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**ARNOLD HOLDINGS LIMITED**

**TWENTY SEVENTH ANNUAL REPORT**

**2008-09**

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# ARNOLD HOLDINGS LIMITED

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

Date.....

Ref No. ....

## NOTICE

NOTICE is hereby given that the Twentyseventh Annual General Meeting of the Member of Arnold Holdings Limited will be held at the Registered Office of the Company at 6 Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001 on Tuesday the 29<sup>th</sup> day of September, 2009 at 12.30 P. M. to transact the following business: ~

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Praveen Murarka, who retires by rotation and being eligible offers himself for re-appointment as a Director.
- 3) To appoint Auditors of the Company and fix their remuneration.

By order of the Board

Ravi Agar

Director

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

Dated: 03rd Day of September 2009

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before the time fixed for the meeting.
2. The Register of Members and the share transfer books of the Company will remain closed from 23rd September 2009 to 29<sup>th</sup> September 2009 (both days inclusive).



# ARNOLD HOLDINGS LIMITED

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

No. ....

Date.....

## DIRECTOR'S REPORT

**Dear Shareholders**

Your Directors have pleasure in presenting the Twentyseventh Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2009.

### 1. FINANCIAL HIGHLIGHTS

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

Particulars	(Rs.) Year ended 31.03.2009	(Rs.) Year ended 31.03.2008
Profit/(Loss) before Taxation	35586.71	13468.65
Less: Provision for Taxation	10997.00	17888.00
Less: Provision for Fringe Benefit Taxation	-	1000.00
Less: Provision for Deferred Taxation	-	15177.00
Profit/(Loss) after Taxation	24589.71	(20596.35)
Less: Transfer to Reserve Fund	4917.94	-
Add: Balance brought forward from previous year	8360621.84	8381218.19
Balance carried to Balance Sheet	8380293.61	8360621.84

### 2. DIVIDEND

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

### 3. DIRECTORS

Mr. Praveen Murarka retires by rotation and being eligible, offers himself for reappointment.

### 4. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2009 on a going concern basis.

#### **5. AUDITORS**

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

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

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

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

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

#### **8. EMPLOYEES**

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

#### **9. DEPOSITS**



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

#### 10. STATUTORY INFORMATION

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

#### 11. AUDIT COMMITTEE

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

#### 12. EMPLOYER EMPLOYEE RELATIONSHIP

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

#### 13. FOREIGN EXCHANGE

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

#### 14. ACKNOWLEDGEMENTS

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

Dated: 22<sup>nd</sup> Day of August 2009  
Place: Kolkata

On Behalf of the Board

*Ravi Agarwal*  
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## Risk and Concerns

The company is essentially an Investment company. Its source of income is from dividends receivables on investment made and held by it in other Companies and the capital appreciation of investments. Any adverse financial impact on the operation / business of the invested companies may impact the revenues of the company and also the result in diminution in the value of investments.

## Management Perception

The investments of the company in the listed companies are shown in the books of accounts at cost of acquisition. The listed investment should generally have a good capital appreciation looking to the capital market trends. However, the sudden and high volatility in the stock markets based on several factors including global factors may affect the market values of the investments.

## Non Banking Financial Company

The company is a Non Banking Financial Company (NBFC) which is governed by Chapter III-B of the Reserve Bank of India Act, 1934, which, with its regulatory and supervisory framework, ensures strong and healthy functioning of Non Banking Financial Companies by limiting excessive risk taking practices and protecting the interest of deposit holders. The company does not except Fixed Deposits.

## Adequacy of internal control system

The company's internal control system and procedures are commensurate with the size of operation and are adequate to ensure -



- safeguard its assets and resources against loss, unauthorized use or disposition,

- compliance with the statutes and regulatory policies and framework, and

- all transactions are authorised, recorded and reported correctly.

The Audit Committee of Directors continually reviews adequacy of internal controls.

# ARNOLD HOLDINGS LIMITED

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

Phone 333-8548 3599

Ref. No. ....

