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ARNOLD HOLDINGS LIMITED



BOARD OF DIRECTORS :

Mahendraprasad Mallawat	Whole Time Director
Mohandas Dasari	Whole Time Director
Mrs. Gazala Kolsawala	Non-Executive Director
Dr. Sopan Vishwanathrao Kshirsagar	Non-Executive Independent Director
CA Sarita Bhartia	Non-Executive Independent Director
Rajkumar Goyal	Additional Director



COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Soniya Agarwal



AUDITORS :

M/s Amit Ray & Co.
Chartered Accountants
Mumbai



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 37th Annual General Meeting of the Members of ARNOLD HOLDINGS LIMITED will be held at the IMC Chamber of Commerce and Industry, Walchand Centre, 3rd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400020 on 27th September, 2019 at 10.00AM. to transact the following business:

Ordinary Business: -

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 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 Mr. Mohandas Dasari (DIN05105936), who retires by rotation and being eligible, offer him for re-appointment.
- 3) To appoint and fix the remuneration of M/s Amit Ray & Co. Chartered Accountants (Registration No. 000483C), as Auditors of the Company, who has given notice to the company u/s 141 of the Companies Act, 2013 of its willingness for re-appointment. The auditors shall hold the office from the conclusion of this Annual General meeting to till the conclusion of next Annual General Meeting of the Company at such remuneration shall be fixed by the Board of Directors of the Company.

Special Business:-

- 4) **Appointment of Mr. Rajkumar Goyal (DIN: 08529131) as a Non-Executive Independent director.**

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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajkumar Goyal (holding DIN 08529131), a non-executive Director of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for five years w.e.f. September 27, 2019 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

- 5) **Re-appointment of Mr. Sopan Vishwanathrao Kshirsagar (DIN:06491444) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Sopan Vishwanathrao Kshirsagar (DIN: 06491444), who was appointed as an Independent Director of the Company for a term of five years up to September 28, 2019, by the members

at the 32nd Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from September 28, 2019 up to September 27, 2024, not liable to retire by rotation.”

6) **Consolidation of Face Value of Equity Shares of the Company.**

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

“**RESOLVED THAT** pursuant to the provision of Section 61 and other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for time being in force), read with Articles of Association of the Company, and subject to the approval(s), consent(s), permission(s) and sanction(s), if any, required from any authority, consent of the members of the Company be and is hereby accorded to consolidate issued, subscribed and paid-up equity shares in the share capital of the Company by increasing the face value of the equity shares from Rs. 2/- each to Rs. 10/- each so that every 1 (One) equity shares with face value Rs. 10/- each held by a member are consolidated and redesigned into 1 (one) equity share with face value of Rs. 10/- fully paid up and consequently, the Authorised Equity Share Capital of the Company of 250000000 Equity Shares of Rs. 2/- (Rupees Two only) each shall be consolidated to 50000000 Equity Shares of Rs. 10/- (Rupees Ten only) each amounting to Rs. 500000000/- (Rupees Fifty Crores only) with effect from the “Record Date” to be determined by the Board for this purpose.

“**RESOLVED FURTHER THAT** upon consolidation of the Equity shares of the Company as aforesaid, every 1 (One) equity shares of the face value of Rs. 2/- (Rupees Two only) each fully paid-up held by a shareholder as on the Record Date shall stand consolidated into 1 (one) equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up with effect from the Record Date.

“**RESOLVED FURTHER THAT** on consolidation, 1 (One) Equity Share of the face value of Rs. 10/- (Rupees Ten Only) each fully paid-up be issued in lieu of One Shares of Rs. 2/- (Rupees Two Only) each fully paid-up, subject to the terms of Memorandum and Articles of Association of the Company and such shares shall rank paripassu in all respects and carry the same rights as the existing fully paid Equity Shares of the Company and shall be entitled to dividend(s) after consolidation of equity shares, if declared/recommended by the Board and subsequently approved by the shareholders.

“**RESOLVED FURTHER THAT** upon consolidation of the Equity shares of the Company as aforesaid, the existing share certificates in relation to the existing Equity shares of the face value of Rs. 2/- (Rupees Two only) each fully paid-up held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and that no letter of allotment shall be issued to the allottees of the new Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid-up on consolidation and the Company may without requiring the surrender of the existing equity share certificates directly issue and dispatch the new share certificates of the Company, in lieu of such existing share certificates and in the case of the Equity shares held in the dematerialized form, the number of consolidated Equity shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity shares of the Company before consolidation.

“**RESOLVED FURTHER THAT** no shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of shares so arising shall be held by a Trustee appointed by the Board who shall dispose off the said shares in the market at the best available price in one or more lots and the decision of the Trustee in this regard shall be final and binding to all concerned. The Trustee shall hold the net sale proceeds of all such shares after deducting therefrom all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the Company in proportion to their fractional entitlements.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate any of its power to any committee thereof or to such officer of the Company as the Board may think fit and proper for the purpose of giving effect to this resolution.”

7. **Alteration to memorandum of association of the company.**

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

“RESOLVED THAT subject to the approval of the members for consolidation of face value of equity shares as proposed under item no. 1 above and pursuant to the provisions of Section 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under (including any statutory modification(s), amendment(s) or reenactment(s) thereof for the time being in force), and subject to consents, approvals, permissions and sanctions, if any, required from any authority, consent of the members of the Company be and is hereby accorded that the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted thereof by the following Clause No. V as reproduced herewith:

- V. The Authorised Share Capital of the company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five crores only) Equity Shares of Rs. 10/- each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase or reduce the capital and to consolidate or to divide and sub-divide the shares into several classes and to attach thereto respectively such preferential, deferred qualified or special rights, privileges or conditions as may be determined by or and in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (which expression shall include a Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any one of its Directors, Company Secretary or any other officers.”

Registered Office:

B-208, Ramji House, 30, Jambulwadi,
J.S.S. Road, Mumbai- 400002
CIN: L65993MH1981PLC282783
Dated: 13th August, 2019

By Order of the Board of Directors

Mr. Mahendraprasad Mallawat
Whole Time Director
DIN: 00720282

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting, instead of himself/ herself and the proxy need not be a member of the company. 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 21st September, 2019 to 27th September, 2019 (both days inclusive) for the year ended 31st March, 2019 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., 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata – 700017.
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 requested 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 37th AGM and Annual Report for FY 2018-2019, 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 24th September, 2019 at (9:00 am IST) and ends on 26th September, 2019 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 20th September, 2019 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	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Bank Account Number (DBD)	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant 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 santoshpardeshipcs@gmail.com and helpdesk.evoting@cdslindia.com on or before 26th September, 2019 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 20th September, 2019. 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 20th September, 2019. 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 20th September, 2019 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. 16th August, 2019 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. where the Company's shares are listed.

Registered Office:

B-208, Ramji House, 30, Jambulwadi,
J.S.S. Road, Mumbai- 400002
CIN: L65993MH1981PLC282783
Dated: 13th August, 2019

By Order of the Board of Directors

Mr. Mahendraprasad Mallawat
Whole Time Director
DIN: 00720282

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

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Rajkumar Goyal (holding DIN 08529131), be appointed as an Independent Director on the Board of the Company.

The appointment of Mr. Rajkumar Goyal (holding DIN 08529131), shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rajkumar Goyal for the office of Director of the Company. Mr. Rajkumar Goyal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Mr. Rajkumar Goyal that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Rajkumar Goyal fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations.

Mr. Rajkumar Goyal is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mr. Rajkumar Goyal are provided in the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Mr. Rajkumar Goyal setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5:

Mr. Sopan Vishwanathrao Kshirsagar (DIN: 06491444) was appointed as a Director on the Board of the Company on February 07, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 32nd Annual General Meeting held on September 29, 2014 approved the appointment of Mr. Sopan Vishwanathrao Kshirsagar as an Independent Director of the Company for a period of 5 years up to September 28, 2019.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

The Company has received intimation in Form DIR-8 from Mr. Sopan Vishwanathrao Kshirsagar that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an

Independent Director.

The resolution seeks the approval of members for the re-appointment of Mr. Sopan Vishwanathrao Kshirsagar as an Independent Director of the Company commencing from September 28, 2019 up to September 27, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Sopan Vishwanathrao Kshirsagar fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Sopan Vishwanathrao Kshirsagar, the Board of Directors at its meeting held on August 13, 2019 approved the continuance of office of Mr. Sopan Vishwanathrao Kshirsagar as mentioned in the resolution.

Mr. Sopan Vishwanathrao Kshirsagar is basically a M.Sc. Gold Medalist and stood 1st at M.Sc. (Agri) examination held during the year 1974-1975. He has 40 years of experience in Maharashtra Gramin Bank, Aurangabad as a Senior Manager. He has also completed Ph.D. degree in Management during (2007) from Swami Ramanand Teerth Marathwada. He was instrumental in developing rural Banking business. He has worked as a Managing Director of the Nanded Dist. Central Co-Operative Bank Ltd. The company will be benefitted from his great potential in the above fields and he is the man who can make many wonders for the company during the coming days.

