
ARNOLD HOLDINGS LTD
ANNUAL REPORT
2015-2016

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ARNOLD HOLDINGS LIMITED



BOARD OF DIRECTORS :

Mahendraprasad Mallawat	Whole Time Director
Mrs. Gazala Kolsawala	Whole Time Director
Prasenjit 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 :

Jain Pradeep & Co.
Chartered Accountants
Kolkata



SECRETARIAL AUDITOR

S Pardeshi & Associates



BANKERS :

ICICI BANK LTD.
AXIS BANK LTD.
YES BANK LTD.
KARUR VYASYA BANK LTD.



REGISTERED OFFICE :

ARNOLD HOLDINGS LIMITED

B-208, Ramji House, 30, Jambulwadi,
J.S.S. Road, Mumbai-400002
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 - 700 001.

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of ARNOLD HOLDINGS LIMITED will be held at the SHREE BANQUET Hall, 376/378, Goan Institute bldg., J.S. S. Road, Chira Bazar, Mumbai-400002 on 16th September, 2016 at 11.30 A.M to transact the following business:

Ordinary Business: -

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016 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 appoint Mrs. Gazala Kolsawala (DIN 07133943), who retires by rotation and being eligible, offer herself for re-appointment.
- 3) To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors Rules), 2014 (the Rules), including any statutory modification(s) or re- enactment(s) thereof for the time being in force, and pursuant to recommendation made by the Audit Committee of the Board, M/s. Amit Ray & Co. ,Chartered Accountants having registration No. 000483C, Mumbai, be and are hereby appointed as statutory Auditors of the company in place of retiring Statutory Auditors M/s Jain Pradeep & Co. Chartered Accountants (Registration No. 315109E), who shall hold office from the conclusion of 34th Annual General Meeting for a term of consecutive five years till the conclusion 39th Annual general Meeting (subject to ratification of the appointment by the members at the every Annual general Meeting held after this Annual General Meeting) and the Board be and is hereby authorized to fix the remuneration as may be determined by the Audit committee in consultation with the Auditors, in addition to reimbursement of all out of pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

Special Business:-

- 4) **To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 196, 197 & 203, and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, approval of the Company be and is hereby accorded for the re-appointment and remuneration of Mr. Mahendraprasad Nathmal Mallawat (DIN: 00720282) as Whole time Director of the Company under the Act for a term of 5 Years with effect from 12th August, 2016, being liable to retire by rotation. On the following terms and conditions, including remuneration as mentioned herein below:

- I. **Remuneration:**

Salary, Perquisites and other benefits: Rs. 8, 00,000/- P.A.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to determine, abrogate and modify within the overall limit of remuneration as per Sections 196, 197, 203 of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the said act, the rate, terms and conditions of the above mentioned remuneration or any constituent thereof, payable to Mr. Mahendraprasad Nathmal Mallawat (DIN: 00720282) Whole Time Director.

RESOLVED FURHTER THAT during such time as Mr. Mahendraprasad Nathmal Mallawat (DIN: 00720282) holds and continues to hold the office of the Whole Time Director; he shall not be liable to retirement by rotation as a Director.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to sign and file all necessary Forms, Returns and documents as may be required in connection with the above matter and to take all such actions and do all such things as may be necessary in this regard from time to time.

5. **To consider and if thought fit, to pass, with or without modification s, the following resolution as a Special Resolution:**

“RESOLVED THAT, in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and the recommendation of the Board of Directors (hereinafter referred to as 'The Board', which expression shall be deemed to include a committee of directors duly authorized in this behalf) of the Company and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) and applicable Regulatory Authorities, and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board for capitalization of such sum standing to the credit of securities premium / free reserves of the Company, as may be considered necessary by the Board, for the purpose of issuance of bonus shares of Rs.2/- (Rupee two only) each, credited as fully paid-up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members maintained by the Company's Registrars and Transfer Agents / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date ('record date') as may be fixed in this regard by the Board, in the proportion of 5 (Five) equity shares for every 1 (One) existing equity shares held by the Members.

RESOLVED FURTHER THAT, the Bonus Shares so allotted shall rank paripassu in all respects with the fully paid-up equity shares of the Company as existing on the 'record date' (as determined by the Board) and shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares and in case of Members who hold shares in dematerialized form, the bonus shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository participants.

RESOLVED FURTHER THAT the issue and allotment of the Bonus shares to Non- resident Members, Foreign Institutional investors (FIIs) & other foreign investors, be subject to the approval of the RBI, as may be necessary.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to Mr. Mahendraprasad Mallawat, Whole Time Director of the Company to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit.

By Order of the Board of Directors

Registered Office:
B-208, Ramji House, 30, Jambulwadi,
J.S.S. Road, Mumbai- 400002
CIN: L65993MH1981PLC282783

Mr. Mahendraprasad Mallawat
Whole Time Director
DIN: 00720282

Dated: 12th August, 2016

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. Proxies in order to be effective , must be received at its registered Office at B-208, Ramji House, 30, Jambulwadi, J.S.S. Road, Mumbai-400002, not less than 48 hours before the Annual General meeting.
2. 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.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
5. Members/ Proxies should bring the Attendance Slip duly filled, enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
7. The Register and Share Transfer Books will remain closed from 31st August, 2016 to 6th September, 2016 (both days inclusive) for the year ended 31st March, 2016 and the AGM.
8. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and update of savings bank account details to their respective Depository Participant(s).
9. 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.
10. 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
11. 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.
12. Members are requested to bring their copies of the Reports and Accounts to the meeting. Members seeking any information and clarification on the Accounts are request to send, in writing, queries to the Company, at least one week before the date of the meeting. Replies will be provided, in respect of such written queries, only at the meeting.
13. In case of Joint Holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

14. 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.
15. 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.
16. 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 34th AGM and Annual Report for FY 2015-2016, 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.
17. 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.
- 18. VOTING THROUGH ELECTRONIC MEANS**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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 13th September, 2016 at (9:00 am IST) and ends on 15th September, 2016 at (5:00 pm IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 09th September, 2016 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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	<p>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.</p>
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 Company Name i.e. **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 & Custodians :
- Institutional shareholders (i.e. other than Individuals, HUF,
 - NRI etc.) and Custodians 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 a compliance user which 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 or contact them at 1800 200 5533.
- (xx) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
19. 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 to spardeshiassociates@gmail.com and helpdesk.evoting@cdslindia.com on or before 15th September, 2016 upto 5.00 P.M. without which the vote shall not be treated as valid.
20. 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 9th September, 2016. A person who is not a member as on cut-off date should treat this notice for information purpose only.
21. The shareholders shall have one vote per equity share held by them as on the cut-off date of 9th September, 2016. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
22. 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 9th September, 2016 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
23. 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.
24. Investors, who became members of the Company subsequent to the dispatch of the Notice / Email and hold the shares as on the cut-off date i.e. 9th September, 2016 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.
25. 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, which shall countersign the same and declare the result of the voting forthwith.
26. 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 BSE Ltd. and Calcutta Stock Exchange Ltd., where the Company’s shares are listed.

Explanatory Statement Pursuant To Section 102 of Companies Act, 2013**ITEM NO. 4:**

The members at the 31st Annual General Meeting held on 28th September, 2013 approved the appointment of Mr. Mahendraprasad Mallawat as Whole Time Director of the Company for a period of 3 years with remuneration of Rs 4,20,000 per annum plus perquisites and other benefits for the period of his 3 years. \

Taking into account the responsibilities borne by the Whole Time Director and the industry standards, the Board of Directors of the Company at its Meeting held on 12th August, 2016 pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, approved the re-appointment and remuneration of Mr. Mahendraprasad Mallawat, Whole Time Director under the Companies Act, 2013 for a term of 5 years with effect from 12th August, 2016, being liable to retire by rotation.

Pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, including Schedule V to the said Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the appointment and remuneration payable to the Whole Time Director is now being placed before the members in the 34th Annual General Meeting for their approval by way of an Ordinary Resolution.

The remuneration proposed to be payable to Mr. Mahendraprasad Mallawat by way of salary, allowances, perquisites and benefits is within the limit prescribed under Section 197 of the Companies Act, 2013.

Your Board of Directors recommends Resolution set out at Item No. 4 as Ordinary Resolution for approval of the members.

Apart from Mr. Mahendraprasad Mallawat, Whole Time Director who would be interested in his appointment and remuneration, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in this resolution.

Item No. 5

The equity shares of the Company are listed and actively traded on the BSE Limited. The members are aware that the operations and performance of the Company has grown significantly over the past few years, which has generated considerable interest in the Company's equity shares in the Market. The market price of the Company's shares has also increased significantly. In order to improve the liquidity of the Company's shares in the stock market, the Board of Directors of the Company at their meeting held on August 12, 2016, considered it desirable to recommend issue of Bonus shares in the ratio of 5:1 subject to approval of the shareholders and such other authorities as may be necessary.

The issue of Bonus shares by capitalization of reserves is authorized by the existing Articles of Association of the Company as well as the proposed amended Articles of Association of the Company in conformity with the Companies Act, 2013.

None of the Directors / Key Managerial Personnel or their relatives is concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

The Board recommends passing of the resolution set out at Item No. 5 as a Special Resolution.