Date. ....

## CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Shri Deepak Kumar Jhawar Shri Ravi Agarwal Shri Praveen Murarka Shri Abhishek Murarka Shri Brijendra Khandelwal
AUDIT COMMITTEE	:	Shri Ravi Agarwal Shri Abhishek Murarka Shri Brijendra Khandelwal
SECURITIES TRANSFER & INVESTORS' GRIEVANCE COMMITTEE	:	Shri Ravi Agarwal Shri Abhishek Murarka Shri Brijendra Khandelwal
BANKERS	:	The Bank of Rajasthan Ltd.
AUDITORS	:	Agrawal S. Kumar & Associates Chartered Accountants
REGISTERED OFFICE	:	6, Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001
REGISTRAR & SHARE TRANSFER AGENT	:	M/s. Niche Technologies Pvt. Ltd. D - 115, Bagree Market, 71, B. R. B. Basu Road, Kolkata 700 001
COMPLIANCE OFFICER	:	Deepak Kumar Jhawar



# ARNOLD HOLDINGS LIMITED

6, CLIVE ROW, MEZZANINE FLOOR, ROOM NO. 1615  
KOLKATA - 700 001

Ref. No.

## CORPORATE GOVERNANCES REPORT

The Securities & Exchange Board of India (SEBI) ushered a formal code of corporate governance through Clause 49 in the Listing Agreement executed by the Company with the stock exchange. The detailed report on corporate governance as per the format prescribed by SEBI and incorporated in Clause 49 of the listing Agreement is set out below:

### A. MANDATORY REQUIREMENTS

#### 1. COMPANY S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that sound corporate practices based on transparency, accountability and high level of integrity in the functioning of the Company is essential for the long-term enhancement of the shareholders value and interest. The Company believes that action must enhance the shareholders wealth.

#### 2. BOARD OF DIRECTORS

The strength of the Board of Director presently is five.

During the year Ten Board Meeting were held on 22nd April 2008; 18th June 2008; 22nd August 2008; 16th October 2008; 18th November 2008; 21st December 2008; 16th January 2009; 31st January 2009; 18th February 2009; 28th March 2009.

The Composition of the Board and number of Board Meeting held during the year and the last Annual General Meeting, number of directorship in other companies and membership in committees across various companies of which the director is member/chairman:

Name of Director	Category	No. of other Directorship held <sup>1</sup>	No. of other Board Committees of which Member/Chairman	Board Meeting Attended	Attendance at the last AGM
Deepak Kumar Jhavar	NED	Nil	Nil	6	No
Ravi Agarwal	NED(I)	Nil	Nil	8	Yes
Praveen Murarka	NED	Nil	Nil	10	Yes
Abhishek Murarka	NED(I)	Nil	Nil	10	Yes
Brijendra Khandelwal	NED(I)	Nil	Nil	10	Yes

Notes:

1. This number excludes the directorships/ committee memberships held in private limited companies, foreign companies, companies registered under section 25 of the Companies Act, 1956 and that of the company.
2. NED - Non Executive Director; NED (I) - Non Executive Independent Director.
3. Mr. Praveen Murarka is liable to retire by rotation at the forth coming Annual General Meeting and being eligible, he has offered himself for re-appointment. Relevant details pertaining to him are provided in the Notice of the Annual General Meeting.

### 3. AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors consists of 3 independent directors, namely, Shri Ravi Agarwal, Shri Abhishek Murarka and Shri Brijendra Khandelwal. The Audit Committee also meets the requirement of Sec.292A of the Companies Act, 1956 as introduced by the Companies Amendment Act 2000.

The Committee is required to review and ensure that financial statements are, sufficient and credible with references to the following points before submission to the board.

- Changes in Accounting Policies and practices.
- Qualification of draft Audit Report.
- Significant adjustment arising out of Audit.