Mr. Sopan Vishwanathrao Kshirsagar does not hold any shares of Arnold Holdings Limited. He is not related to any other Directors/KMPs of the Company. He is the Chairman of Audit Committee and Member of Nomination & Remuneration Committee as well as in Stakeholder Relationship Committee of the Company. He has attended all the four (4) meetings of the Board held during the year 2018-19.

He is not a Director/ Member / Chairman of Committees of other Companies. The Nomination & Remuneration Committee and the Board evaluated the performance of Mr. Sopan Vishwanathrao Kshirsagar, rated him satisfactory on all parameters and recommended his re-appointment.

Copy of the draft letter for re-appointment of Mr. Sopan Vishwanathrao Kshirsagar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 6 & 7:

The Board of Directors of the Company proposes to consolidate the Equity Shares of the Company by which the face value of each equity share would be Rs. 10/- (Rupees Ten only). Accordingly, 1 (one) equity shares of face value of Rs. 2/- (Rupees Two only) each fully paid-up, of the Company existing on the Record Date shall stand consolidated into 1 (One) equity share of face value of Rs. 10/- (Rupee Ten only) each fully paid-up.

The Board considers that the proposed consolidation would benefit shareholders as follows:

Greater Investor Interest: The proposed share consolidation will result in a trading price that better reflects its maturity and also increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers as the trading price per share is expected to be higher than the trading price per existing share.

No effect of Consolidation on the Shareholders' Funds: The proposed share consolidation will not involve payment to any shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Company. Shareholders will not be required to make any payment to the Company in respect of the proposed share consolidation. Each consolidated share will rank *pari passu* in all respects with each other.

Stable market cap in the interest of shareholders: The proposed share consolidation will generally be beneficial to its Shareholders as it may serve to reduce the fluctuation in magnitude of the Company's market capitalization. This may, in turn, increase market interest in the shares and generally make the shares more attractive to investors.

Rationalization of the share capital of the Company: The proposed share consolidation will also rationalize the share capital of the Company by reducing the number of shares outstanding. As a result of the proposed share consolidation, there would be an immediate reduction in the number of shares. Hence, the Company shall benefit from easier management of a smaller number of shares. Further, it believes that overhead costs incurred on servicing the fragmented minority shareholding will be reduced significantly post consolidation.

No impact on dividend yield: The share consolidation will have no impact on the effective dividend yield of the Company's shares, all else being equal. The proposed consolidation of equity shares of the Company from Rs. 2/- (Rupees Two only) per equity share to Rs. 10/- (Rupee Ten only) per equity share, requires consequential amendment to the Memorandum of Association of the Company. Accordingly, Clause V of the Memorandum of Association is proposed to be altered in the manner set out in the Resolution at Item No. 7, to reflect the alteration in the authorized equity share capital of the Company as reproduced herewith:

V. The Share Capital of the company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase or reduce the capital and to consolidate or to divide and sub-divide the shares into several classes and to attach thereto respectively such preferential, deferred qualified or special rights, privileges or conditions as may be determined by or and in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

The Record Date for the aforesaid consolidation of the equity shares will be fixed by the Board after the approval of the Members. On the record date all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of shares so arising shall be held by a trustee appointed by the Board who shall dispose off the said shares in the market at the best available price in one or more lots and the decision of the Trustee in this regard shall be final and binding to all concerned. The

Trustee shall hold the net sale proceeds of all such shares after deducting therefrom all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the Company in proportion to their fractional entitlements.

The Board is of the opinion that the aforesaid resolutions for consolidation of 1 (One) equity shares of face value of Rs. 2/- (Rupees Two only) each fully paid-up of the Company into 1 (One) Equity Share of Rs. 10/- (Rupees Ten only) each fully paid-up and the consequent amendments to Clause V of the Memorandum of Association of the Company are in the best interest of the members and hence recommends the special resolution as set out at Item No. 6 and 7 of the Notice for your approval.

A copy of Memorandum of Association of the Company along with the proposed amendments is available for inspection for the members of the Company at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto Friday, 27th September, 2019.

The Board commends the Ordinary Resolution set out at Item No. 6 & 7 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Registered Office:

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

CIN: L65993MH1981PLC282783

Dated: 13th August, 2019

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, 2019.

1. Financial Performance:-

The financial performance of the Company for the Year ended 31st March, 2019 is as summarized below:-

(in Rs.)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Gross Turnover	16,46,05,615	30,61,82,430
Profit/(loss) before Taxation	39,82,773	54,82,046
Less: Provision for Taxation	11,55,102	16,24,820
Add: Provision for Deferred Tax Assets	17,769	5,960
Profit/(loss) after Taxation	28,45,440	38,63,186
Less: Provision Against Standard Assets	10,77,401	11,66,170
Less : Transferred to Reserve Fund 45-1C	5,69,088	7,72,637
Add: Balance brought forward from previous year	2,07,85,252	1,88,60,873
Less: Proposed Dividend	NIL	NIL
Less: Dividend Tax	NIL	NIL
Balance carried to Balance Sheet	2,19,84,203	2,07,85,252

2. Dividend :-

The Board of Directors do not recommend any dividend for the financial year 2018-19 under report.

3. State of the Company's Affairs:-

The gross turnover for the financial year 2019 at Rs. 1646.06 Lakhs and last year 2018 it was Rs. 3061.82 Lakhs. The Profit before tax for FY 2019 was Rs. 39.83 Lakhs against as Rs. 54.82 Lakhs in FY-2018. The Profit after tax for FY 2019 was Rs. 28.45 Lakhs compared as Rs. 38.63 Lakhs in FY-2018. 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. First-time adoption of Ind AS:-

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, read with Section 133 of the Companies Act, 2013 ('Act'), the Company has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2018, with comparative financials for the earlier period beginning April 1, 2017. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS opening balance sheet is April 1, 2017.

The company has made available a note explaining the areas of difference between Indian GAAP and Ind AS and explained the reconciliation between the two GAAPs, in the notes forming part of accounts.

5. Share Capital:-

During the year under review, the Authorised Share Capital of the Company stood at ₹ 50 Crores. The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2019 was 30.75 Crores consisting of 15,03,75,000 Equity Shares of ₹2 each. During the year under review, the Company has not issued shares.

6. Transfer to Reserves:-

As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. The Company proposes to transfer ₹ 5.69 lakhs (previous year ₹ 7.73 lakhs) to Statutory Reserve created and no amount is proposed to be transferred to General Reserve.

7. Directors:-

Mr. Mohandas Dasari retires by rotation at the ensuing Annual General Meeting and, being eligible, offer herself for re-appointment.

Mr. Rajkumar Goyal (DIN 08529131) was appointed as an Additional Director with effect from 13th August, 2019. He holds the office of Additional Director upto the ensuing Annual General Meeting. The Board wants to appoint him as a Non-executive Independent director from the same date for a period of 5 years. He is a Graduate having 15 years of experience in finance. The Company will be benefitted from his great potential in the above field.

The resolution seeking approval of the members for the appointment of Mr. Rajkumar Goyal have been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about them.

Pursuant to Sections 149 of the Companies Act, 2013 Mr. Sopan Vishwanathrao Kshirsagar has been reappointed as Independent Directors for a period of five years till September 26, 2024 at the annual general meeting held on 27th September, 2019. And Mrs. Sarita Bhartia has been appointed as Independent Director for a period of 3 Years till September 24th September, 2021 at the Annual General Meeting held on 25th September, 2018.

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details of the familiarization programme are available on the website of the Company at [http://www.arnoldholdings.in./investor relations/ Familiarisation_Programme_for_Independent_Directors.pdf](http://www.arnoldholdings.in./investor%20relations/Familiarisation_Programme_for_Independent_Directors.pdf).

Mrs. Sarita Bhartia and Mr. Sopan Vishwanathrao Kshirsagar, 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 Regulation 16 (1) (b) of the Listing Regulations. Further, all the Directors meet the Fit and Proper criteria as per the policy of the Company and as stipulated by RBI pursuant to the revised regulatory framework notified during the year. The terms and conditions of appointment of Independent Director is also available on the website of the Company at [http://www.arnoldholdings.in./ Management/ Appointment of Independent Directors.pdf](http://www.arnoldholdings.in./Management/Appointment%20of%20Independent%20Directors.pdf).

The Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

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.

8. 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. Mohandas Dasari- Whole Time Director
Mrs. Soniya Agarwal – Company Secretary and Compliance Officer.

9. **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, 2019, 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 2019 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.

10. **Board Evaluation**

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and of the individual Directors (including the Chairman) as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the Nomination & Remuneration Committee. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

The criteria for evaluation of the Board as a whole, inter-alia, covered parameters such as structure of the Board, meetings of the Board and functions of the Board. The criteria for evaluation of Individual Directors covered parameters such as details of professional qualifications and prior experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board was taken into consideration by the Board in carrying out the performance 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.

11. Subsidiary Company:

The Company does not have any subsidiaries during the year.

12. Meeting of the Board and committees thereof:**Board Meeting:**

Four meetings of the Board were held during the year, the details of which are disclosed in the Report on Corporate Governance forming part of the Annual Report of the Company.