Registered Office:

B-208, Ramji House,
30, Jambulwadi,
J.S.S. Road, Mumbai- 400002
CIN: L65993MH1981PLC282783
Dated: 12th August, 2016

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, 2016.

1. **Financial Performance:-**

The financial performance of the Company for the Year ended 31st March, 2016 is as summarized below:-

(in Rs.)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Gross Turnover	25,85,01,560	32,86,39,968
Profit/(loss) before Taxation	85,96,544	12,319,438
Less: Provision for Taxation	20,65,795	21,16,807
Add: Provision for Deferred Tax Assets	12,813	11,362
Profit/(loss) after Taxation	65,43,562	1,02,13,993
Less: Provision Against Standard Assets	9,83,387	1,003,870
Less : Transferred to Reserve Fund 45-1C	13,08,712	2,051,820
Add: Balance brought forward from previous year	1,44,56,231	10,210,817
Less: Proposed Dividend	NIL	2,506,250
Less: Dividend Tax	NIL	406,639
Balance carried to Balance Sheet	1,87,07,694	1,44,56,231

2. **Dividend :-**

The Board of Directors do not recommend any dividend for the financial year 2015-16 under report.

3. **State of the Company's Affairs:-**

The gross turnover for the financial year 2016 at Rs. 2585.02 Lakhs and last year 2015 it was Rs. 3286.40 Lakhs. The Profit before tax for FY 2016 was Rs. 85.96 Lakhs against as Rs. 123.19 Lakhs in FY-2015. The Profit after tax for FY 2016 was Rs. 65.44 Lakhs compared as Rs. 102.14 Lakhs in FY-2014. 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:-**

Mrs. Gazala Kolsawala retires by rotation at the ensuing Annual General Meeting and, being eligible, offer herself for re-appointment.

Mr. Mahendraprasad N. Mallawat is being re-appointed as the Whole Time Director of the Company for a further Period of 5 years with effect from 12th August, 2016 and the necessary resolution In this regard is being proposed at the ensuing Annual General Meeting for the approval of the Members.

Pursuant to Sections 149 of the Companies Act, 2013 Mr. Dinesh Kumar Gupta, Mr. Gajanan Uttamrao Mante and Mr. Sopan Vishwanathrao Kshirsagar, 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. Gajanan Uttamrao Mante and Mr. Sapan Vishwanathrao 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 an independent director during the year.

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

The brief note on Director retiring by rotation and eligible for re- appointment as well as Independent Directors and re-appointment of Whole Time Director 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. Mahendraprasad Mallawat – 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, 2016, 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 2016 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

Five 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. Subsidiary Company:

The Company does not have any subsidiaries during the year.

11. Familiarisation Program for Independent Directors:

Details of the familiarization program for independent directors are disclosed on the website of the Company www.arnoldholdings.in.

12. Meeting of the Board and committees thereof:

The information has been furnished under report on Corporate Governance, which is annexed.

13. 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.

14. Audit Committee

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

15. Auditors & Auditors Report

The statutory auditors M/S JAIN PRADEEP & CO, Chartered Accountants (Firm Registration No. 315109E), have intimated their unwillingness to be reappointed as the Auditors of the Company.

This change is in order to uphold the principles of governance and recognition of the regulatory changes in India. In view of the above, the Audit committee has considered the qualifications and experience of M/s. Amit Ray & Co., Chartered Accountants (FRN 000483C) and proposed them as Statutory Auditors and has recommend their appointments.

The Board of Directors has also considered the matter and recommends the passing of ordinary resolution appointing M/s. Amit Ray & Co. , Chartered Accountants, Statutory Auditors in place of the Retiring Auditors M/s. Jain Pradeep & Co. Chartered Accountants.

The Board places on record its appreciation for the contribution of M/s. Jain Pradeep & Co., Chartered Accountants, and retiring Auditors during their long association with the company.

16. Management's Discussion and Analysis Report:-

The Management's Discussion and Analysis Report (Annexure I) forms an integral part of this report and gives detail of the overview, industry structure an developments, different product groups of the company, operational performance of its various business segments.

17. Corporate Governance:-

As Per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance (Annexure-II) together with a certificate of its compliance from a Practicing Company secretary , forms part of this report.

18. Secretarial Auditor report:

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. S Pardeshi & Associates (CP No. 8485), to conduct Secretarial Audit for the financial year 2015-16.

Secretarial Audit report issued by M/s. S Pardeshi & Associates, Company Secretaries in Form MR-3 forms part of this report Annexure-III.

The said report doesn't contain any observation or qualification requiring explanation or adverse remarks.

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 as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company www.arnoldholdings.in.

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. Mahendraprasad Mallawat

Mr. Prasenjit Goswami

Mr. Dinesh Kumar Gupta

Mr. GajananUttamraoMante

Dr. SopanVishwanathraoKshirsagar

Mrs. CA. Gazala Kolsawala

Mrs. Soniya Agarwal

b) Details of transactions:

Director's remuneration: - Mr. Mahendraprasad Mallawat Rs. 5, 63,000/-

Mrs. CA. Gazala Kolsawala Rs. 3, 87,000/-

Detail of Salary: Mrs. Soniya Agarwal Rs. 2, 70,000/-

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 2015-2016. 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. Particulars 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 2016-2017 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.

31. 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
Whole-Time Director
DIN - 07133943**

Place : Kolkata

Date : 30th May, 2016

ANNEXURE - 1 To The Directors Report

MANAGEMENT DISCUSSION & ANALYSIS

1. GLOBAL ECONOMY OVERVIEW

The financial year 2015-16 did not witness any major surge in economic activity. Global growth declined from 3.4% in 2014 to 3.1% in 2015. This slowdown was primarily driven by unprecedented decline in oil and commodities prices, volatility in financial markets, decline in trade and low inflationary trends owing to depressed growth around the world.

The US posted 2.4% growth mainly due to the country's improved fiscal and housing situation. The Euro Area grew by 1.5% on the back of robust private consumption, supported by low oil prices and easy financial conditions. The Japanese economy was hampered by a sharp fall in private consumption, resulting in discouraging growth figures. The rebalancing of the Chinese economy had a major impact, especially in the Asia-Pacific region, as it shifted from manufacturing to service sector. This has translated into strong tailwind for China, and is expected to help it post decent, though below par, growth numbers.

Going forward, global growth is projected to improve at slow pace. It is expected to reach 3.2% in 2016 and 3.5% in 2017. The growth projections for all the major economies and regions for 2016-17 are modest. It is believed to be a year of consolidation, where commodities prices are expected to bottom out and a slight pickup witnessed in infrastructure activity.

2. INDIAN ECONOMY OVERVIEW:

Despite continuing global headwinds, India's GDP clocked 7.6% growth in 2015-16, making it one of the fastest growing economies in the world. The Government of India (GoI) focused on strengthening the economy with various pro-reform policy initiatives to improve the country's social and physical infrastructure and set structural drivers for long-term sustainable economic growth.

India's trade deficit came down to \$5.1 billion in March 2016 owing to a sharp decline of upto 21% in imports. The government's adherence to keeping the fiscal deficit within target while managing growth is a positive step, especially in view of the stress and uncertainty in the global economy. The government has targeted to narrow the fiscal deficit to 3.5% in 2016-17, after maintaining its 3.9% target for 2015-16. Consumer price inflation is also within normal range, hovering around 5%. Government initiatives, low interest rates, decline in fiscal deficit and moderate inflation have enabled the Indian economy to achieve strong growth estimates. Policy adjustments and improved macro-economic environment have helped India attract more FDI flows during the year compared to last year. With government's growth agenda intact and the tide turning favourable on the economic front, India looks poised to perform better than its global counterparts in 2016-17 and is expected to grow at closer to 8% in 2016-17.

SECTOR OVERVIEW**Financial Services Industry**

India's financial services industry is expanding at a rapid pace driven by the government's pro-sector measures, announced in the last fiscal. These initiatives have given significant impetus to the sector that includes, commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. Government schemes like Pradhan Mantri Jan Dhan Yojana, Atal Pension Yojana, MUDRA, the new bankruptcy law, gold monetisation scheme and debt restructuring scheme are contributing to the financial sector's growth. Besides, the sector is positively impacted by favourable micro economic factors like rising income levels, improving life expectancy and good economic growth numbers.

NBFCs - growing in relevance

For over a decade, Indian NBFCs have played a pivotal role in meeting the country's diverse financial requirements. They cater to under-penetrated and unbanked customer segments, fulfilling their financial needs. NBFCs are able to reach deeper, offer more specialised services, and are able to lend to sectors and customers who find it difficult to obtain bank lending. NBFCs have performed well in retail asset-backed lending, lending against securities and microfinance. Besides, they have done substantially well in farm equipment financing, loans for purchase of used commercial vehicles & machinery and small ticket personal loans. NBFCs are expected to play the role of a key financial intermediary, once they are integrated in the financial system with full policy support. Factors like better understanding of customer profile / need, better product lines, wide network; quick turnaround time and robust risk management capabilities will contribute to the growth of NBFCs.