- Compliance of Accounting Standard.
- On going Concern assumptions.
- Material transaction with promoters or management, their subordinate or relatives.
- Discuss with Statutory Auditors after /before the Audit for the Areas of Concern.
- The adequacy of internal Audit.
- Recommendations for the Auditors Control.
- Review of Audit Fees & other Professional Fees payable to the Auditors.
- Recommendations of Auditors Appointment /removal.
- Review the Company Financial and Risk Management Policy.
- To look into reason for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors.

In order to effectively discharge their responsibility, the committee Members has been empowered to:

- To investigate any activity referred.
- To seek information from any employee.
- To obtain outside legal/professional advice.
- To secure attendance of Outsiders.
- To invite Auditors as when required.

The Audit Committee, as a sub committee of the Board met 6 times during the relevant last year.

The Composition of the Audit Committee and attendance at its meeting is given hereunder:

Name	Position	Category	Attendance
Shri Ravi Agarwal	Chairman	Independent & Non Executive	5
Shri Abhishek Murarka	Member	Independent & Non Executive	5
Shri Brijendra Khandelwal	Member	Independent & Non Executive	5

#### 4. SHARE TRANSFER & SHAREHOLDERS/ INVESTOR GRIEVANCES COMMITTEE

The Securities Transfer & Investor Grievance Committee, as a sub committee of the Board, *inter alia*, reviews shareholders/ investors grievances. The committee met 5 times during the year. The Committee is constituted to look into the redressal of investors' complaints like non receipts of Annual Report, Notices etc. and matter related to share transfer, issue of duplicate share certificates, dematerialisation of shares etc.

The Composition of the Securities Transfer & Investor Grievance Committee and attendance at its meeting is given hereunder:

Name	Position	Category	Attendance
Shri Ravi Agarwal	Chairman	Independent & Non Executive	5
Shri Abhishek Murarka	Member	Independent & Non Executive	5
Shri Brijendra Khandelwal	Member	Independent & Non Executive	5

#### 5. GENERAL BODY MEETING

The Details of Last Three Annual General Meeting are as follows:

Financial Year	Date	Locations	Time
2005-2006	20.09.2006	Registered Office	02.00 P.M.
2006-2007	08.09.2007	Registered Office	11.00 A.M.
2007-2008	26.09.2008	Registered Office	11.30 A.M.

#### 7. DISCLOSURES

##### Material Significant Related Parties Transaction:

None of transaction with any of the related party was in conflict with the interest of the Company.

**Non Compliance of the Company, penalties, restrictions imposed on the Company by SEBI or Stock Exchange, or any other statutory authority, or any matter related to capital market during the last three year:**

There are no instances of Non Compliance of any of the above matter.



## 8. MEANS OF COMMUNICATION

(a) The Company has published the quarterly, half yearly, annual audited results in the "The Financial Express" (English), "Kalantar" (Bengali).

## 9. GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

Date : 29<sup>th</sup> Day of September 2009  
Time : 12.30 P. M.  
Venue : 6, Clive Row, Mezzanine Floor,  
Room No. 16/5, Kolkata-700 001

### Financial Calendar

: 1<sup>st</sup> April, 2008-31<sup>st</sup> March 2009

### Book Closure

: Date: 23<sup>rd</sup> September 2009 to 29<sup>th</sup>  
September 2009.  
(Both Days inclusive)

### Listed at

: The Calcutta Stock Exchange  
Association Limited

### Correspondences Address

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

### Registrar & Transfer Agent

: Niche Technologies (P) Ltd  
D-511, Bagree Market  
5<sup>th</sup> Floor  
71, B R B Basu Road  
Kolkata-700 001

### Script Code of company in the exchange where listed

: 11234

## **B. NON-MANDATORY REQUIREMENTS**

### **Shareholders Right**

As the Company's quarterly, half yearly and annual results are published in news papers (In English & Bengali), the same are not sent to the shareholders.

### **Postal Ballot**

The provision relating to Postal Ballot will be complied with respect of matters wherever applicable.





