution No.	Resolution	Optional	
Ordinary Business :		For	Against
1.	To consider and adopt the audited Financial Statements reports of the Directors' and Auditors' thereon as on 31 st March, 2015.		
2.	To declare the dividend on Equity Shares of the Company.		
3.	To appoint Mr. Prasenjit Goswami who retires by rotation and being eligible, offer himself for re-appointment		
4.	Appointment of Auditors.		
Special Business:			
5.	Appointment of Mrs. Gazala Kolsawala as a Whole -time Director of the Company through Ordinary Resolution.		
6.	Adoption of New Set of Memorandum of Association as per Companies Act, 2013 through Special Resolution.		

Signed this-----day of -----, 2015

Signature of Shareholder(s) : -----Signature of Proxy(s)_____

Affix
Revenue
Stamp

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.