NBFCs and regulatory environment

The RBI conducted a comprehensive review of NBFC regulations in 2014. The revised regulatory framework is designed to focus supervisory attention to those NBFCs which genuinely can pose risks to the financial system and bring operational freedom to smaller NBFCs. Assets classification and Provisioning norms of NBFCs are going to converge with those of banks by the 2018.

Government Initiatives

NBFCs shall be eligible to claim tax deduction to the extent of 5% of total income on account of provision for bad and doubtful debts (NPAs). It has been a long awaited demand to treat the provision of bad debts of NBFCs at par with that of Indian banks in terms of tax deduction. This has only been moderately met as the prescribed percentage is less than that allowed for banks. However, this is a positive development for NBFCs reducing the tax outgo for them. It has provided them a much sought after relief, especially in these rising NPAs scenario. Reversal of input tax is proposed to provide additional options to banking companies, financial institutions and non-banking financial companies, with respect to nontaxable services provided by them by way of extending deposits, loans and advances. FDI will be allowed beyond the 18 specified NBFC activities under the automatic route. This move will help in promoting ease of doing business and attracting overseas investments by doing away with the need of seeking government approvals. In 2015 Union Budget, the finance minister announced that NBFCs would be considered as an eligible financial institution for SARFAESI benefits. However, the corresponding amendment in the SARFAESI Act is yet to be introduced. This move would facilitate faster liquidation of immovable assets for recovery of bad loans.

ABOUT THE INDUSTRY:

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

The activities of non-banking financial companies (NBFCs) in India have undergone qualitative changes over the years through functional 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.

COMPANY 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 2016, the gross operational income of the Company stood at Rs 2585.02 Lacs as compared to previous fiscal Year of Rs.3286.40 Lacs. The company has continued its lending activities and advances portfolio of the Company has been Rs.3998.90 Lacs and the interest income of the Company have been stood at Rs.251.33 Lacs. This fiscal Year Company's profits have been Rs. 65.44 Lacs as compared to Rs. 102.14 Lacs of fiscal Year 2015.

Financial Highlights:

- Income from operation stood at Rs. 2585.02 Lacs for fiscal Year 2016.
- Profit before Taxes of fiscal Year 2016 was Rs. 85.96 Lacs.
- Profit after Taxes of fiscal Year 2016 was Rs. 65.44 Lacs.
- Earnings per share for fiscal Year 2016 were Rs. 0.26 per share.
- Net Worth of company stood at Rs. 5101 Lacs as on March 31, 2016.

ASSET LIABILITY MANAGEMENT

Arnold Holdings Ltd had a total borrowing of Rs. 18.54 crores as on 31 March 2016. 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.

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**

**Mahendraprasad Mallawat
Whole Time Director
DIN - 00720282**

Place : Kolkata

Date : 30th day of May, 2016

**ANNEXURE II
TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE**

(Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

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. Your Director are committed to good governance practices and the company has been sharing all important information all about its various business segments and operations of the company through Director's report, Quarterly results and Annual reports. Further as required by the listing agreement, report on corporate governance is given below.

2. Corporate Governance Practice

The Arnold Holdings Ltd maintains the highest standard of corporate governance; it is the Company's constant endeavour to adopt the best corporate governance Practice.

3. Role of Company Secretary in overall Governance Process:

The Company Secretary plays a key role in ensuring that the Board and Committees procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible for assisting and advising the Board in conducting the affairs of the company, to ensure the compliances with applicable statutory requirements to provide guidance to Directors and to facilitate convening of meetings. The Company secretary interfaces between the Management and regulatory authority for governance matters.

4. 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 Director	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 2016,

Five (5) Board Meetings were held on the following dates:-

12th May, 2015, 30th May, 2015, 12th August, 2015, 13th November, 2015, 13th February, 2016.

- The Last Annual General Meeting of the Company was held on 29th September, 2015.

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	Category	No. of Board Meetings Attended	Attendance at last AGM	Directorship held in other Companies	No. Committee Memberships / Chairmanships held including Arnold Holdings*		Share Holding
					Membership	Chairmanship	
Mr. Mahendra Prasad Mallawat (DIN: 00720282)	Promoter / Whole Time Director	5	Yes	-	2	-	25000
Mrs. Gazala Kolsawala (DIN: 07133943)	Whole Time Director	5	Yes	-	-	-	
Mr. Sopan Vishwanthrao Kshirsagar (DIN: 06491444)	Independent / Non Executive Director	5	Yes	-	-	1	-
Mr. Prasenjit Goswami (DIN: 03313512)	Wholetime Director	5	Yes	-	-	-	-
Mr. Dinesh Kumar Gupta (DIN: 05259502)	Independent/ Non-Executive Director	5	Yes	-	1	-	-
Mr. Gajanan Uttamrao Mante (DIN: 02320965)	Independent/ Non-Executive Director	5	Yes	1	1	1	-

Committee positions only of the Audit Committee and Stakeholder Relationship Committee

5. The Details of Familiarisation Programmes imparted to Independent Directors:

Brief terms of reference:

An Appropriate induction programme for new Directors and ongoing familiarisation with respect to the business of the company for all Directors is a major contributor for meaningful board level deliberations and sound business decisions.

The Company has adopted a structured programme for orientation of independent Director's at the time of their joining so as to familiarize them with the Company's operations, business, industry and environment in which it functions. The Company updates the Board members on a continuing basis on any significant

changes therein and provides them an insight to their expected roles and the responsibilities so as to be in a position to take well- informed and timely decisions and contribute significantly to the Company.

The details of familiarisation programmes held for the independent Directors are provided on the Company's website.

6. Independent Directors Meeting:

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent directors meeting of the Company was held on 13th February, 2016. Independent Directors meeting considered:

- 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.

Mr. Gajanan Uttamrao Mante is the chairman of Independent Directors Meeting.

Attendance of Independent Directors in Independent Directors Meeting:

Name of the Members	Meeting held during year	Meetings attended
Mr. Gajanan Uttamrao Mante	1	1
Mr. Dinesh Kumar Gupta	1	1
Mr. Sopan Vishwanathrao Kshirsagar	1	1

7. Audit Committee:-

The Company has an Independent Audit Committee. The composition, role/ function of the committee comply with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The brief terms of reference of the Audit Committee includes the following:

- Overseeing the Company's financial report process and the disclosure of its financial information's.
- To review quarterly, half yearly and annual financial results before submission to the Board.
- To review the statement of significant related party transactions submitted by management.
- To review the adequacy of internal control systems with the management, external & Internal Auditors.
- Discussion with external Auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred by the Board.

Composition and attendance of Members at the Meeting of the Audit Committee

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

During the year 2015-16, four (4) Audit Committee meetings were held on 29th May, 2015, 12th August, 2015, 13th November, 2015 and 13th February, 2016.

8. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee is headed by an independent Director and is primarily responsible for recommending candidates for appointing as Directors and KMPs and their remuneration, evaluation of performance of Directors and monitoring of remuneration Policy.

The Composition and terms of reference of the Nomination and Remuneration Committee is in compliance with provisions of section 178 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Share Based Employee Benefits) Regulations, 2014.

Brief Terms of reference:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to the remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties

Composition and attendance of Members at the Meeting of the Nomination and remuneration Committee

Name of the Members	Position	Category	No. of Meetings Held	No. of Meetings attended
Mr. Gajanan Uttamrao Mante	Chairman	Independent & Non Executive Director	1	1
Mr. Sopan Vishwanathrao Kshirsagar	Member	Independent & Non Executive Director	1	1
Mr. Prasenjit Goswami	Member	Whole Time Director	1	1

Meeting Details: During the under review one meeting of the Nomination & Remuneration Committee was held on 13th February 2016 during the Year.

Remuneration Policy:-

The Board of Directors of the company has adopted Nomination and Remuneration Policy ('Policy') for the Company, inter alia to deal with the manner of selection of Board of Directors, KMP and Managing Director and their remuneration. The Policy is annexed as Annexure to this Report.

Performance Evaluation of the Board, Directors and Committees of the Board:

The Company has devised Board Evaluation Policy as to carry out annual performance evaluation of the Independent Directors, Board, Committees and other individual Directors.

A structured questionnaire was prepared for capturing various facets of the functioning of Board, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were assessed to find out knowledge/skills, contribution to the Board and their communication/relationship with the Board and senior management of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and the Non-independent Directors were carried out by the Independent Directors.

9. Stakeholders Relationship Committee:

The Stakeholders' Relationship ('SR') Committee is lead by Independent Director and is primarily responsible to review all matters connected with transfer of Equity Shares/ transmission of equity shares and redressal of shareholders complaints.

The Composition and terms of reference of the Nomination and Remuneration Committee is in compliance with provisions of section 178 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Composition and attendance:

Name of the Members	Position	Category	No. of Meetings Held	No. of Meetings attended
Mr. Gajanan Uttamrao Mante	Chairman	Independent & Non Executive Director	2	2
Mr. Dinesh Kumar Gupta	Member	Independent & Non Executive Director	2	2
Mr. Mahendraprasad Mallawat	Member	Whole Time Director	2	2

Meeting Details: During the under review two meetings of the Stakeholder Relationship Committee was held on 29th May, 2015 and 10th January, 2016 during the Year.