Audit Committee:

The Company has constituted an Audit Committee comprising of Independent Directors. The composition, terms of reference and details of meeting held during the year are disclosed in the Report on Corporate Governance. Four meetings of the Audit Committee were held during the year.

Stakeholders Relationship Committee:

The Committee met four times during the year. The composition, terms of reference and details of meeting held during the year are disclosed in the Report on Corporate Governance.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee recommends to the Board the suitability of candidates for appointment as Director/Managing Director and Key Managerial Personnel and the remuneration packages payable to them. The Nomination and Remuneration Committee met two times during the year. The composition, terms of reference and details of meeting held during the year are disclosed in the Report on Corporate Governance.

13. Internal financial control systems and their adequacy:-

The Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organization's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors.

The design and effectiveness of key controls were tested and no material weaknesses were observed. The Audit Committee reviews and evaluates the adequacy of internal financial control and risk management systems, periodically. Efficacy of Internal control systems are tested periodically by Internal Auditors and Internal Control over financial reporting is tested and certified by Statutory Auditors.

14. Auditors & Auditors Report

The Report given by M/S Amit Ray & CO (Firm Registration No. 000483C), Chartered Accountants on the financial statement of the Company for the financial year 2018-19 is part of the Annual Report. The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014 and the rules framed there under, the Members at their thirty fourth Annual General Meeting (AGM) held on September 16, 2016 approved the appointment of M/S Amit Ray & CO (Firm Registration No. 000483C) , Chartered Accountants, as the Statutory Auditors of the Company for a period of five years, to hold office from the conclusion of 34th AGM till the conclusion of 39th AGM of the Company.

15. Management's Discussion and Analysis Report:-

The Management Discussion and Analysis report (Annexure 1) for the year under review as required under Regulation 34(2) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), is provided as a separate section forming part of the Annual Report.

16. Corporate Governance:-

In terms of Regulation 34 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance (Annexure-2) for the year under review is forming part of the Annual Report. The certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Report on Corporate Governance.

17. Secretarial Auditor report:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Audit Committee recommended and the Board of Directors of the Company appointed M/s. S Pardeshi & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2018-19. Your Company has received their written consent that the appointment will be in accordance with the applicable provision of the Act and rules framed thereunder.

The Secretarial Audit Report is annexed herewith marked as Annexure II to this Report pursuant to Regulation 24A of Listing Regulations. Secretarial Audit Report does not contain any qualifications, reservations or adverse remark on the Secretarial and other related records of the Company for FY 2018-19.

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

18. 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.

19. 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. Mohandas Dasari

Mrs. Sarita Bhartia

Dr. Sopan Vishwanathrao Kshirsagar

Mrs. CA. Gazala Kolsawala

Ms. Soniya Agarwal

- b) Details of transactions:
 Director's remuneration: - Mr. Mahendraprasad Mallawat Rs. 6, 45,004/-
 Mr. Mohandas Dasari Rs. 60,000/-
 Mrs. CA. Gazala Kolsawala Rs.36,000/-
 Mrs. Sarita Bhartia Rs. 25,000/-
- Detail of Salary: Mrs. Soniya Agarwal Rs. 4, 12,400/-
20. **RBI guidelines:**
 The Company is registered as Non deposit taking Company systemically important Non-Banking Finance Company with RBI. Accordingly during the year the Company has not accepted any deposits from the public and there were no deposits which become due for repayment or renewal. 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 2018-2019.
21. **Dematerialization of Equity Shares:** Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2019, 100% of the Equity Shares are held in electronic form only.
22. **Secretarial standards of ICSI:**
 During the financial year 2018-19, the Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India.
23. **Extract of Annual Report:**
 In compliance with Section 134(3)(a) of the Act, the extract of Annual Return in MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 may be accessed on the Company's website at <https://www.arnoldholdings.in/investor relations/MGT-9/>.
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. **Vigil Mechanism/Whistle Blower Policy:-**
 The Company has formulated and established a Vigil Mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, and to enable Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct. The details of the same are explained in the Report on Corporate Governance. The Whistle Blower Policy may be accessed on the Company's website at http://www.arnoldholdings.in/investor relations/Policies/Whistle_Blower_Policy.pdf.
27. **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

28. 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 2019-2020 and she is being eligible for re-appointment.

29. 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.

30. Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace:

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaints in this regard.

31. 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.

32. Significant and Material Orders passed by the Regulators or Courts:-

During the year, there were no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by the RBI or any other regulator during the year under review.

33. Material Changes and Commitments:

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

34. Acknowledgments:-

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them.

The Directors also place on record their sincere appreciation for the continued support extended by all the stakeholders and trust reposed by them in your Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and resulting in successful performance during the year.

Registered Office:

B-208, Ramji House, 30, Jambulwadi,
J.S.S. Road, Mumbai- 400002
CIN: L65993MH1981PLC282783
Dated: 13th August, 2019

By Order of the Board of Directors

Mr. Mahendraprasad Mallawat
Whole Time Director
DIN: 00720282

ANNEXURE - 1 To The Directors Report MANAGEMENT DISCUSSION & ANALYSIS

INDIAN ECONOMY OVERVIEW

India has been one of the world's fastest growing large economies of late, with growth averaging about 7% over the past five years. Additionally, India climbed 23 points in the World Bank's ease of doing business Index to 77th place, becoming the top ranked country in South Asia, raking in a more positive image for the country. The total FDI investments stood at ~\$33.50 Bn for April-December 2018. Interestingly, India overtook France in 2018 to become the world's 6th largest economy. It is now on its course to achieve 5th position from the United Kingdom this year on way to \$3 Tn GDP by 2020. Since 2000, India's share in the global economy has doubled from 1.5% to 3.2%. Per capita income is now nearing \$2,000, which is twice the level 10 years ago.

During the year, the Reserve Bank of India (RBI) took measures to ease the liquidity squeeze by injecting a total of ~`500 Bn in the month December 2018. Other regulatory measures such as increased concentration limits for banks' exposure and priority-lending norms were also taken in order to release pressure. During April 2019, the RBI further announced another `250 Bn liquidity injection through purchase of government securities. The purchase, called as open market operations (OMOs), will be undertaken in two equal tranches with the first one in May 2019. As per the RBI estimates, GDP growth for 2019-20 is projected at 7.2% – (6.8-7.1% in first half of 2019-20 and 7.3-7.4% in the second half). The assumptions are largely on the back of resilient private consumption, fillip from public spending in rural areas and an increase in disposable incomes of households due to tax benefits.

The Goods and Services Tax (GST) collection in March 2019 rose 15.6% from a year ago to hit `1.06 Tn, the highest since the new indirect tax system took effect on 1 July 2017. The GST mop-up for the whole of 2018-19 stands at `11.77 Tn. The revenue growth was observed, despite several rate cuts by the GST council during the year. The growth is a clear indication of expansion in manufacturing and consumption.

The Indian rupee has witnessed high volatility this year, falling nearly 14% between April to October 2018. The Indian currency had hit its all-time intra-day low of `74.45 against the US dollar on 11 October, 2018, making it one of the Asia's worst performers. The investors dumped the local currency in the wake of global developments such as strengthening of the US dollar, high commodity prices especially of crude oil, tighter monetary conditions in the US, coupled with domestic factors such as expanding current account deficit, inflationary pressures and likely fiscal slippages. Besides that, strong demand for the US currency from the importers and foreign fund outflows also weighed on rupee movement. Depreciation in rupee against the US dollar so far is at a five-year high. However in the later half of FY 2019, there were upward spiral signals indicating that the worst might be over for Asia's third-largest economy (for now). The recovery was largely on the ground of softening crude oil prices, sustained selling of the greenback by exporters and banks, and recovery in the Indian equity markets, giving impetus to the local currency.

The growth in the credit offload to different segments reflects the subsiding fear of NPAs in both private and public sector banks. Quicker turnaround in credit to NBFCs, despite the temporary liquidity crunch, speaks about the confidence the financial system has on India's key growing segments.

The Government of India's consistent monitoring of the economic progress and its proactiveness has been reflected through its implementation of various structural reforms

(Demonetisation, GST and RERA), Bankruptcy Code, ease of doing business and relaxation of FDI norms, among others. On the basis of an assessment of the current and evolving macroeconomic, the Monetary Policy Committee (MPC) decided to reduce the policy rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 6.5% to 6.25%, in February 2019.

This was further reduced by 25 basis points to 6% in April 2019. During the interim budget in February 2019, there was an enhanced focus on providing impetus to rural industrialization, aiding consumption growth and efforts to revive the ailing real estate sector in the coming years.

All these efforts are aimed towards improving financial liquidity, reducing public debt and maintaining controlled fiscal deficit to secure the economy's growth prospects. In the near term, fiscal consolidation will be further supported by strengthening goods and services tax compliance and further reducing subsidies. Driven by strong manufacturing-led industrial expansion and consumption demand from the private sector, coupled with strong consumption spurred by rising incomes, subdued inflation, and robust remittances should boost economic activity in India. According to the Asian Development Bank, India's growth is set to improve in FY 2020 surpassing a mark of 7.2%.