# AGRAWAL S. KUMAR & ASSOCIATES

CHARTERED ACCOUNTANTS

## Head Office :

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

## Branch Office :

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

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members  
**ARNOLD HOLDINGS LIMITED**

We have examined the compliance of condition of Corporate Governance by Arnold Holding Limited, for the year ended March 31, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

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

For, **AGRAWAL S. KUMAR & ASSOCIATES**  
Chartered Accountants

(S. K. Agrawal)

Partner

Membership No.: 54232



Place: Kolkata

Dated: The 22<sup>nd</sup> Day of July 2009

**Lead Office :**

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

**Branch Office :**

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

## Auditors' Report

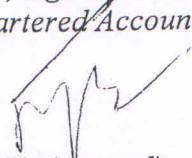
To  
The Members of  
ARNOLD HOLDINGS LIMITED

1. We have audited the attached Balance Sheet of M/s. Arnold Holdings Limited as at 31<sup>st</sup> March, 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's Management our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are not material misstatements. An audit includes examining on test check basis, evidence supporting the amounts and disclosure of the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (as amended), issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a report as required by paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (1) above.
  - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by Law, have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account as submitted to us.
  - d) In our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.



- e) On the basis of written representation received from the directors of the company as at 31<sup>st</sup> March 2009 and taken on records by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of account read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and
  - ii. In the case of the Profit & Loss Account, of the profit for the year ended on that date.
  - iii. In case of Cash Flow Statement, of the Cash Flows for the year ended as on that date.

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


  
**(S. K. Agrawal)**  
**Partner**  
**M. No. 054232**

**Place : Kolkata**

**Dated: The 22<sup>nd</sup> Day of August 2009**

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

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

1. The company does not own any fixed asset during the year..
  2. The Company maintains proper record of inventory during the year.
  3. The Company has neither taken or nor given any loans or advances in the nature of loans, secured or unsecured, from or to, Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
  4. In our Opinion and according to explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to fixed assets. No major weakness has been noticed in the internal control.
  5. Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
  6. Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, in our opinion, the Company has not accepted any public deposits so far up to 31<sup>st</sup> March 2009.
  7. There is adequate Internal Audit system commensurate with the size and nature of its business.
  8. According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Hence the provision of Section 209(1) (d) does not apply to the Company. Hence in my opinion, no comment is required on maintains of cost record.
  9. According to the record of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including, Income Tax, Wealth-tax, Sales-tax, cess and other statutory dues applicable to the Company.
  10. The Company has not incurred cash losses during the financial year covered by our audit. Hence no comment is required.
  11. According to records the Company has not borrowed from financial institutions or banks or issued debentures till 31<sup>st</sup> March 2009. Hence in our opinion the question of reporting on defaults in repayment of dues to financial institutions or banks or debentures doesn't arise.
- 



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

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

  
(S. K. Agrawal)

Partner

M. No. 054232

Place: Kolkata

Dated: The 22<sup>nd</sup> Day of August 2009

# ARNOLD HOLDINGS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2009

		As at		As at	
	Schedule	31st March, 2009		31st March, 2008	
		Rs.	P.	Rs.	P.
<b>SOURCES OF FUNDS</b>					
1	<b>SHAREHOLDERS FUND</b>				
	(a) Share Capital	A	50,125,000.00		50,125,000.00
	(b) Reserve & Surplus	B	438,327,052.04		438,302,462.33
			<u>488,452,052.04</u>		<u>488,427,462.33</u>
<b>APPLICATION OF FUNDS</b>					
1	<b>INVESTMENT</b>	C	480,653,721.60		465,538,721.60
2	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
	(a) Cash & Bank Balances	D	173,189.44		8,428,366.73
	(b) Sundry Debtors		7,800,000.00		-
	(c) Other Current Assets	E	166,917.00		79,605.00
	(d) Loans & Advances	F	29,137,509.00		42,399,292.00
			<u>37,277,615.44</u>		<u>50,907,263.73</u>
3	<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>				
	(a) Current Liabilities	G	29,742,627.00		28,291,862.00
	(b) Provisions	H	50,825.00		40,828.00
			<u>29,793,452.00</u>		<u>28,332,690.00</u>
4	<b>NET CURRENT ASSETS</b>		7,484,163.44		22,574,573.73
5	<b>MISCELLANEOUS EXPENDITURE</b>				
	(a) Capital Registration Fees		314,167.00		314,167.00
			<u>488,452,052.04</u>		<u>488,427,462.33</u>
Significant Accounting Policies & Notes on Accounts		K	-		-
As per Schedule A to K form an integral part of the accounts					