Information on Investor Grievances for the period from 01st April, 2015 to 31st March, 2016:

Compliance Officer:

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

Ms. Soniya Agarwal, Company Secretary, is the compliance officer for complying with the requirements of Companies Act, Securities Laws and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

10. General Body Meetings:-

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

Financial Year	Date	Time	Location	No. of Special Resolutions Passed
2012-2013	28th September, 2013	11.30AM	712, Poddar Court, 18, Rabindra Sarani, 7th Floor, Gate No.2, Kolkata - 700 001	Appointment of Mr. Mahendraprasad Mallawat as a Whole Time Director
2013-2014	29th September, 2014	2.30 PM	Hotel Lindsay, Lindsay Street, Kolkata - 700 087	Nil
2014-2015	29th September, 2015	12.30 PM	Hotel Monotel, DM2 Sector V, Salt Lake City, Kolkata - 700 091	Adoption of Articles of Association as per Companies Act, 2013

Postal Ballot: No special resolution was passed through Postal Ballot during the Financial Year 2015-16.

11. Code for prevention of Insider Trading Practices:

In compliance with the SEBI Regulations on prevention of Insider Trading, the Company has adopted a code of conduct for its Directors and designated Employees. The code lays down guidelines which included procedures to be followed and disclosures to be made while dealing with the shares of the Company.

12. Disclosures regarding Directors' Appointment / Re-appointment:-

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

Name of the Director	Date of Birth	Date of Appointment	Expertise in specific functional Area	Qualifications	Chairman/ Director in other Companies	No. of Shares Held
Mrs. Gazala Kolsawala	29/05/1967	25/03/2015	Finance & Taxation	Chartered Accountant	N.A.	NIL
Mr. Mahendra-prasad Mallawat	15/11/1957	23/11/2010	Finance & Taxation	B.Com	N.A.	25000

13. Means of Communication:-

- a) **Quarterly/ Annual Results:** The Company's Quarterly & Annual results are published in Financial Express and Durant Barta in 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 Corporate. 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

14. General Shareholder Information:-

i)	AGM(Date, Time and Venue)	:	On Friday the 16th September, 2016 at 11.30 am. At SHREE BANQUET HALL, 376/378, Goan Institute Bldg., J.S.S. Road, Chira Bazar, Mumbai-400002
ii)	Financial Year	:	1st April 2015 to 31st March, 2016
iii)	Key Financial Reporting Dates F.Y. 2016-2017		
a)	Unaudited Results for the First Quarter ended June 30, 2016	:	On or before 14th August, 2016
b)	Unaudited Results for the Second Quarter ended September 30, 2016	:	On or before 14th November, 2016
c)	Unaudited Results for the Third Quarter ended December 31, 2016	:	On or before 14th February, 2017
d)	Audited Results for the F.Y. 2016-2017	:	On or before End 30th May, 2017
iv)	Date of Annual Book Closure (Both days inclusive)	:	31st August, 2016 to 06th September, 2016 (Both Days Inclusive)
v)	Registered Office & CIN	:	B-208, Ramji House, 30, Jambulwadi, J.S.S. Road, Mumbai-400002 CIN: L65993MH1981PLC282783
vi)	Listing on Stock Exchanges	:	BSE Ltd. CSE Ltd.
vii)	Listing Fees	:	Annual Listing Fees for the year upto 2016-17 have been paid to both the Stock Exchanges.
viii)	Depository Fees	:	Annual Custodian Fees for the Year 2016-17 have been paid to CDSL & NSDL.
ix)	Stock Codes	:	BSE: 537069 CSE: 10011234 ISIN: INE185K01028
x)	Trading Group	:	XD

xi) Share Price Data:

Month	BSE Limited (BSE) (in Rs. per Share)	
	Month's High Price	Month's Low Price
April 2015	330	51
May 2015	73	58.8
June 2015	63.2	58
July 2015	62	48.5
August 2015	62	40.6
September 2015	52.4	40
October 2015	52	36
November 2015	45	27.05
December 2015	35.5	31
January 2016	34.4	30.9
February 2016	39.8	26.5
March 2016	37.5	33.8

xii) 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

xiii) Share Transfer System:-

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Executive Director and the Company Secretary of the Company. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities, as required under regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with Stock Exchanges.

xiv) Distribution of shareholding (category wise) as on 31st March, 2016:-

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	1650175	6.58
Financial Institutions / Banks	0	0.00
Insurance Companies	0	0.00
NRI	224	0.00
Bodies Corporate	4106202	16.39
Public	19305899	77.03
Total	25062500	100.00

xv) Dematerialization of shares and liquidity:-

- About 100% of the shares have been dematerialized as on 31st March, 2016.
- Trading in the shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

xvi) 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.

xvii) Plant Locations:

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

xviii) 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-208, Ramji House, 30 Jambulwadi, J.S.S. Road,

Mumbai - 400 002, Maharashtra, India

Tel: +91 22-22016640, Fax: +91 22-4344 6409

Email: info@arnoldholdings.in / arnoldholding9@gmail.com

xix) COMPLIANCE WITH DISCRETIONARY REQUIREMENTS AS PER REGULATION 27(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has adopted following discretionary requirements of regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- i) **Audit Qualification:** The Company is in the regime of unqualified financial statements.
- ii) **Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee

15. Disclosures

- i) **Related Party Transactions:** During the year under review, the Company has not entered into any material transaction with any of the related parties. All related party transactions are at arms-length and in the ordinary course of business and are not in conflict with the interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.arnoldholdings.in.

- ii) **Strictures and Penalties:** No, 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 years.
- iii) There are no inter se relationships between the Directors of the Company.
- iv) **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.
- v) The CEO/CFO Certificate forms part of this Annual Report.
- vi) **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 Demat form and the total number of dematerialized shares held with NSDL and CDSL.
- vii) **Adoption of Mandatory and Non-Mandatory requirements:**
The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of Regulation 27(1) of (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Your Company has complied with all the requirements of Regulations 17 to 27 and clause (b) to (i) of sub-regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.
- viii) **CEO / CFO Certification: -**
The CEO and CFO of the company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The CEO/ CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The annual Certificate given by the CEO/CFO is given below:
1. I have reviewed financial statements and the cash flow statement of Arnold Holdings Limited for the year ended 31st March, 2016 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 nay 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.

16. 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.

17. Declaration

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with The Arnold Holdings Ltd Code of Conduct for the year ended 31st March, 2016.

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

**Mahendraprasad Mallawat
Whole Time Director
DIN - 00720282**

Place : Kolkata
Date : 30th May, 2016

Annexure

Nomination and Remuneration Policy

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board, and is in compliance with the requirements of the Section 178 Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.1 Objectives

The Policy lies down the:

- (i) Criteria for determining inter-alia qualification, positive attributes and independence of Directors for their appointment on the Board of the Company;
- (ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel and other Employees.

1.2 Definitions

- i. "Board" means Board of Directors of the Company.
- ii. "Company" means "Arnold Holdings Limited."
- iii. "Employees' Stock Option" means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.
- iii A. 'fit and proper' shall mean an individual who is :
 - a. more than thirty years in age;
 - b. a graduate;
 - c. has minimum five years experience;
 - d. a person of integrity, reputation and character in the opinion of the Committee;
- iv. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- v. "Key Managerial Personnel" (KMP) means:
 - a) Chief Executive Officer or the Managing /Executive Director or the Manager,
 - b) Company Secretary,
 - c) Whole-time Director,
 - d) Chief Financial Officer and
 - e) Such other officer as may be prescribed.
- vi. "Committee" shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vii. "Policy or This Policy" means, "Nomination and Remuneration Policy."
- viii. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

- ix. "Senior Management" means, personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

1.3 Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, Listing Agreement and Regulations as notified by the Securities and Exchange Board of India from time to time.

1.4 Appointment and Removal of Managerial Person, Director, Key Management Personnel and Senior Management Personnel

i. Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
- b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient /satisfactory for the designated position.

ii. Term / Tenure:

- a) The Company shall appoint or re-appoint a person as its Managerial Person by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report.
- b) No Independent Director shall hold office for more than two consecutive Terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- c) Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Term can be for a maximum period of five years.
- d) The time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of the Company.

iii. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act'), rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

iv. Retirement:

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, and KMP, Senior Management in the

same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

1.5 Disqualifications for Appointment of Directors

i. A person shall not be eligible for appointment as director of the company if:

- a) He is of unsound mind and stands so declared by a competent court;
- b) He is undischarged insolvent;
- c) He has applied to be adjudicated as an insolvent and his application is pending;
- d) He has been convicted by a court of any offence, weather involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:

- 1) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;
 - 2) He has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;
 - 3) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
 - 4) He has not complied with sub-section (3) of section 152 of the Companies Act, 2013.
- ii. A person who has been a Director of the company which:
- a) has not filed financial statements or annual returns for any continuous period of three financial years; or
 - b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year or more, shall be ineligible to be appointed as a director of the Company for a period of five years from the date on which the other company fails to do so.
- iii. A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' by the Committee.