The Company's performance is highly depended on the functioning of different macro-economic parameters as stated above.

NBFC Industry Review

Current Scenario

The banking system has recorded a robust pace of annual loan growth at ~15% in 2018. The pick-up in the pace of bank credit has been driven by a sharp spike in retail loans and lending to NBFCs. The relative tightening of liquidity is resulting in an increase in the borrowing cost of alternative sources like commercial papers and debentures. This has made bank funding for NBFCs an important medium to maintain liquidity, leading to robust growth of lending to NBFCs at ~50% as of January 2019. Most NBFCs witnessed a 50-100 bps rise in incremental cost of market borrowings led by rising rates of CPs and NCDs and have reverted to bank borrowings to fuel growth.

NBFC's today account for more than one-third of incremental credit in India, and thus, play a vital role in the economy's growth. Over the past few years, NBFCs have been playing an important role in bridging the gap between organized and unorganized lending sphere. In fact, the 5-year CAGR for NBFC credit growth stands at 17.3% vs 10.4% for banks. As a result, the market share of NBFCs in the systemic credit space (non-food) has moved up from 13% in FY 2013 to 18% (excluding FIs and Government owned NBFCs) in FY 2018. If the Government-owned NBFCs are also included, the share of NBFC shot upto more than 25% in FY 2018.

Liquidity Crisis & Impact

The NBFC segment had a challenging fiscal. A liquidity crisis ensued when the NBFCs went on reckless credit expansion, without taking into account the asset-liability scenario. While some of them went bust and out of business in no time, and most others had to run helter-skelter seeking bail-out funds from investors.

As a consequence of this default, markets turned cautious on bond financing. Questions were raised on the ability of financial institutions in repaying their short-term commitments. This resulted in a sharp decline in usage of commercial papers, NCDs and other short-term money market instruments as a source of borrowing for NBFCs. A large proportion of borrowings suddenly moved to the banking sector, causing tightening of liquidity and a higher cost of funds. In fact, the gap between bank lending rates and the borrowing rates from the bond market narrowed considerably. According to the data collected by ICRA, the rates for commercial papers for highly-rated NBFCs were closer to 8%, while for others, it was above 9%. Additionally, this liquidity squeeze was accompanied by news of defaults of large corporate groups across various industries in India.

Regulatory changes

RBI has mandated certain policy measures in the recent past for the NBFC sector ranging from partial credit enhancement to harmonization and co-origination. This has been done to reinforce the view that the NBFCs are crucial for the economy. It also makes it clear that the regulator will keep on taking proactive measures to boost the confidence of the stakeholders in this sector. Even during the turbulent times witnessed in the third quarter, the RBI relaxed liquidity norms to ease the strain in the financial markets and allowed more bank lending to NBFCs.

Under the new Governor, the RBI recently released a dispensation that incentivises banks lending to NBFCs by easing liquidity norms. To counter the liquidity crunch, the incentives further extended as the RBI increased the

ceiling for lending to a single NBFC. Amid this evolving regulatory environment, NBFCs that already have a higher proportion of borrowings from the banking sector and strong asset-liability matches are expected to shine through, especially in the coming tenure of FY 2020.

Outlook

The last quarter of FY 2019 was tad better with improved liquidity for reputed NBFCs. While loan growth picked up in selected retail segments, there was a muted growth in the wholesale lending business. ICRA expects the credit growth to remain moderate at about 15-17% till H1 FY 2020 and revive only in H2 FY 2020. It is further expecting NBFC-retail credit to cross `10 Tn mark, depending on the improvement of liquidity.

According to the India Ratings and Research (Ind-Ra), NBFC space has a stable outlook, driven by their ability to pass on the rise in funding cost. Ind-Ra further believes that the recent liquidity crisis has given rise to funding challenges. This may prompt NBFCs to overhaul their balance sheets, at least partially, by replacing short-term borrowings with long-term funds. Ind-Ra also predicts some margin pressure for NBFCs, especially the wholesale focused ones, if RBI does increase the rates in FY 2020.

However, lending to the priority sector and social schemes are more likely to sustain their strong growth rates.

COMPANY BUSINESS OVERVIEW:

Arnold Holdings Ltd is a public limited company incorporated in the year 1981 listed in Bombay Stock Exchange. It is a non-deposit taking NBFC, registered with the RBI vide Registration No. B-13.02130 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 2019, the gross operational income of the Company stood at ₹1646.06 Lacs as compared to previous fiscal Year of ₹3061.82 Lacs. The company has continued its lending activities and advances portfolio of the Company has been ₹ 4376.17 Lacs and the interest income of the Company have been stood at ₹406.61 Lacs. This fiscal Year Company's profits have been ₹28.45 Lacs as compared to ₹38.63 Lacs of fiscal Year 2018.

Financial Highlights:

- Income from operation stood at ₹1646.06 Lacs for fiscal Year 2019.
- Profit before Taxes of fiscal Year 2019 was ₹39.83 Lacs.
- Profit after Taxes of fiscal Year 2019 was ₹28.45 Lacs.
- Earnings per share for fiscal Year 2019 were ₹0.03 per share.
- Net Worth of company stood at ₹. 5183 Lacs as on March 31, 2019.

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:

Arnold holdings Ltd has well-equipped internal control systems in place, adequate for the size of the Company and thenature of its business. The primaryfunction of our internal control systems is to ensure efficiency inbusiness operations, safeguardingof company's assets, adherence topolicies and procedures, protectingand detecting

errors and frauds, strict compliance with applicable laws and the reliability of financial statements and reporting. The policies, processes and system controls are clearly defined for all critical areas on principles of duty-segregation. This comes with an inbuilt maker-checker approach, well-defined risk and control matrix, and periodic reviews to check efficacy of implementation.

An extensive program of internal audits, and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. Internal controls' task of financial reporting is conducted with highest caution and precision, in transparent manner. Internal Audits are conducted at regular intervals to assure the management of fair transactions, as per set policies and processes. Efficacy of internal control systems are tested periodically by Internal Auditors and internal control over financial reporting is tested and certified by Statutory Auditors.

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 : Mumbai
Date : 30th day of May, 2019

**ANNEXURE II
TO THE DIRECTORS' REPORT**

REPORT ON CORPORATE GOVERNANCE

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

In Compliance with Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") a report on Corporate Governance for the year ended 31st March, 2019 is given below:

1. Company's Philosophy on Corporate Governance:

At Arnold Holdings Ltd, it is imperative that the corporate affairs are managed in a fair and transparent manner for enhancing long-term shareholder value and retaining investor trust. We, at Arnold Holdings Ltd, ensure that we evolve and follow the best corporate governance practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our performance as well as the leadership and governance of the Company. The Company's philosophy on Corporate Governance has been to ensure fairness to the Stakeholders through timely and transparent disclosures, equitable treatment of all shareholders and empowerment of employees and collective decision making. Your Company has adopted various code and policies to carry out duties and functions in most ethical and compliant manner and some of them are:

- i. Code of Conduct for the Board and Senior Managerial Personnel;
- ii. Whistle Blower Policy;
- iii. Internal Guidelines on Corporate Governance;
- iv. Nomination & Remuneration Policy;
- v. Board Evaluation Policy;
- vi. Fair Practices Code;
- vii. Code for regulating, monitoring and reporting of Trading by Insiders;
- viii. Code of practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information;
- ix. Policy on Related Party Transactions;
- x. Documents preservation and archival Policy; and
- xi. Policy for determining material events and information

Your Company has complied with the requirements of Corporate Governance as laid down under the provisions of Companies Act, 2013, Listing Regulations and RBI directions

2. 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.

3. 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 provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

The present strength of the Board is Five (5) Directors, comprising of Two Whole –Time Director and Two Independent Non- Executive Directors and one Non-Executive Director. 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. Mohandas Dasari	Whole Time Director
Mrs. Gazala Kolsawala	Non-Executive Director
Mr. Sopan Vishwanathrao Kshirsagar	Independent – Non Executive Director
Mrs. Sarita Bhartia	Independent – Non Executive Director

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 2019, Four (4) Board Meetings were held on the following dates:-

30th May, 2018, 8th August, 2018, 13th November, 2018, 13th February, 2019.

- The Last Annual General Meeting of the Company was held on 25th September, 2018.

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	4	Yes	-	2	-	150000
Mrs. Gazala Kolsawala (DIN: 07133943)	Non Executive Director	4	Yes	-	-	-	-
Mr. Sopan Vishwanthrao Kshirsagar (DIN: 06491444)	Independent / Non Executive Director	4	Yes	-	1	1	-
Mr. Gajanan Uttamrao Mante (DIN: 02320965)	Independent / Non Executive Director	4	Yes	1	1	1	-
Mr. Mohandas Dasari (DIN: 05105936)	Whole Time Director	2	Yes	4	-	-	-
Mrs. Sarita Bhartia** (DIN :01002622)	Independent Non-Executive Director	2	Yes	2	1	1	Nil

* Committee positions only of the Audit Committee and Stakeholder Relationship Committee have been considered for this purpose in terms of Regulation 26(1) (b) of the LODR Regulations.