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

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

Ravi Agrawal

M. D. Sharma

Place : Kolkata  
Dated : The 22nd Day of August, 2009

D I R E C T O R S



# ARNOLD HOLDINGS LIMITED

## PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009

	Schedule	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
		Rs.	P.	Rs.	P.
<b>INCOME</b>					
Sales			-		14,911,864.20
Other Income	I	516,562.99			370,285.34
Increase/(Decrease) in stock			-		(3,218,779.85)
Profit/ Loss on sale on Investments			-		(60,691.87)
		<u>516,562.99</u>		<u>12,002,677.82</u>	
<b>EXPENDITURE</b>					
Purchase			-		11,465,701.46
Administrative & Other Expenses	J	466,644.28			464,371.31
Audit Fees		14,332.00			14,332.00
STT			-		44,804.40
		<u>480,976.28</u>		<u>11,989,209.17</u>	
Profit before Taxation		35,586.71			13,468.65
Less : Provision for Taxation		10,997.00			17,888.00
Less : Provision for FBT		-			1,000.00
Less/(Add): Deferred Tax		-			15,177.00
Profit after Taxation		<u>24,589.71</u>		<u>(20,596.35)</u>	
Less: Transferred to Reserve Fund		4,917.94			-
Balance Cr./(Dr.) brought forward		8,360,621.84			8,381,218.19
Balance Carried to Balance Sheet		<u>8,380,293.61</u>		<u>8,360,621.84</u>	
		0.005			(0.004)
Significant Accounting Policies & Notes on Accounts K					
As per Schedule A to K form an integral part of the accounts					

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

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

Ravi Agarwal

DIRECTORS

Place : Kolkata

Dated : The 22nd Day of August, 2009

## ARNOLD HOLDINGS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

#### CASH FLOW FROM OPERATING ACTIVITIES:

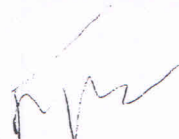
	<u>AMOUNT</u>	<u>AMOUNT</u>
Profit/(Loss) before Tax & Extra Ordinary items	35,586.71	
Adjustment for :		
Dividend Received	(10,638.99)	
	<u>24,947.72</u>	
<b>WORKING CAPITAL ADJUSTMENT:</b>		
Add: Decrease in Current Assets & Increase in Current Liabilities		
Loans & Advances	13,261,783.00	
Current Liabilities	<u>1,450,765.00</u>	
	<u>14,737,495.72</u>	
Less: Increase in Current Assets & Decrease in Current Liabilities		
Other Current Asset	87,312.00	
Sundry Debtors	<u>7,800,000.00</u>	
Cash generated from Operations	<u>6,850,183.72</u>	
Less: Taxes Paid	<u>1,000.00</u>	
Net Cash Flow from Operating Activities		<u>6,849,183.72</u>

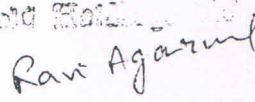
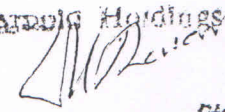
#### CASH FLOW FROM FINANCIAL ACTIVITIES

#### CASH FLOW FROM INVESTMENT ACTIVITIES

Dividend Received	10,638.99	
Purchase of Investments	<u>(15,115,000.00)</u>	(15,104,361.01)
		<u>(8,255,177.29)</u>
Add: Opening Cash in hand and equivalents		<u>8,428,366.73</u>
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>		<u><u>173,189.44</u></u>

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

  
S.K. Agrawal  
Partner

  
Ravi Agarwal  
Director  
Arnold Holdings Ltd.  
  