1.6 Remuneration Policy

Remuneration Policy of AHL is designed to attract, motivate, and retain manpower in a competitive environment considering qualification, positive attribute, integrity and independence, and is guided by the common reward framework and set of principles and objectives. The Remuneration Policy applies to the Company's Senior Management Personnel, including its Key Managerial Person and the Board of Directors.

The policy captures remuneration strategies, policies and practices of AHL, including compensation, variable

compensation, equity-based plans and the process for the measurement and assessment of employee and executive performance. The remuneration / compensation / commission etc. to the Managerial Person, Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.

1.6.1 Remuneration Strategy for Employees at AHL The Company adopts a total compensation philosophy in rewarding employees. The Total compensation package for the employees comprises of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. Variable pay includes performance bonuses and ESOP's for eligible employees.

The level of Total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the Total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, and the Company's performance, as well as market factors.

The Company's remuneration strategy is market driven and aims at attracting and retaining high caliber talent. Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the bonus pool for the Company and its business units. Individual bonus allocation is based on performance against various set of pre-defined objectives.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

1.6.2 Remuneration of Key Management Personnel The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles. Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

- i. Fixed Component: gross Fixed Salary.
- ii. Perquisites: In the form of house rent allowance/accommodation, reimbursement of medical expenses, conveyance, children education, telephone, communication equipments like Cell Phone etc.
- iii. Personal benefits: Based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.
- iv. Medical Insurance – Coverage of ₹ 5 Lacs every year to the personnel, his/her spouse, two children and parents (In case of female employees they can choose the option for Including their in-laws in lieu of her parents).
- v. Variable pay is linked to the below three factors:
 - a) The financial results of the company;
 - b) Targets achieved;
 - c) The individual performance and that of the department/team.

1.6.3 Remuneration of Non-executive Directors including Independent Directors:

The Non-Executive Directors of the Company shall be paid sitting fees as per the recommendation of Committee and approved by the Board of the Company not exceeding 5,000/- per meeting.

An independent Director shall not be entitled to any Stock Options of the Company.

1.7 Deviations from the Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

1.8 Amendments

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.

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

**Mahendraprasad Mallawat
Whole Time Director
DIN - 00720282**

Place : Kolkata

Date : 30th day of May, 2016

Annexure III to the Directors' Report**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 31/03/2016

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 M/s 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 M/s 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, 2016 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 M/s ARNOLD HOLDINGS LTD ("the Company") for the financial year ended on 31st March, 2016 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; Not Applicable as the Company has not entered into any transaction of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the financial year under review;
- (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; - Not Applicable as the Company has not issued further capital during the financial year under review;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable as the Company has not implemented any Share Based Employee Benefit Scheme during the financial year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable as the Company has not issued and listed any Debt Securities during the financial year under review;

- (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; Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - Not applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review.
- (vi) Reserve Bank of India Act, 1934 and Rules made thereunder, is specifically applicable to the company.

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. mentioned above.

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. There are no any changes in the composition of the Board of Directors during the period under review.
- 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.
- As per Minutes of the Meeting duly recorded and signed by the Chairman the decision of the Board is Unanimous and no dissenting views have been recorded.

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 based on review of and on the basis information, records and documents provided by the Board, we are of the opinion that there are adequate systems and processes in place in the Company which is 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, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Place: Mumbai
Date: 30th May, 2016

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:
 - i) Name(s) of the related party and nature of relation: Not Applicable
 - ii) Nature of Contracts/arrangements/ transactions: Not Applicable
 - iii) Duration of the contracts/ arrangements/ transactions: Not Applicable
 - iv) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - v) Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - vi) Date(s) of approval by the board: Not Applicable
 - vii) Amount paid as advances, if any: Not Applicable
 - viii) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

- 2) Details of material contracts or arrangement or transactions at arm's length basis:
 - i) Name(s) of the related party and nature of relation: Not Applicable
 - ii) Nature of Contracts/arrangements/ transactions: Not Applicable
 - iii) Duration of the contracts/ arrangements/ transactions: Not Applicable
 - iv) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - v) Date(s) of approval by the board: Not Applicable
 - vi) Amount paid as advances, if any: Not Applicable

Note: All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material within the meaning of Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the related party transactions are disclosed in the notes to the financial statements.

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

**Mr. Mahendraprasad Mallawat
Whole Time Director
DIN:00720282**

Place: Kolkata
Date: 30th May, 2016

Annexure V to the Directors' Report**Form No. MGT-9****Extract Of Annual Return as on the Financial year ended On 31st March, 2016**

[Pursuant to section 92(3) of the Companies Act,2013 and rule12(1)of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
i. CIN	L65993MH1981PLC282783
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	B-208, RAMJI HOUSE, 30, JAMBULWADI, J.S.S. ROAD, MUMBAI-400002
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, 5TH 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%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	NIL				
2.					
3.					
4.					

(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	727908	-	727908	14.52	3868874	-	3868874	15.44	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3088131	-	3088131	61.60	14995237	-	14995237	59.84	-
c) Others(Specify)	84297	-	84297	1.68	442012	-	442012	1.76	-
Sub-total(B)(2)	4682465	-	4682465	93.41	23412325	-	23412325	93.41	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4682465	-	4682465	93.41	23412325	-	23412325	93.41	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GrandTotal (A+B+C)	5012500	-	5012500	100	25062500	-	25062500	100	-

ii. Share holding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total of the company shares	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	HARSHAD ACHALESHWAR KELA	67000	1.34	-	335000	1.34	-	-
2.	MAHENDRA PRASAD NATHMAL MALLAWAT	5000	0.10	-	25000	0.10	-	-
3.	PAWANKUMAR NATHMAL MALLAWAT	100000	2.00	-	500000	2.00	-	-
4.	RAMA HARSHAD KELA	25000	0.49	-	125000	0.49	-	-
5.	VARSHA PAWAN MALLAWAT	100000	2.00	-	500000	2.00	-	-
6.	KAMLADEVI CHAGANLAL KELA	5	0.00	-	25	0.00	-	-
7.	PANKAJ BHAGWANKISHORE KELA	5	0.00	-	25	0.00	-	-
8.	NIDHI PANKAJ KELA	5	0.00	-	25	0.00	-	-

9.	BHAGAWANKISHORE CHHAGANLAL KELA	5	0.00	-	25	0.00	-	-
10.	PREMADEVI BHAGAWANKISHORE KELA	5	0.00	-	25	0.0	-	-
11.	KAILASHCHAND N MALLAWAT	1000	0.02	-	5000	0.02	-	-
12.	MANJU MAHENDRA MALLAWAT	1300	0.03	-	6500	0.03	-	-
13.	MAHENDRA PRASAD NATHMAL MALLAWAT HUF	100	0.00	-	500	0.00	-	-
14.	SARITA MAHENDRA MALLAWAT	1000	0.02	-	5000	0.02	-	-
15.	HARISH MALLAWAT	100	0.00	-	500	0.00	-	-
16.	MONICA M MALLAWAT	24310	0.48	-	121550	0.48	-	-
17.	SANDEEP M MALLAWAT	100	0.00	-	500	0.00	-	-
18.	MAMTA K MALLAWAT	5000	0.10	-	25000	0.10	-	-
19.	NIRMALKUMAR NATHMALJI MALLAWAT	100	0.00	-	500	0.00	-	-
	Total	330035	6.58	-	1650175	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	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	Mr. M.P. Mallawat	Mrs. Gazala Kolsawala	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,63,000	3,87,000	9,50,000
	(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	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission	NA	NA	NA
	- as % of profit			
	- others, specify			
5.	Others, please specify	-	-	-
6.	Total(A)	5,63,000	3,87,000	9,50,000
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors					
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	Other Non-Executive Directors					
	• 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			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	270000	-	270000
	(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	-	270000	-	270000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding	Authority[RD /NCLT/Court]	Appeal made. If any (give details) fees imposed
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)

Whole Time Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Arnold Holdings Limited,
Mumbai

We have examined the compliance of conditions of Corporate Governance by Arnold Holdings Limited ('the Company') for the year ended 31st March, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange.

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 S. Pardeshi & Associates
Company Secretaries
(Santosh Pardeshi)
Proprietor**

Place: Mumbai
Date: 30th May, 2016

**Membership No. 7727
CP No. 8485**

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 LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, 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 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 there under.

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 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 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 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note 8 to the financial statements which, describes the uncertainty related to the outcome of the Income appeals filed by the Company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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) The contingent liability described in sub- paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - h) 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 impact its financial position.
 - 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

(Pradeep Jain)
(Proprietor)

Membership No. 052264

Place: Kolkata

Date: 26th May, 2016

‘Annexure A’

The Annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements”.

We report that:

- i. a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c. The Company does not hold any immovable properties during the year.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. As the company is registered under Reserve Bank of India as a Non-Banking Finance Company, it is eligible to take Loan & Advances and grant Loan & Advances on such terms & conditions which are prejudicial to the interest of the company.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

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

**(Pradeep Jain)
(Proprietor)**

Membership No. 052264

Place: Kolkata
Date: 26th May, 2016

‘Annexure B’

Report on Internal Financial Controls Over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ARNOLD HOLDINGS LTD (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(Pradeep Jain)
(Proprietor)**

Membership No. 052264

Place: Kolkata
Date: 26th May, 2016

ARNOLD HOLDINGS LTD.**BALANCE SHEET AS AT 31ST MARCH, 2016**

(₹ in Rs.)