** Mr. Gajanan Uttamrao Mante has resigned from board on 08th August, 2018 and his place Mrs. Sarita Bhartia has appointed on same date and she joined the committees.

d) Code of Conduct:-

The Company has a code of conduct applicable to all Board Members and Senior Management staff for avoidance of conflict of interest between each of each individuals and the Company. Each Board Member and Senior Management staff have declared their compliance with the Code of Conduct as at 31st March, 2019. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the company.

The Code of Conduct is available on the website of the Company.

4. 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.

5. 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 27th March, 2019. 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.

Mrs. Sarita Bhartia 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
Mrs. Sarita Bhartia	1	1
Mr. Sopan Vishwanathrao Kshirsagar	1	1

6. 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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The brief terms of reference also conform of the requirements of section 177 of the act. The Audit Committee includes the following:

- Overseeing the Company's financial report process and the disclosure of its financial information's.
- recommend appointment, remuneration and terms of appointment of auditors of the Company;
- approve payment to statutory auditors for any other services rendered by them;
- review with the management, the annual financial statements before submission to the Board for approval, focusing particularly on:
 - 1) matters to be included in Director's Responsibility Statements to be included in Board's report,
 - 2) any changes in accounting policies and practices;
 - 3) major accounting entries involving estimates based on the exercise of judgment by management;
 - 4) significant adjustments resulting from the audit findings;
 - 5) compliance with listing and other legal requirements relating to financial statement;
 - 6) disclosure of related party transactions;
 - 7) Qualification in draft audit report.
- review with the management , the quarterly financial statement before submission to the board for their approval;
- recommend appointment, remuneration and terms of appointment of internal auditors, tax auditors, secretarial auditor and any matters of resignation or dismissal;
- discuss with the statutory auditors before the audit commences, the nature and scope of the audit as well as post audit discussion to ascertain areas of concern;
- review the internal audit programme, ensuring co-ordination between the internal and statutory auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal auditor to undertake specific audit projects, having informed the management of their intentions;
- consider the major findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- consider any material breaches or exposure; breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- discuss significant findings with internal auditors and initiate follow up action thereon;
- look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- review performance of statutory and internal auditors and adequacy of internal control systems;
- approve transaction with related parties and subsequent modification to terms of contract/transaction;
- scrutinize inter-corporate loans and investments;
- valuation of any of the undertakings or assets as and when necessary;
- review with management , the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue , and making recommendation to the Board for taking steps in relation thereto;
- approve appointment of CFO (i.e. the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification,
- experience and background of the candidate;
- review functioning of the Whistle Blower Policy ;

- Carry out any other functions as may be falling within the terms of reference of the Audit Committee or as may be delegated to the Committee from time to time.

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	2	2
Mr. Mahendraprasad Mallawat	Member	Whole Time Director	4	4
Mrs. Sarita Bhartia*	Member	Independent & Non Executive Director	2	2

* Mr. Gajanan Uttamrao Mante has resigned from the Committee on 08th August, 2018 and his place Mrs. Sarita Bhartia has appointed and she joined the committee.

Meeting & Attendance:

During the year 2018-2019, four (4) Audit Committee meetings were held on 30th May, 2018, 08th August, 2018, 13th November, 2018 and 13th February, 2019.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee meetings and they attended all the meetings held during the year. The Internal Auditor reports directly to the Audit Committee.

The Company Secretary acts as Secretary to the Committee.

Minutes of each Audit Committee Meeting are placed before and discussed in the Board Meeting held subsequently.

7. 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, and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Share Based Employee Benefits) Regulations, 2014.

Brief Terms of reference:

- To assess that a person to be appointed as Director is 'fit and proper' and fulfills the set criteria as may be required by the Company;
- review and recommend to the Board on the structure and composition of the Board of Directors of the Company ;

- evaluate the eligibility of an individual on the basis of his/ her qualification, positive attributes, independence and past experience, for appointment and removal as whole time director/managing director/senior management of the company and advising the Board of Directors/ Shareholders with such detailed evaluation in the matter of appointment and removal of such individual;
- review, recommend and /or approve the remuneration that can be offered to the proposed whole time director/managing director/ non-executive director/ senior management of the Company;
- evaluate the performance of the directors of the Company and review and recommend to the Board on their re-appointment;
- review, recommend and /or approve the modification in the remuneration of the Whole time director/ managing director/ manager/ non-executive director and senior managerial personnel;
- formulate remuneration policy relating to directors, key managerial personnel and other senior managerial employees of the Company;
- evaluate performance of directors with respect to their role as Independent Director and Board members;
- implement and administer the Employee Stock Option Scheme;

Composition and attendance of Members at the Meeting of the Nomination & Remuneration Committee

Name of the Members	Position	Category	No. of Meetings Held	No. of Meetings attended
Mr. Gajanan Uttamrao Mante (upto 8th August 2018)	Chairman	Independent & Non Executive Director	1	1
Mr. Sopan Vishwanathrao Kshirsagar	Member	Independent & Non Executive Director	2	2
Mrs. Gazala Kolsawala	Member	Non-Executive Director	2	2
Mr. Sarita Bhartia (from 13th November, 2019)	Chairman	Independent & Non Executive Director	1	1

Meeting Details: The Committee met two times during the financial year 2017-18 on 08th August, 2018 and 13th November, 2018.

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 seniormanagement 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 led 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 Stakeholder Relationship 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.

Name of the Members	Position	Category	No. of Meetings Held	No. of Meetings attended
Mr. Gajanan Uttamrao Mante	Chairman	Independent & Non Executive Director	4	4
Mr. Sopan Vishwanathrao Kshirsagar	Member	Independent & Non Executive Director	4	4
Mr. Mahendraprasad Mallawat	Member	Whole Time Director	4	4
Mrs. Sarita Bhartia*	Chairman	Independent & Non Executive Director	2	2

* Mr. Gajanan Uttamrao Mante has resigned from the Committee on 08th August, 2018 and his place Mrs. Sarita Bhartia has appointed and she joined the committee.

Meeting Details: During the under review four meetings of the Stakeholder Relationship Committee was held on 12th April, 2018, 10th July, 2018, 8th October, 2018 and 8th January, 2019.

Information on Investor Grievances for the period from 01st April, 2018 to 31st March, 2019:

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

Investor Grievance Redressal:

The status of investor complaints is monitored by the SR Committee periodically and reported to the Board. The complaints received from the shareholders, regulators, stock exchanges are reviewed and they are expeditiously attended to by the Registrar and Share Transfer Agents.

Compliance Officer:

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:-

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

Financial Year	Date	Time	Location	No. of Special Resolutions Passed
2015-2016	16th September, 2016	11.30 AM	Shree Banquet Hall, 376/378, Goan Institute Bldg., J.S.S. Road, Chira Bazar, Mumbai-400002	Issue of Bonus Equity Shares
2016-2017	11th September, 2017	10.30 AM	Hotel Landmark Banquet Hall, Landmark Bldg., Mith Chowki, Link Road, Malad (W), Mumbai 400 064	No special resolution was passed.
2014-2015	25th September, 2018	10.30 AM	IMC Chamber of Commerce and Industry Kilchand Conference Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai - 400 020.	No special resolution was passed.

Postal Ballot: During the year under review, no resolution was passed through postal ballot.

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
Mr. Mohandas Dasari	01/05/1950	10/08/2017	Compliance Field	Master in economics	4	NIL
Mr. Rajkumar Goyal	11/12/1961	13/08/2019	Finance	Graduation	N.A.	NIL
Mr. Sopan Vishwanathrao Kshirsagar	15/10/1952	07/02/2013	Banking Services	M.Sc. and Ph.D. in Management	NA	NIL

13) Means of Communication:-

- a) **Quarterly/ Annual Results:** The Company's Quarterly & Annual results are published in Free Press and Navshakti in Mumbai 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: Centralized 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 27th September, 2019 at 10.00am. At IMC Chamber of Commerce and Industry, Walchand Centre, 3rd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400020
ii)	Financial Year	:	1st April 2019 to 31st March, 2020
iii)	Key Financial Reporting Dates F.Y. 2019-2020		
a)	Unaudited Results for the First Quarter ended June 30, 2019	:	On or before 14th August, 2019
b)	Unaudited Results for the Second Quarter ended September 30, 2019	:	On or before 14th November, 2019
c)	Unaudited Results for the Third Quarter ended December 31, 2019	:	On or before 14th February, 2020
d)	Audited Results for the F.Y. 2019-2020	:	On or before End 30th May, 2020
iv)	Date of Annual Book Closure (Both days inclusive)	:	21st September, 2019 (Saturday) to 27th September, 2019 (Friday) (Both Days Inclusive)
v)	Registered Office & CIN	:	B-208, Ramji House, 30, Jambulwadi, J.S.S. Road, Mumbai - 400 002 CIN: L65993MH1981PLC282783
vi)	Listing on Stock Exchanges	:	BSE Ltd.
vii)	Listing Fees	:	Annual Listing Fees for the year upto 2019-20 have been paid to the Stock Exchange.
viii)	Depository Fees	:	Annual Custodian Fees for the Year 2019-20 have been paid to CDSL & NSDL.

