

**Quarterly Compliance Report on Corporate Governance under Clause 49 of the Listing Agreement**

**Name of the Company: ARNOLD HOLDINGS LTD.  
Quarter ending on: 30<sup>TH</sup> SEPTEMBER, 2011.**

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
<b>I Board of Directors</b>	49 I		
(A) Composition of Board	49(IA)	Yes	
(B) Non-executive Directors' Compensation & Disclosures	49 (IB)	Yes	
(C) Other Provisions as to Board and Committees	49 (IC)	Yes	The Board has reviewed periodically the status of legal compliances and steps taken to rectify instances of non-compliance
D) Code of Conduct	(49 (ID)	Yes	Affirmation of compliance has been obtained from all board members and senior management personnel based on which the declaration by the Managing Director.
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee		Yes	
(C) Powers of Audit Committee 49 (IIC)	49 (IIB)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	NIL	
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of Related Party Transactions	49 (IV A)	N.A.	
(B) Disclosure of Accounting Treatment	49 (IV B)	N.A.	
(C) Board Disclosures – Risk Management	49 (IV C)	N.A.	The company has carried out detail exercise to identify the risks facing

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*Mahesh*  
 Director / Authorised Signatory

			its business, classification of risks into high, medium and low and measures for mitigation of the risks. A risk register has also been prepared and risk managers have been identified for each risk. These have been reviewed by the Audit committee and the Board has also considered the same.
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (IV D)	N.A.	
(E) Remuneration of Directors	49 (IV E)	Yes	Criteria of making payments to non-executive directors and disclosure of their shareholding will be mentioned in Annual Report.
(F) Management	49 (IV F)	Yes	Disclosure from Senior Management is obtained in April every year.
(G) Shareholders	49 (IV G)	Yes	
<b>V.CEO/CFO Certification</b>	49 (V)	Yes	Has been introduced from Annual Accounts.
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	Annual Corporate Governance Report forms part of Annual Report, Quaterly compliance reports are regularly submitted to Stock Exchange.
<b>VII. Compliance</b>	49 (VII)	Yes	Auditors' certificate on compliance of the conditions of corporate governance is included in the Annual Report.

For **ARNOLD HOLDINGS LTD.**

*Mahendra*  
Director / Authorised Signatory