	Sch. No.	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	5,01,25,000.00	5,01,25,000.00
Reserves and surplus	3	46,02,39,005.80	45,36,95,444.00
Money received against share warrants			
		51,03,64,005.80	50,38,20,444.00
Share application money pending allotment			
Non-current liabilities			
Long-term borrowings	4	18,54,42,773.00	11,95,33,774.00
Deferred tax liabilities (Net)	5		
Other long term liabilities			
Long-term provisions	6	18,54,42,773.00	11,95,33,774.00
Current liabilities			
Short-term borrowings			
Trade payables	7	34,50,860.68	2,30,010.00
Other current liabilities			
Short-term provisions	6	66,10,516.00	78,08,998.00
		1,00,61,376.68	80,39,008.00
		1,00,61,376.68	80,39,008.00
TOTAL		70,58,68,155.48	63,13,93,226.00
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		58,551.00	1,38,888.00
Intangible assets			
Capital work-in-Progress			
Intangible assets under development			
Non-current investments	9	1,00,000.00	1,00,000.00
Deferred tax assets (net)	5	2,63,341.00	2,50,528.00
Long-term loans and advances	10	39,77,72,172.64	40,59,72,678.00
Other non-current assets	11	20,22,750.00	26,97,000.00
		40,02,16,814.64	40,91,59,094.00
Current assets			
Current investments			
Inventories	12	28,98,40,737.68	19,35,12,728.00
Trade receivables	13	37,500.00	48,72,798.00
Cash and cash equivalents	14	1,36,55,195.16	2,35,55,890.00
Short-term loans and advances	10	21,17,908.00	2,92,716.00
Other current assets			
		30,56,51,340.84	22,22,34,132.00
TOTAL		70,58,68,155.48	63,13,93,226.00

The accompanying notes are an integral part of the financial statements.

As per our report of even date

M/S. JAIN PRADEEP & CO.

Chartered Accountants

Firm Reg. No : 315109E

For and on behalf of the Board of Directors

(PRADEEP JAIN)

Proprietor

Membership No. 052264

Place : Kolkata

Dated : 30 May, 2016

MAHENDRA PRASAD

MALLAWAT

DIRECTOR

(DIN: 00720282)

GAZALA

KOLSAWALA

DIRECTOR

(DIN: 07133943)

SONIYA AGARWAL

Company Secretary

ARNOLD HOLDINGS LTD.**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016** (₹ in Rs.)

	Sch. No.	As at 31.03.2016	As at 31.03.2015
Revenue			
Revenue from operations	15	25,85,01,560.47	32,86,39,968.00
Less: Excise duty			
Net Sales		25,85,01,560.47	32,86,39,968.00
Other income			
Total revenue		25,85,01,560.47	32,86,39,968.00
Expenses			
Cost of material Consumed			
Purchase of stock-in-trade	16	31,99,84,038.36	34,73,29,793.00
Changes in inventories	17	(9,63,28,009.68)	(5,33,87,460.00)
Employee benefit expenses	18	25,19,550.00	21,16,901.00
Finance costs	19	1,15,77,455.00	69,29,158.00
Depreciation and amortization expenses	20	99,937.00	98,925.00
Other expenses	21	1,20,52,045.99	1,32,33,213.00
Total expenses		24,99,05,016.67	31,63,20,530.00
Profit before exceptional, extraordinary and prior period items and tax		85,96,543.80	1,23,19,438.00
Exceptional items			
Profit before extraordinary and prior period items and tax		85,96,543.80	1,23,19,438.00
Extraordinary items			
Prior period item			
Profit before tax		85,96,543.80	1,23,19,438.00
Tax expenses			
Current tax		20,65,795.00	21,16,807.00
Deferred tax		(12,813.00)	(11,362.00)
Excess/short provision relating earlier year tax			
Profit(Loss) for the period		65,43,561.80	1,02,13,993.00
Earning per share			
Basic			
Before extraordinary Items		0.26	0.41
After extraordinary Adjustment			
Diluted			
Before extraordinary Items		0.26	0.41
After extraordinary Adjustment			

Significant Accounting Policies & Notes to the Accounts 1

M/S. JAIN PRADEEP & CO.

Chartered Accountants

Firm Reg. No : 315109E

(PRADEEP JAIN)

Proprietor

Membership No. 052264

Place : Kolkata

Dated : 30 May, 2016

For and on behalf of the Board of Directors

MAHENDRA PRASAD

MALLAWAT

DIRECTOR

(DIN: 00720282)

GAZALA

KOLSAWALA

DIRECTOR

(DIN: 07133943)

SONIYA AGARWAL

Company Secretary

NOTE : 1**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS****CORPORATE INFORMATION:**

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

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

A SIGNIFICANT ACCOUNTING POLICIES**1. Basis of accounting:-**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared under the historical cost convention on accrual basis.

2. Revenue Recognition :-

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis except discount claims, rebates and retirement benefits which cannot be determined with certainty during the year.

3. Fixed Assets :-

Fixed assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

4. Depreciation :-

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down Value (WDV) Method/SLM method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

5. Investments :-

Investments are stated at cost. (Cost Rs. 1,00,000/- Market Value rs. 1,00,000/-)

6. Inventories :-

The inventories of equity shares have been valued at Cost.

7. Taxes on Income:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.

8. Provisions, Contingent Liabilities and Contingent Assets:- (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent liability as on 31/03/2016

The company has filed and contesting 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 as informed by the Management of the Company for the Asst. Year 2007-2008 is Rs. 79.25 Lacs. The Management is confident to get the relief from the Appellate Authorities.

Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

B. Notes on Financial Statements

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

3. Payments to Auditors: (Figures in Rs.)

Auditors Remuneration	2015-2016	2014-2015
Audit Fees	29,500	29,500
Tax Audit Fees		
Company Law Matters		
Service Tax		
Total	29,500	29,500

4. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

5. Related Party disclosure

(A) Related Parties and their Relationship

(I) Key Management Personnel

1. Mahendra Prasad Mallawat
2. CA Gazala Kolsawala
3. Prasanjeet Goswami
4. Dinesh Kumar Gupta – Independent Director
5. Gajanan Uttamrao Mante – Independent Director
6. Dr. Sopan Vishwanathrao Khirsagar – Independent Director
7. Soniya Agarwal – Company Secretary

Transactions with Related parties

(Figure in Rs.)

Particulars	Transactions during the year			
	Current Year		Previous year	
	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Remuneration Paid	9,50,300		7,44,734	

6. Major components of Deferred tax

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
A) Deferred Tax Liability		—
Depreciation	0.00	0.00
Others	0.00	0.00
Total	0.00	0.00
B) Deferred Tax Assets		
Deferred tax asset fixed assets	12813.00	0.00
Others	250528.00	250528.00
Total	263341.00	250528.00
Net Deferred Tax liabilities/(assets) (A-B)	(-263341.00)	(-250528.00)

7. Expenditure in Foreign Currency Nil Nil

8. Earning in Foreign Exchange Nil Nil

9. All assets and liabilities are presented as Current or Non-current as per criteria setout in Revised Schedule VI to the Company's Act, 1956 Notified by the Ministry of Corporate affairs vide Notification No. SO447(E) Dated 28th February, 2011 and SO653(E) Dated 30th March, 2011. Based on the nature of operation of the company and realization from the trade receivable, the company has ascertained its operating cycle of less than 12 months. Accordingly 12 months period has been considered for the purpose of Current /Non-current classification of assets & liabilities.

10. Previous year figures have been regrouped/rearranged wherever necessary.

Signature to notes 1 to ____

In terms of Our Separate Audit Report of Even Date Attached.

M/S. JAIN PRADEEP & CO.Chartered Accountants
Firm Reg. No : 315109E**(PRADEEP JAIN)**
Proprietor
Membership No. 052264Place : Kolkata
Dated : 30 May, 2016**For and on behalf of the Board of Directors****MAHENDRA PRASAD
MALLAWAT**
DIRECTOR
(DIN: 00720282)**GAZALA
KOLSAWALA**
DIRECTOR
(DIN: 07133943)**SONIYA AGARWAL**
Company Secretary

ARNOLD HOLDINGS LTD.