ix)	Stock Codes	:	BSE: 537069 ISIN: INE185K01028
x)	Trading Group	:	X

xi) **Share Price Data:**

Month	BSE Limited (BSE) (in Rs. per Share)		
	Month's High Price	Month's Low Price	Month's Low Price
April 2018	9.93	6.80	1088203
May 2018	9.30	7.32	608484
June 2018	10.20	7.70	1226817
July 2018	12.00	7.56	1538232
August 2018	11.00	8.65	1517439
September 2018	11.50	9.11	1416559
October 2018	11.00	9.33	1498456
November 2018	11.00	8.15	683603
December 2018	12.86	8.95	2691412
January 2019	17.77	11.05	7432013
February 2019	17.00	12.00	4280715
March 2019	13.88	7.57	5495766

Source: BSE website

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, 2019:-

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	9901050	6.58
Financial Institutions / Banks	0	0.00
Insurance Companies	0	0.00
NRI	54042	0.04
Bodies Corporate	52803193	35.11
Public	87616715	58.27
Total	150375000	100.00

Distribution Schedule of Equity shareholders as on March 31, 2019

Range (No. of Shares)	No. of Shareholders	%	No. of Shares	%
1 – 500	741	63.8793	96474	0.0642
501 – 1000	68	5.8621	51,209	0.0341
1001– 5000	220	18.9655	6, 21,847	0.4135
5001-10000	27	2.3276	1, 82,580	0.1214
10001-50000	21	1.8103	5, 71,143	0.3798
50001-100000	5	0.4310	4, 01,280	0.2669
100001 and above	78	6.7241	14, 84, 50,467	98.7202
Total	1160	100.00	15, 03, 75,000	100.00

xv) Dematerialization of shares and liquidity:-

- About 100% of the shares have been dematerialized as on 31st March, 2019.
- 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) Fees to Statutory Auditor:

₹67000/- fees paid by the Company for all the services, during FY 2018-19, to the Statutory Auditors of the Company.

xx) Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace:

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

xxi) 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. COMPLIANCE CERTIFICATE :

The Company has complied with the mandatory requirements as stipulated under the Listing Regulations. The Company has submitted the quarterly compliance report on corporate governance to the stock exchanges within the prescribed time limit.

M/s. S Pardeshi & Associates, Practicing Company Secretaries, have certified that the Company has complied with the mandatory requirements as stipulated under the Listing Regulations. M/s. S Pardeshi & Associates, Practicing Company Secretaries, have certified that none of the Directors on the Board of the Company have been debarred or disqualified, from being appointed or continuing as Directors of Companies, by the Board / Ministry of Corporate Affairs or any such statutory authority. These certificates are annexed to the Corporate Governance Report and will be submitted to the stock exchanges and the Ministry of Corporate Affairs along with the Annual Report.

16. 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 arm's-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**

The Company believes in the conduct of the affairs of its various constituents in a fair and transparent manner, by adopting the highest standard of professionalism, honesty, integrity and ethical behavior and open communication. The Company has Whistle Blower Policy under which the employees are free to report instances of unethical behavior, violation of laws and regulations and the Code of Conduct or policies of the Company. The employee can approach the Whistle Blower Committee which operated under the supervision of the Audit Committee. Employee may directly report to the Chairman of the Audit Committee. During the year under review no employee was denied access to the Audit Committee.

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 Regulation 17(8) of SEBI (Listing Obligations And Disclosure Requirements), Regulation 2015. 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, 2019 and due to the best of our knowledge and belief:
 - (i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of company's internal control systems pertaining to financial reporting.

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

4. I have indicated to the Auditors and the Audit Committee:

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

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.

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT AS REQUIRED PURSUANT TO SCHEDULE V OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Mahendraprasad Mallawat, Whole Time Director of the Company, hereby declare that, all the Members of the Board and Senior Management Personnel have confirmed their compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2019.

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

Mahendraprasad Mallawat
Whole Time Director /CEO

Place : Mumbai

Date : 30th May, 2019

PRACTICING COMPANY SECRETARY'S CERTIFICATE PURSUANT TO SCHEDULE V (C) (10) (i) OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members of Arnold Holdings Limited,

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified by Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority, from being appointed or continuing as Directors of Companies.

For S Pardeshi Associates
Company Secretaries

Santosh Pardeshi
Proprietor
Membership No. FCS7727
CP No. 8485

Place: Mumbai

Date: 30th May, 2019

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 : Mumbai
Date : 30th May, 2019

Annexure III to the Directors' Report**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31/03/2017

[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 31/03/2019

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, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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;
 - (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;
- (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 there under, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange Limited;

Following discrepancies in filings occurred under this head.

S. No.	Reg No.	Compliances	For the Quarter ended 30.09.2018
1.	LODR Regulation No.17(1)	composition of the Board including failure to appoint woman Director	Company has complied the same compliance
2.	LODR Regulation No. 19(1)/ 19(2)	constitution of Nomination & Remuneration Committee	Company has complied the same compliance

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 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, 2019

S Pardeshi & Associates

Santosh Pardeshi

FCS No. 7727

C. P. No.: 8485

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

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: Mumbai
Date: 30th May, 2019

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, 2019 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, 2019

Membership No. 7727

CP No. 8485

'Annexure A'

To,
The Members,
Arnold Holding Limited

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

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

Place: Mumbai
Date: 30th May, 2019

S Pardeshi & Associates

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

INDEPENDENT AUDITOR'S REPORT

To The Members,
Arnold Holdings Limited,

Report on the Financial Statements

We have audited the accompanying standalone Ind AS financial statements of ARNOLD HOLDINGS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 standalone Ind AS 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 standalone Ind AS 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 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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 March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended March 31, 2019, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2018.

Our opinion is not modified in respect of this matter.

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 Act, we give in the Annexure Aa statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - g. 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For AMIT RAY & COMPANY

Chartered Accountants

FRN No: 000483C

Nag Bhushan Rao

Partner

Membership No. 073144

Place: Mumbai

Date: 30th May, 2019

Annexure A referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**Re: ARNOLD HOLDINGS LIMITED(‘the company’)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- 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, Goods & 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 March, 2019 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, Goods & 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. The dues of income-tax and other statutory dues on account of any dispute are as follows:

S. N.	Name of the statute	Period to which the amount relates (AY)	Outstanding Demand	Date on which demand raised	Under Section	Forum where the dispute is pending
1	Income Tax Act, 1961	2009-10	6,93,040	13.12.2016	u/s 147	Appeal pending with CIT (Appeals)
2	Income Tax Act, 1961	2015-16	4,02,008	22.11.2017	u/s 143(3)	Appeal pending with CIT (Appeals)
3	Income Tax Act, 1961	2012-13	-	30.03.2019	u/s 148	Still in reassessment
4	Income Tax Act, 1961	2013-14	-	29.03.2019	u/s 148	Still in reassessment
5	Income Tax Act, 1961	2014-15	-	30.03.2019	u/s 148	Still in reassessment
6	Income Tax Act, 1961	2015-16	-	30.03.2019	u/s 148	Still in reassessment

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.
- ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence; reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the 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, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, 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. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are applicable to the Company and registration has been obtained by the company.

For AMIT RAY & COMPANY

Chartered Accountants

Firm Reg. No. 000483C

Place: Mumbai

Date: 30.05.2019

Nag BhushanRao

Partner

Membership No: 073144

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ARNOLD HOLDINGS LIMITED**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 LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 the 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.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 judgment, 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 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 unauthorised 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, 2019, 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 AMIT RAY & COMPANY

Chartered Accountants

Firm Reg. No. 000483C

Place: Mumbai

Date: 30.05.2019

Nag BhushanRao

Partner

Membership No: 073144

ARNOLD HOLDINGS LTD.**BALANCE SHEET AS AT 31ST MARCH, 2019**

(₹ in Rs.)

	Sch. No.	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
ASSETS				
Non-current Assets				
Property, plant and equipment	3	13,920,370	13,951,048	32,273
Financial assets	4			
i) Investments	4A	5,100,000	100,000	100,000
ii) Loans	4B	430,960,359	466,468,095	347,002,729
Deferred tax assets	5	288,819	271,050	265,090
Other non-current assets	6	4,394,103	11,554,961	8,396,728
Total non-current assets		454,663,651	492,345,154	355,796,820
Current assets				
Inventory	7	90,708,050	91,880,721	184,219,485
Financial assets	8			
i) Trade receivable	8A	1,626,322	3,944,744	44,000,000
ii) Cash & cash equivalents	8B	60,910,208	21,934,403	1,468,113
iii) Other financial assets	8C	-	195,000	-
Other current assets	9	2,308,696	2,820,619	4,015,774
Total current assets		155,553,275	120,775,486	233,703,372
Total assets		610,216,927	613,120,641	589,500,192
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	300,750,000	300,750,000	300,750,000
Other equity	11	217,598,052	214,752,612	210,889,426
Total equity		518,348,052	515,502,612	511,639,426
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	12	83,245,775	83,539,604	43,160,492
Provisions	13	2,963,083	8,435,408	6,466,492
Total non-current assets		86,208,858	91,975,012	49,626,984
Current liabilities				
Financial liabilities	14			
i) Trade payables	14A	5,623,467	5,616,467	8,551,334
ii) Other financial liabilities	14B	26,550	26,550	19,682,448
Other current liabilities	15	10,000	-	-
Total current assets		5,660,017	5,643,017	28,233,782
Total equity and liabilities		610,216,927	613,120,641	589,500,192
Significant accounting policies	1 & 2			
Notes on financial statements				

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Amit Ray & Company

For and on behalf of the Board of directors

Chartered Accountants
Firm Regn. No. 000483C

Nag Bhushan Rao
Partner
Membership No.: 073144

M.P.Mallawat
Director

Mohandas Dasari
Director

Date: 30.05.2019
Place: Mumbai

Soniya Agarwal
Company Secretary

ARNOLD HOLDINGS LTD.**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019** (₹ in Rs.)