Director

Place : Kolkata  
Dated : The 22nd Day of August, 2009

DIRECTORS



# ARNOLD HOLDINGS LIMITED

Schedules 'A' to 'K' attached to and forming part of the Balance Sheet as at 31st March, 2009 and  
Profit & Loss Account for the period ended 31st March, 2009

	As at 31st March, 2009		As at 31st March, 2008	
	Rs.	P.	Rs.	P.

## SCHEDULE - A SHARE CAPITAL AUTHORISED

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

## ISSUED, SUBSCRIBED & PAID UP

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

## SCHEDULE - B RESERVE & SURPLUS

Capital Reserve	1,057,508.94	1,052,591.00
Amalgamation Reserve	428,889,249.49	428,889,249.49
Profit & Loss Accounts	8,380,293.61	8,360,621.84
	<u>438,327,052.04</u>	<u>438,302,462.33</u>

## SCHEDULE - C

### INVESTMENTS

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

#### Name of the company

No. of  
share

No. of  
share

#### Quoted Share

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

#### Un-quoted Share

in Equity Shares

B	479,007,000.00	463,892,000.00
	<u>479,007,000.00</u>	<u>463,892,000.00</u>
A+B	<u>480,653,721.60</u>	<u>465,538,721.60</u>

# ARNOLD HOLDINGS LIMITED

Schedules 'A' to 'K' attached to and forming part of the Balance Sheet as at 31st March, 2009 and  
Profit & Loss Account for the period ended 31st March, 2009

	As at 31st March, 2009		As at 31st March, 2008	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - D</b>				
<b>CASH &amp; BANK BALANCES</b>				
1. Cash Balance in Hand (As Certified by the Management)		94,393.00		812,088.00
2. With Schedule Banks: In Current Account		78,796.44		7,616,278.73
		<u>173,189.44</u>		<u>8,428,366.73</u>
<b>SCHEDULE - E</b>				
<b>OTHER CURRENT ASSETS</b>				
Advance Tax Paid		16,867.00		16,867.00
Tax Deducted At Source( A.Y. 09-10)		27,057.00		-
Tax Deducted At Source		89,215.00		-
TDS Arnold Old		33,778.00		62,738.00
		<u>166,917.00</u>		<u>79,605.00</u>
<b>SCHEDULE - F</b>				
<b>LOANS &amp; ADVANCES</b>				
( Unsecured considered good)		12,468,897.00		7,193,792.00
Loans		8,168,612.00		21,105,500.00
Other advances		8,500,000.00		7,150,000.00
Share Application Money Paid				6,950,000.00
Advance to Creditors		<u>29,137,509.00</u>		<u>42,399,292.00</u>
<b>SCHEDULE - G</b>				
<b>CURRENT LIABILITIES</b>				
Liabilities for Expenses		32,627.00		27,695.00
Filing fees Payable		-		314,167.00
Others		-		24,950,000.00
Advances		20,400,000.00		3,000,000.00
Sundry Creditors		9,310,000.00		-
		<u>29,742,627.00</u>		<u>28,291,862.00</u>
<b>SCHEDULE - H</b>				
<b>PROVISIONS</b>				
Provision for income tax		50,825.00		30,728.00
Provision for Fringe Benefit Taxation		-		10,100.00
		<u>50,825.00</u>		<u>40,828.00</u>
<b>SCHEDULE - I</b>				
<b>OTHER INCOME</b>				
Interest		505,924.00		302,871.00
Dividend		10,638.99		11,955.00
Capital gain on fixed assets		-		55,459.34
		<u>516,562.99</u>		<u>370,285.34</u>