Notes to Financial statements for the year ended 31st March 2016

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation

Note No. 2 Share Capital

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Authorised : 250000000 (31/03/2015:250000000) Equity shares of Rs. 2.00/- par value	50,00,00,000.00	50,00,00,000.00
Issued : 25062500 (31/03/2015:25062500) Equity shares of Rs. 2.00/- par value	5,01,25,000.00	5,01,25,000.00
Subscribed and paid-up : 25062500 (31/03/2015:25062500) Equity shares of Rs. 2.00/- par value	5,01,25,000.00	5,01,25,000.00
Total	5,01,25,000.00	5,01,25,000.00

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares

(₹ in rupees)

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	2,50,62,500	5,01,25,000.00	2,50,62,500	5,01,25,000.00
Issued during the Period				
Redeemed or bought back during the period				
Outstanding at end of the period	2,50,62,500	5,01,25,000.00	2,50,62,500	5,01,25,000.00

Right, Preferences and Restriction attached to shares

Equity shares

The company has only one class of Equity having a par value Rs. 2.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Note No. 3 Reserve and Surplus

Particulars	As at 31st March 2016	As at 31st March 2015
Profit loss account		
Opening Balance	1,44,56,231.00	1,02,10,817.00
Add: Profit for the year	65,43,561.80	1,02,13,993.00
Less:Contingent Provision Against Standard Assets	(9,83,387.00)	(10,03,870.00)
Less:Transferred to Reserve Fund U/Sec 45-1C	(13,08,712.00)	(20,51,820.00)
Less:Appropriations final equity dividend		(25,06,250.00)
Less:Appropriations equity dividend distribution tax		(4,06,639.00)
Closing Balance	18,70,769.38	1,44,56,231.00

Particulars	As at 31st March 2016	As at 31st March 2015
Capital reserve		
Opening Balance	10,52,591.00	10,52,591.00
Add: Addition during the year		
Less : Deletion during the year		
Closing Balance	10,52,591.00	10,52,591.00
General reserve		
Opening Balance	42,88,89,250.00	42,88,89,250.00
Add: Addition during the year		
Less : Deletion during the year		
Closing Balance	42,88,89,250.00	42,88,89,250.00
Statutory Reserve		
Opening Balance	11,441.00	11,441.00
Add: Addition during the year		
Less : Deletion during the year		
Closing Balance	11,441.00	11,441.00
Reserve Fund U/Sec: 45-IC@20% of NP after Tax		
Opening Balance	58,29,548.00	37,77,728.00
Add: Addition during the year	1308712.00	20,51,820.00
Less : Deletion during the year		
Closing Balance	7138260.00	58,29,548.00
Provision Against Standard Asset@.25% of Loans and Advances.		
Opening Balance	34,56,383.00	24,52,513.00
Add: Addition during the year	983387.00	10,03,870.00
Less : Deletion during the year		
Closing Balance	4439770.00	34,56,383.00
Balance carried to balance sheet	46,02,39,005.80	45,36,95,444.00

Note No. 4 Long-term Borrowings

(₹ in rupees)

Particulars	As at 31st March 2016			As at 31st March 2015		
	Non-Current	Current Maturities	Total	Non-Current	Current Maturities	Total
Other Loans and advances						
Dulcet Vyapar Pvt. Ltd. unsecured				3,50,000.00		3,50,000.00
Greenworld Buildcon Infra Pvt. Ltd. unsecured	25,00,000.00		25,00,000.00	25,00,000.00		25,00,000.00
Harmon Finochem Ltd unsecured	4,00,00,000.00		4,00,00,000.00	4,00,00,000.00		4,00,00,000.00
Swarathma Gartex P. Ltd unsecured	14,29,42,773.00		14,29,42,773.00	7,31,33,774.00		7,31,33,774.00
Shreenath Foils Pvt. Ltd. unsecured				35,50,000.00		35,50,000.00
	18,54,42,773.00		18,54,42,773.00	11,95,33,774.00		11,95,33,774.00
The Above Amount Includes UnSecured Borrowings	18,54,42,773.00		18,54,42,773.00	11,95,33,774.00		11,95,33,774.00
Net Amount	18,54,42,773.00	0	18,54,42,773.00	11,95,33,774.00	0	11,95,33,774.00

Note No. 5 Deferred Tax

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Deferred tax assets		
Deferred tax asset other	2,63,341.00	2,50,528.00
Gross deferred tax asset	2,63,341.00	2,50,528.00
Net deferred tax assets	2,63,341.00	2,50,528.00

Note No. 6 Provisions

(₹ in rupees)

Particulars	As at 31st March 2016			As at 31st March 2015		
	Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
Other provisions						
Provision for Income Tax (A.Y. 2016-17)		18,21,107.00	18,21,107.00		21,16,807.00	21,16,807.00
Provision for Income Tax (A.Y. 2014-15)		19,54,260.00	19,54,260.00		19,54,260.00	19,54,260.00
Provision for proposed equity final dividend					25,06,250.00	25,06,250.00
Provision for corporate dividend tax (A.Y.15-16)				4,06,639.00	4,06,639.00	
Provision for TDS on Interest Paid (A.Y.16-17)		5,01,544.00	5,01,544.00		6,24,885.00	6,24,885.00
Provision for TDS on Professional Fees (A.Y.16-17)		82,840.00	82,840.00		50,157.00	50,157.00
Provision TDS on Rent (A.Y. 16-17)		1,62,498.00	1,62,498.00		1,50,000.00	1,50,000.00
Provision for TDS on BSE Listing Fees		22,472.00	22,472.00			
Provision for Income Tax (A.Y. 2016-17)		20,65,795.00	20,65,795.00			
		66,10,516.00	66,10,516.00		78,08,998.00	78,08,998.00
Total		66,10,516.00	66,10,516.00		78,08,998.00	78,08,998.00

Note No. 7 Trade payables

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Profit loss account		
Sundry Creditors	22,69,310.68	
Outstanding Expenses	11,55,000.00	2,03,500.00
Audit Fees Payable	26,550.00	26,510.00
Total	34,50,860.68	2,30,010.00

ARNOLD HOLDINGS LTD.

Note No. 8 Fixed Assets Chart as at 31st March 2016

(₹ in rupees)

Assets	Useful Life (In Years)	Gross Block			Accumulated Depreciation/ Amortisation				Net Block		
		Balance as at 1st April 2015	Additions during the year	Deletion during the year	Balance as at 31st March 2016	Balance as at 1st April 2015	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015
A Tangible assets											
Own Assets											
Computer	3.00	2,18,155.00	19,600.00		2,37,755.00	81,485.00	99,937.00		1,81,422.00	56,333.00	1,36,670.00
Air Conditioner	5.00	44,370.00			44,370.00	42,152.00			42,152.00	2,218.00	2,218.00
Total (A)		2,62,525.00	19,600.00		2,82,125.00	1,23,637.00	99,937.00		2,23,574.00	58,551.00	1,38,888.00
P.Y Total		1,35,278.00	1,21,075.00		2,56,353.00	18,540.00	98,925.00		1,17,465.00	1,38,888.00	1,16,738.00

Note No. 9 Non-current investments

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Non-Trade Investment(Valued at cost unless stated otherwise)		
Investments in debentures or bonds (Unquoted)		
In Others		
HDFC debt Fund For Cancer Cure (Lower of cost and Market value)	1,00,000.00	1,00,000.00
Gross Investment	1,00,000.00	1,00,000.00
Net Investment	1,00,000.00	1,00,000.00
Aggregate amount of unquoted investments	1,00,000.00	1,00,000.00

Note No. 10 Non-current investments

(₹ in rupees)

Particulars	As at 31st March 2016		As at 31st March 2015	
	Long-term	Short-term	Long-term	Short-term
Other loans and advances				
Tax deducted at source (Unsecured)	41,24,704.00	21,17,908.00	41,24,704.00	
Corporate Office Rent Deposit			3,00,000.00	
Unsecured Loans advances given to other	39,33,54,752.64		40,15,47,974.00	
	39,74,79,456.64	21,17,908.00	40,59,72,678.00	
Income Tax Refundable	2,92,716.00			2,92,716.00
	39,77,72,172.64	21,17,908.00	40,59,72,678.00	2,92,716.00
Total	39,77,72,172.64	21,17,908.00	40,59,72,678.00	2,92,716.00

Note No. 11 Other non-current assets

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Miscellaneous expenditure not written off		
Preliminary Expenses	20,22,750.00	26,97,000.00
Total	20,22,750.00	26,97,000.00

Note No. 12 Inventories

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
(Valued at cost or NRV unless otherwise stated)		
Shares And Securities	28,98,40,737.68	19,35,12,728.00
Total	28,98,40,737.68	19,35,12,728.00

Note No. 13 Trade receivables

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Exceeding six months		
Unsecured, Considered Good	37,500.00	48,72,798.00
Total	37,500.00	48,72,798.00
Total	37,500.00	48,72,798.00

Note No. 14 Cash and cash equivalents

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Balance with banks		
Other balances with banks	1,31,28,478.16	2,32,89,156.00
Total	1,31,28,478.16	2,32,89,156.00
Cash in hand		
Cash in hand	5,26,717.00	2,66,734.00
Total	5,26,717.00	2,66,734.00
Total	1,36,55,195.16	2,35,55,890.00

Note No. 15 Revenue from operations

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Sale of products		
Sale of Securities	21,37,27,225.94	28,92,01,449.00
FNO Trading	1,01,88,431.26	
	22,39,15,657.20	28,92,01,449.00
Sale of services		
Interest Income	2,51,33,315.00	3,39,61,247.00
Consultancy Fees Received	75,00,000.00	
	3,26,33,315.00	3,39,61,247.00
Other operating revenues		
Dividend	19,52,588.27	54,77,272.00
	19,52,588.27	54,77,272.00
Gross revenue from operations	25,85,01,560.47	32,86,39,968.00

Note No. 16 Purchase of stock-in-trades

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Purchase of Securities	30,22,07,357.76	34,73,29,793.00
FNO Trading	1,77,76,680.60	
Total	31,99,84,038.36	34,73,29,793.00