	Sch. No.	As at 31.03.2019	As at 31.03.2018
Revenue from operations	16	164,396,807	306,182,430
Other Income	17	208,808	-
Total Revenue		164,605,615	306,182,430
Expenses			
Purchases of stock in trade	18	127,582,550	182,734,514
Changes in inventories of finished goods	19	1,172,671	92,338,764
Employee Benefit Expenses	20	1,639,904	1,917,350
Finance Costs	21	4,130,984	6,488,289
Depreciation and amortization expense	3	30,678	52,595
Other Expenses	22	26,066,054	17,168,872
Total Expenses		160,622,841	300,700,384
Loss Before tax and Exceptional items		3,982,773	5,482,046
Exceptional Items		-	-
Loss Before tax		3,982,773	5,482,046
Tax expense:			
- Current tax		1,155,102	1,624,820
- Deferred tax		(17,769)	(5,960)
Profit for the year		2,845,440	3,863,186
Earning per equity share (Face value of Rs 2 each)			
- Basic (in Rs.)		0.02	0.03
- Diluted (in Rs.)		0.02	0.03
Significant accounting policies	1 & 2		
Notes on financial statements			

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Amit Ray & Company

For and on behalf of the Board of directors

Chartered Accountants
Firm Regn. No. 000483C

Nag Bhushan Rao
Partner
Membership No.: 073144

M.P.Mallawat
Director

Mohandas Dasari
Director

Date: 30.05.2019
Place: Mumbai

Soniya Agarwal
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2019**A Equity share capital**

(Amount in ₹)

Particulars	Amount
As at April 01, 2017	300,750,000
Changes in equity share capital during the year	
As at March 31, 2018	300,750,000
Changes in equity share capital during the year	
As at March 31, 2019	300,750,000

B Other Equity

(Amount in ₹)

Particulars	Reserves and surplus						
	General Reserve	Capital Reserve	Statutory Reserve	Reserve Fund U/ Sec: 45-IC@20% of NP after Tax	Provision Against Standard Asset @ 0.25% of Loans and Advances.	Retained earnings	Total
As at April 01, 2017	178,264,250	1,052,591	11,441	7,392,994	5,307,277	18,860,873	210,889,426
Profit for the year	-	-	-	-	-	3,863,186	3,863,186
Transfer to reserve	-	-	-	772,637	1,166,170	(1,938,807)	-
As at March 31, 2018	178,264,250	1,052,591	11,441	8,165,631	6,473,447	20,785,252	214,752,612
Profit for the year	-	-	-	-	-	2,845,440	2,845,440
Transfer to reserve	-	-	-	569,088	1,077,401	(1,646,489)	-
Balance as at March 31, 2019	178,264,250	1,052,591	11,441	8,734,719	7,550,848	21,984,203	217,598,052

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Amit Ray & Company

For and on behalf of the Board of directors

Chartered Accountants
Firm Regn. No. 000483C

Nag Bhushan Rao
Partner
Membership No.: 073144

M.P.Mallawat
Director

Mohandas Dasari
Director

Date: 30.05.2019
Place: Mumbai

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. 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.

1. SIGNIFICANT ACCOUNTING POLICIES**1.1 Basis of Preparation:-**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). These are the Company's first Ind AS financial statements and Ind AS 101- 'First time adaption of Indian Accounting Standards' has been applied during the presented years.

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules and other relevant provisions of the Act ("Previous GAAP").

These financial statements for the year ended March 31, 2019 are the first financial statements which the Company has prepared in accordance with Ind AS. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition is provided in notes below.

1.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities measured at fair value. The methods used to measure fair values are discussed further in notes to financial statements.

1.3 Property, plant and equipment

All Property, Plant and Equipment (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date.

The company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

1.4 Capital Work in Progress

"The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the initial estimate of dismantling and removing the items and restoring the site on which they are located and borrowing costs. Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic

basis to the cost of related assets. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts."

1.5 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.

1.6 Revenue:

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.

1.7 Inventories:

The inventories of equity shares have been valued at Cost.

1.8 Cash flow statement:

Cash flows are reported using the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

1.9 General:

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

Note No.: 2

2. Notes on Financial Statements

2.1 The SSI status of the creditors is not known to the Company; hence the information is not given.

2.2 Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

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

2.4 Expenditure in Foreign Currency: NIL NIL

2.5 Earning in Foreign Exchange NIL NIL

2.6 Taxes

a) **Current Tax**

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.

b) **Deferred Tax**

Particulars	As at 31st March,2019	As at 31st March 2018
Opening Balance (Assets)	(2,71,050)	(2,65,090)
Addition/(Reversal) in Profit & Loss Statement	(17,769)	(5,960)
Closing Balance Liability/(Assets)	(2,88,819)	(2,71,050)

2.7 Auditor's remuneration comprises of the following:

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
Statutory Audit	29,500	29,500
Company Law Matters	-	-
Total	29,500	29,500

2.8 The Company believes that no impairment of assets arises during the year within the purview of recommendations of Accounting Standard - 28, Impairment of Assets and accordingly no provision has been made in this regard.

2.9 Related Party Disclosures are as under**a) Key Management Personnel**

1. Mahendra Prasad Mallawat – Executive Director
2. Mohandas Dasari – Executive Director
3. CA Gazala Kolsawala- Non Executive Director
4. Sarita Bhartia – Independent Director
5. Dr. Sopan Vishwanathrao Kshirsagar – Independent Director
6. Soniya Agarwal – Company Secretary

b) Transactions with Related parties

(Figure in ₹)

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	11,78,404	-	9,79,050	-
Office Rent	-	6,00,000	-	5,04,000

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

As per our report of even date.

For Amit Ray & CO.
Chartered Accountants

For Arnold Holdings Ltd

(Nag Bhushan Rao)
Partner
Membership No. 073144
Registration No. 000483C

Mahendra Prasad Nathmal
Director
DIN:00720282

Mohandas Dasari
Director
DIN : 05105936

Place: Mumbai
Date: 30.05.2019

Soniya Agarwal
Company Secretary

ARNOLD HOLDINGS LTD.

Notes Forming part of the Financial Statements for the year ended at 31st March 2019

3.

(₹ in rupees)

Particulars	Gross Block				Depreciation				Net Block
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	Additions	Transferred to Retained Earnings	As at March 31, 2019	As at March 31, 2019
Computer	288,755	-	-	288,755	258,077	30,678	-	288,755	-
Residential Property (WIP)	9,923,830	-	-	9,923,830	-	-	-	-	9,923,830
Commercial Property (WIP)	3,996,540	-	-	3,996,540	-	-	-	-	3,996,540
Total	14,209,125	-	-	14,209,125	258,077	30,678	-	288,755	13,920,370

Particulars	Gross Block				Depreciation				Net Block	Net Block
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	Additions	Transferred to Retained Earnings	As at March 31, 2018	As at March 31, 2018	
Computer	237,755	51,000.00	-	288,755	205,482	52,595	-	258,077	30,678	32,273
Residential Property (WIP)	-	9,923,830	-	9,923,830	-	-	-	-	9,923,830	-
Commercial Property (WIP)	-	3,996,540	-	3,996,540	-	-	-	-	3,996,540	-
Total	237,755	13,971,370	-	14,209,125	205,482	52,595	-	258,077	13,951,048	32,273

Notes Forming Part of the Financial Statements as at 31st March 2019**4: Non-current financial assets:**

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
A: Investments			
HDFC debt Fund For Cancer Cure	100,000	100,000	100,000
DSP Black Rock Liquid Fund	5,000,000	-	-
Total A	5,100,000	100,000	100,000
B: Loan (Unsecured, considered good)	430,960,359	466,468,095	347,002,729
Total B	430,960,359	466,468,095	347,002,729

5: Deferred tax asset

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Deffered tax assets	271,050	265,090	263,341.00
Additions during the year	17,769	5,960	1,749.00
Total	288,819	271,050	265,090

6: Other non current assets

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Tax deducted at source (Unsecured)	4,347,902	10,587,995	6,755,512
Income Tax Refundable	-	292,716	292,716
Preliminary Expenses	-	674,250	1,348,500
Advances	46,201	-	-
Total	4,394,103	11,554,961	8,396,728