# ARNOLD HOLDINGS LIMITED

Schedules 'A' to 'K' attached to and forming part of the Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the period ended 31st March, 2009

	As at		As at	
	31st March, 2009		31st March, 2008	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - J</b>				
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>				
Advertisement	1,018.00		7,866.00	
Bank Charges	6,224.28		8,507.50	
Books & Periodicals	-		500.00	
Depreciation	-		4,963.34	
Filing Fees	2,000.00		15,433.00	
General Charges	20,317.00		21,979.00	
Legal Charges	-		5,000.00	
Listing Fees	70,039.00		10,500.00	
Loss on dealing in derivatives	-		40,050.91	
Merger Expenses	7,500.00		25,500.00	
Postage & telegram	19,780.00		5,000.00	
Printintg & Stationery	-		4,000.00	
Puja Subscription	-		1,300.00	
Rent, Rates & Taxes	-		900.00	
Salaries	268,000.00		293,000.00	
Service Tax	-		8,581.56	
Staff Welfare	-		5,100.00	
Vehicle Insurance	-		6,190.00	
Advocate Fees	15,000.00		-	
Register Fees	19,500.00		-	
Professional fees	15,000.00		-	
Relation Advertising	2,026.00		-	
Secreterial Charges	1,600.00		-	
Office expenses	18,640.00		-	
	<u>466,644.28</u>		<u>464,371.31</u>	

# ARNOLD HOLDINGS LIMITED

## SCHEDULE - K

Significant Accounting Policies and Notes on Accounts forming part of accounts for the period ended 31st March, 2009

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF ACCOUNTING :

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

#### 2. INCOME RECOGNITION :

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

#### 3. INVENTORIES :

Inventories Valued at Cost

#### 4. FIXED ASSETS

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

**5. TAXATION:** Current taxation provision is made keeping in view the current tax rates in force.

#### 6. RETIREMENT BENEFITS:

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

### B. NOTES ON ACCOUNTS:

1. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for	NIL (NIL)
2. Earning/Expenditure in foreign Currency	NIL (NIL)
3. Contingent liabilities not provided	NIL (NIL)
4. Quantitative details of Stock Traded	<u>(Qty. No.)</u>
Opening Stock	- (76,998.00)
Purchases Sales	- (89,117.00)
Sales	- (166,115.00)
Closing Stock	- (-)

5. Figures in bracket represent previous year figures.

#### 6. Earnings per share

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

	<u>2008-09</u>	<u>2007-08</u>
Numerator: Profit for the year	24,589.71	(20,596.35)
Denominator: No. of Shares	5050000	5050000
EPS	0.005	(0.004)



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

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

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

(S.K. Agrawal)

Membership No. 054232

(Partner)

Agnold Holdings Ltd.

Ravi Agrawal

Agnold Holdings Ltd.

M. D. Dey

Place : Kolkata

Dated : The 22nd Day of August, 2009

**DIRECTORS**

# ARNOLD HOLDINGS LIMITED

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

## BALANCE SHEET ABSTRACT & COMPANIES BUSINESS PROFILE:

### 1) Registration Details

Registration No.	34406
State Code	21
Balance Sheet date	31.03.2009

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

Allotment pursuant to amalgamation

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

Total Assets	488,452.05
Total Liabilities	488,452.05

#### Sources of Fund:

Share Capital	50,125.00
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Reserve & Surplus

438,327.05

#### Application of Fund

Investment	480,653.72
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Net Current Assets	7,484.16
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Capital Registration Fees	314.17
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### 4) PERFORMANCE OF THE COMPANY (AMOUNT IN THOUSAND)

Sales	-
Operating & Other Income	516.56
Increase/(Decrease) in Stock	-
Purchase	-
Total Expenditures	480.98
Profit before tax	35.59
Profit after tax	24.59
Dividend	NIL

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

PRODUCT DESCRIPTION

ITEM CODE NO.

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

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

Arnold Holdings Ltd.