Note No. 17 Changes in inventories

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Inventory at the end of the year		
Traded Goods	28,98,40,737.68	19,35,12,728.00
	28,98,40,737.68	19,35,12,728.00
Inventory at the beginning of the year		
Traded Goods	19,35,12,728.00	14,01,25,268.00
	19,35,12,728.00	14,01,25,268.00
(Increase)/decrease in inventories		
Traded Goods	(9,63,28,009.68)	(5,33,87,460.00)
	(9,63,28,009.68)	(5,33,87,460.00)

Note No. 18 Employee benefit expenses

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Salaries and Wages		
Salary and wages	15,00,750.00	16,30,967.00
Director Remuneration	10,18,800.00	4,85,934.00
Total	25,19,550.00	21,16,901.00

Note No. 19 Finance costs

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Interest	1,15,77,455.00	69,29,158.00
Total	1,15,77,455.00	69,29,158.00

Note No. 20 Depreciation and amortization expenses

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Depreciation on tangible assets	99,937.00	98,925.00
Total	99,937.00	98,925.00

Note No. 21 Other expenses

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Advertising expenses	94,477.00	
Audit fees	29,500.00	29,500.00
Bank charges	748.58	1,062.00
BSE Listing Charges	1,68,540.00	1,12,360.00
Conveyance expenses	2,79,446.00	
Depository Charges	1,27,020.00	1,01,727.00
Electricity expenses	87,517.00	
General Expense	3,29,098.00	4,11,679.00
Office Expense	4,65,262.00	8,59,055.00
Office Rent	17,55,153.00	17,07,000.00
Courier Charges	1,73,608.72	1,46,902.00
Printing and stationery	9,66,172.00	2,63,243.00
Bad and Doubtful Debts W/off	62,46,638.62	77,76,152.00
Repairs and maintenance Charges	59,469.00	
Filing Fees of Company Registrar	37,516.00	
Telephone and postage expenses	36,191.86	38,087.00
Travelling Expenses	3,72,466.00	5,29,263.00
Website Expense	6,500.00	
Preliminary expenses written off	6,74,250.00	6,74,250.00
Rates and taxes		42,255.00
Consultancy Charges	1,42,472.00	5,40,678.00
Rounding Off	0.21	
Total	1,20,52,045.99	1,32,33,213.00

Current tax

(₹ in rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
Current tax pertaining to current year	20,65,795.00	21,16,807.00
Total	20,65,795.00	21,16,807.00

Note No. 10(a) Loans and advances : Other loans and advances: Tax deducted at source (Unsecured)

(₹ in rupees)

Particulars	As at 31st March 2016		As at 31st March 2015	
	Long-term	Short-term	Long-term	Short-term
TDS and Advance Tax A.Y. 13-14	73,773.00		73,773.00	
TDS and Advance Tax A.Y. 14-15	22,01,279.00		22,01,279.00	
TDS and Advance Tax A.Y. 15-16	18,49,652.00		18,49,652.00	
TDS and Advance Tax A.Y. 16-17		21,17,908.00		
Total	41,24,704.00	21,17,908.00	41,24,704.00	

ARNOLD HOLDINGS LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2016**

(₹ in rupees)

	31st March 2016	31st March 2015
A. Cash Flow From Operating Activities		
Net Profit before tax and extraordinary items (as per Statement of Profit and Loss)	85,96,543.80	1,23,19,438.00
Adjustments for non Cash/ Non trade items:		
Depreciation & Amortization Expenses	7,74,187.00	7,73,175.00
Finance Cost	1,15,77,455.00	69,29,158.00
Operating profits before Working Capital Changes	2,09,48,185.80	2,00,21,771.00
Adjusted For:		
(Increase) / Decrease in trade receivables	48,35,298.00	(46,94,798.00)
Increase / (Decrease) in trade payables	32,20,850.68	(1,37,92,161.00)
(Increase) / Decrease in inventories	(9,63,28,009.68)	(5,33,87,460.00)
Increase / (Decrease) in other current liabilities	(32,64,277.00)	(22,22,290.00)
(Increase) / Decrease in Short Term Loans & Advances		59,09,502.00
Cash generated from Operations	(7,05,87,952.20)	(4,81,65,436.00)
Income Tax (Paid) / Refund	(21,17,908.00)	(18,49,652.00)
Net Cash flow from Operating Activities(A)	(7,27,05,860.20)	(5,00,15,088.00)
B. Cash Flow From Investing Activities		
Purchase of tangible assets	(19,600.00)	(1,21,075.00)
Cash advances and loans received back	84,93,221.36	
Net Cash used in Investing Activities(B)	84,73,621.36	(1,21,075.00)
C. Cash Flow From Financing Activities		
Finance Cost	(1,15,77,455.00)	(69,29,158.00)
Increase in / (Repayment) of Short term Borrowings		7,24,36,100.00
Increase in / (Repayment) of Long term borrowings	6,59,08,999.00	
Other Inflows / (Outflows) of cash		(33,71,250.00)
Net Cash used in Financing Activities(C)	5,43,31,544.00	6,21,35,692.00
D. Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	(99,00,694.84)	1,19,99,529.00
E. Cash & Cash Equivalents at Beginning of period	2,35,55,890.00	1,15,56,361.00
F. Cash & Cash Equivalents at End of period	1,36,55,195.16	2,35,55,890.00
G. Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	(99,00,694.84)	1,19,99,529.00

Note:

1. The Cash Flow Statement has been prepared by Indirect Method as per AS-3 issued by ICAI.
2. Figures of previous year have been rearranged/regrouped wherever necessary
3. Figures in brackets are outflow/deductions

M/S. JAIN PRADEEP & CO.Chartered Accountants
Firm Reg. No : 315109E**For and on behalf of the Board of Directors****(PRADEEP JAIN)**Proprietor
Membership No. 052264

Place : Kolkata

Dated : 30 May, 2016

MAHENDRA PRASAD**MALLAWAT**

DIRECTOR

(DIN: 00720282)

GAZALA**KOLSAWALA**

DIRECTOR

(DIN: 07133943)

SONIYA AGARWAL
Company Secretary

ARNOLD HOLDINGS LIMITED

Registered office: B-208, Ramji House, 30, Jambulwadi, J.S.S. Road, Mumbai - 400 002

Tel. : 022-22016640

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

CIN: L65993MH1981PLC282783

ATTENDANCE SLIP

(Annual General Meeting Friday, 16th Day of September, 2016 at 11.30 A.M. at SHREE BANQUET Hall, 376/378, Goan Institute bldg., J.S. S. Road, Chira Bazar, Mumbai-400002

Name of the Shareholder	
Address	
Registered Folio/ DP ID & Client ID	
No of Shares held	
Name of the Proxy /Authorized Representative, if any	

I / We hereby record my / our presence at the Annual General Meeting of the Company to be held on Friday, 16th Day of September, 2016 at 11.30 A.M. at SHREE BANQUET Hall, 376/378, Goan Institute bldg., J.S. S. Road, Chira Bazar, Mumbai-400002

Signature of Shareholder/ Proxy/ Authorized Representative

Note: The Member/Proxy must bring this Attendance Slip to the Meeting, duly completed and signed, and hand over the same at the venue entrance.

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ARNOLD HOLDINGS LIMITED

Registered office: B-208, Ramji House, 30, Jambulwadi, J.S.S. Road, Mumbai-400002 Tel.: 022-22016640
E- mail: arnoldholding9@gmail.com • Website: www.arnoldholdings.in

CIN: L65993MH1981PLC282783

FORM NO. MGT-11**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / *DP-ID & Client	

**Applicable for Investors holding shares in electronic form.*

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

1.	Name:	Address:
	E-mail Id:	Signature:

Or falling him

2.	Name:	Address:
	E-mail Id:	Signature:

Or falling him

3.	Name:	Address:
	E-mail Id:	Signature:

(As my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 34th Annual General Meeting of the Company, to be held on Friday, September 16, 2016 at 11.30 A.M. at SHREE BANQUET Hall, 376/378, Goan Institute bldg., J.S. S. Road, Chira Bazar, Mumbai-400002 and any adjournment thereof in respect of such resolution (s) as is/are indicated below:

** I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-

Item No.	Resolution(s)	For	Against
1.	To consider and adopt the audited Financial Statements reports of the Directors' and Auditors' thereon as on 31st March, 2016. (Ordinary Resolution)		
2.	To appoint Mrs. Gazala Kolsawala who retires by rotation and being eligible, offer herself for re-appointment. (Ordinary Resolution)		
3.	Appointment of Auditors and fix their Remuneration. (Ordinary Resolution)		
4.	Reappointment of Mr. Mahendraprasad Mallawat (DIN: 00720282) as a Whole time Director for a further period of 5 Years and remuneration payable to him. (Ordinary Resolution)		
5.	Approval of Issue of Bonus Shares.(Special Resolution)		

Signed this day of 2016.

Signature of Shareholder

Signature of Proxy holder(s):

Affix Re.1
Revenue Stamp

Notes:

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of Company, not less than 48 hours before the commencement of the meeting.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. **This is only optional. Please put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
6. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
7. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ROUTE MAP