Ravi Agrawal

Director

Place : Kolkata

Dated : The 22nd Day of August, 2009

DIRECTORS



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

Directions , 2007)		
Particulars		
<b>Liabilities side :</b>		
<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
(a) Debentures : Secured	NIL	NIL
: Unsecured	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(C ) Term Loans	NIL	NIL
(d) Inter-corporate loans borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Other loans (Specify Nature)	NIL	NIL
*Please See Note 1 Below		
<b>Assets Side :</b>		
	<b>Amount Outstanding</b>	
<b>(2) Break-up of loans and Advances including bills receivables (other than those included in (4) below) :</b>		
(a) Secured	NIL	
(b) Unsecured	29,137,509.00	
<b>(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	NIL	
(b) Operating Lease	NIL	
(ii) Stock on hire including hire charges under Sundry debtors :		
(a) Assets on Hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Other loans counting towards AFC activities :		
(a) loans where assets have been repossessed	NIL	
(b) Loans other than (a) above.	NIL	

(4) Break-up of Investments			
Current Investments :			
1 Quoted :			
(I) Shares : (a) Equity		NIL	
(b) Preference		NIL	
(ii) Debentures and Bonds)		NIL	
(iii) Units of mutual funds		NIL	
(iv) Government Securities		NIL	
(V) Other (olease Specify)		NIL	
2. Unquoted :			
(I) Shares : (a) Equity		NIL	
(b) Preference		NIL	
(ii) Debentures and Bonds		NIL	
(iii) Units of mutual funds		NIL	
(iv) Government Securitires		NIL	
(v) Others (please Specify)		NIL	
Long Term investments :			
1 Quoted			
(I) Shares (a) Equity		1,646,721.60	
(b) Preference		NIL	
(ii) Debentures and Bonds		NIL	
(iii) Units of mutual funds		NIL	
(iv) Government Securities		NIL	
(v) Other (please Specify)		NIL	
2 Unquoted :			
(I) Shares : (a) Equity		479,007,000.00	
(b) Preference		NIL	
(ii) Debentures and Bonds		NIL	
(ii) Units of mutual funds		NIL	
(iv) Government Securities		NIL	
(v) Others (Please Specify)		NIL	
(5) Borrower group-wise classification of assets financed as in (2) and (3) above.			
Please see Note 2 below			
Category	Amount net of provisions		
	Secured	Unsecured Nil	Total Nil
1. Related Parties**			
(a) Subsidiaries			
(b) Companies in the same group			
(c ) Other related Parties			
2.Other than related Parties			
		29,137,509.00	29,137,509.00
Total		29,137,509.00	29,137,509.00



(6) Investor group-wise classification of all investments (current and long term ) in shares and securities (both quoted and unquoted) :		
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries		
(b) Companies in the Same group		
(c ) Other related Parties		
2. Other than related Parties	480,653,721.60	480,653,721.60
<b>Total</b>	<b>480,653,721.60</b>	<b>480,653,721.60</b>

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

**(7) Other Information**

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

**Notes :**

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

## Arnold Holdings Limited

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

### PROXY FORM

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

I/We.....resident at .....being a  
Member/Member(s) of Arnold Holdings Limited hereby appoint Mr. /  
Ms.....or failing him/her, Mr. / Ms.....  
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held  
on Tuesday 29<sup>th</sup> September, 2009 at 12.30 p.m. at 6, Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001  
and at any adjournment thereof.

Signed this ..... day of.....2009.

Affix Re.1.00  
Revenue  
Stamp

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

## Arnold Holdings Limited

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

### ATTENDANCE SLIP

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

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby  
record my presence at the 27<sup>th</sup> Annual General Meeting of the Company held on Tuesday 29<sup>th</sup> September,  
2009 at 12.30 p.m. at 6, Clive Row, Mezzanine Floor, Room No. 16/5, Kolkata 700 001 and at any adjournment  
thereof.

Signature of Member/Proxy

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