7: Inventory

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Shares And Securities	90,708,050	91,880,721	184,219,485
Total	90,708,050	91,880,721	184,219,485

8: Current financial assets

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
A: Trade Receivable Trade Receivables Considered good	1,626,322	3,944,744	44,000,000
Total A	1,626,322	3,944,744	44,000,000
B: Cash & cash equivalents Cash on Hand Balances with Bank in Current Account	119,717 60,790,491	213,456 21,720,947	422,399 1,045,714
Total B	60,910,208	21,934,403	1,468,113
C: Deposit Rent Deposit	-	195,000	-
Total C	-	195,000	-

Notes Forming Part of the Financial Statements as at 31st March 2019**9: Other current assets**

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Tax deducted at source (Unsecured)	2,308,696	2,820,619	4,015,774
Total	2,308,696	2,820,619	4,015,774

10: Equity share capital

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Authorised capital 25.00 Crores Equity Shares of Rs. 2 each	500,000,000	500,000,000	500,000,000
Total	500,000,000	500,000,000	500,000,000
Issued, subscribed & paid up capital 15,03,75,000 (P.Y. 15,03,75,000) Equity Shares of Rs. 2 each fully paid up	300,750,000	300,750,000	300,750,000
iii) Other financial assets	300,750,000	300,750,000	300,750,000

a. Reconciliation of number of equity shares

Particulars	As at 31st March 2018		As at 31st March 2017	
	in Nos	(Amount in ₹)	in Nos	(Amount in ₹)
Equity Share				
At the beginning of the year	150,375,000	300,750,000	25,062,500	50,125,000
Issued during the year	-	-	-	-
Bonus issue paid during the Year	-	-	125,312,500	250,625,000
Outstanding at the end of the year	150,375,000	300,750,000	150,375,000	300,750,000

b. Terms/rights attached to equity shares**Borrowings**

The company has only one class of shares having a par value at Rs.2/- per share. Each holder of equity shares is entitled to one vote per share.

10: Equity share capital

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
General Reserve			
Balance at beginning of the year	178,264,250	178,264,250	428,889,250
Add: Transferred during the year	-	-	-
Less: Deletion during the year	-	-	(250,625,000)
Sub Total-(a)	178,264,250	178,264,250	178,264,250
Capital Reserve			
Balance at the Beginning of the year	1,052,591	1,052,591	1,052,591
Add: Transferred during the year	-	-	-
Sub Total-(b)	1,052,591	1,052,591	1,052,591

Notes Forming Part of the Financial Statements as at 31st March 2019**10: Equity share capital**

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Statutory Reserve			
Balance at the Beginning of the year	11,441	11,441	11,441
Add: Transferred during the year	-	-	-
Less: Deletion during the year	-	-	-
Sub Total-(c)	11,441	11,441	11,441
Reserve Fund U/Sec: 45-IC@20% of NP after Tax			
Balance at the Beginning of the year	8,165,631	7,392,994	7,138,260
Add: Transferred during the year	569,088	772,637	254,734
Less: Deletion during the year	-	-	-
Sub Total-(d)	8,734,719	8,165,631	7,392,994
Provision Against Standard Asset @ 0.25% of Loans and Advances.			
Balance at the Beginning of the year	6,473,447	5,307,277	4,439,770
Add: Transferred during the year	1,077,401	1,166,170	867,507
Less: Deletion during the year	-	-	-
Sub Total-(e)	7,550,848	6,473,447	5,307,277
Profit loss account			
Balance at beginning of the year	20,785,252	18,860,873	18,707,694
Add: Profit for the year	2,845,440	3,863,186	1,275,420
Less:Contingent Provision Against Standard Assets	(1,077,401)	(1,166,170)	(867,507)
Less:Transferred to Reserve Fund U/Sec 45-1C	(569,088)	(772,637)	(254,734)
Ind AS Adjustment	-	-	-
Sub Total-(f)	21,984,203	20,785,252	18,860,873
Total-(a+b+c+d+e+f)	217,598,052	214,752,612	210,889,426

12: Non-current financial liabilities

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Borrowings			
Unsecured Loans			
Bohra Industries Ltd	30,920,996	29,948,969	-
Creative Peripherals & Distribution Ltd	12,324,779	11,078,920	-
Harmon Finochem Ltd unsecured	40,000,000	40,000,000	40,000,000
Si Creva consulting services pvt Ltd. (unsecured)	-	2,511,715	3,160,492
Total A	83,245,775	83,539,604	43,160,492

Notes Forming Part of the Financial Statements as at 31st March 2019**13: Provisions**

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Provision for Income Tax (A.Y. 2015-16)	-	1,821,107	1,821,107
Provision for Income Tax (A.Y. 2014-15)	-	1,954,260	1,954,260
Provision for TDS on Interest Paid	102,991	153,819	41,721
Provision for TDS on Professional Fees	58,170	66,005	97,381
Provision TDS on Rent	15,000	25,600	10,500
Provision TDS on Commission paid	7,000	-	-
Provision for TDS on BSE Listing Fees	-	-	3,000
Provision for Income Tax (2016-17)	-	2,065,795	2,065,795
Provision for Income Tax (A.Y. 2017-18)	-	472,728	472,728
Provision for Income Tax (A.Y. 2018-19)	1,624,820	1,624,820	-
Provision for Income Tax (A.Y. 2019-20)	1,155,102	-	-
Income Tax Refund AY 2010-11	-	39,590	-
Income Tax Refund AY 2011-12	-	175,494	-
Income Tax Refund AY 2012-13	-	2,390	-
Income Tax Refund AY 2016-17	-	33,800	-
Total	2,963,083	8,435,408	6,466,492

14: Current financial liabilities

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
A: Trade Payables			
Sundry Creditors	5,623,467	5,616,467	2,584,584
Trade Payables for Expenses	-	-	5,966,749
Total A	5,623,467	5,616,467	8,551,333
B: Other financial liabilities			
Short term borrowings	-	-	19,655,898
Audit Fees Payable	26,550	26,550	26,550
Total B	26,550	26,550	19,682,448

15: Current liabilities

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Professional Tax Payable	10,000	-	-
Total	10,000	-	-

16: Revenue from operations

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Sale of Securities	123,358,744	246,497,250
FNO Trading	-	10,514,302
Interest Income	40,661,333	41,197,737
Profit on Liquid Fund	78,436	81,630
Contract Income	-	7,648,500
Dividend	298,293	243,011
Total	164,396,807	306,182,430

Notes Forming Part of the Financial Statements as at 31st March 2019**17: Other Income**

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest- Income tax refund AY 2017-18	208,808	-
iii) Other financial assets		
Total	208,808	-

18: Purchase of stock-in-trade

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Purchase of Securities	123,702,583	170,375,772
FNO Trading	3,879,967	12,358,743
Total	127,582,550	182,734,514

19: Changes in inventories

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Inventory at the end of the year		
Traded Goods	90,708,050	91,880,721
Inventory at the beginning of the year		
Traded Goods	91,880,721	184,219,485
(Increase)/decrease in inventories		
Traded Goods	1,172,671	92,338,764

20: Employment Benefit Expenses

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Salary and wages	873,900	1,268,000
Director Remuneration	766,004	649,350
Total	1,639,904	1,917,350

21: Financial Costs

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest on Secured Loans	4,130,984	6,488,289
Total	4,130,984	6,488,289

Notes Forming Part of the Financial Statements as at 31st March 2019

22: Other Expenses

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Advertising expenses	81,677	123,749
Agency Chareges (Crif High Mark)	5,900	17,250
Agency Chareges (Equifax)	5,900	17,250
Agency Chareges (Experian)	5,900	17,250
Audit fees	34,830	29,500
Bank charges	20	2,999
BSE Listing Charges	295,000	287,500
Conveyance expenses	150,993	276,545
Commission Paid	140,000	-
Depository Charges	157,250	209,950
Donation	-	85,000
Electricity expenses	32,730	17,187
Filing Fees	-	1,800
General Expense	201,798	224,635
Interest on Service Tax paid	-	114,348
Office Expense	208,802	351,179
Office Rent	1,185,000	1,024,000
Postage & telegram Exp.	139,822	208,267
Printing and stationery	67,496	53,100
Bad and Doubtful Debts W/off	21,241,208	12,389,074
Repairs and maintenance Charges	123,764	214,833
Telephone and postage expenses	63,223	44,676
Travelling Expenses	18,140	328,096
Website Expense	11,000	11,000
Preliminary expenses written off	674,250	674,250
Professional Fess	705,240	385,120
Professional Tax	10,220	12,200
Registrar Fees	20,768	20,414
ROC Charges	24,100	27,700
Rates & taxes	59,280	-
Share trading expenses	389,943	-
Annual general meeting expense	11,800	-
Total	26,066,054	17,168,872

Current Tax

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Current tax pertaining to current year	1,155,102	1,624,820
Total	53,152,984	35,754,566

Notes Forming Part of the Financial Statements as at 31st March 2019**23: Provisions Contingent liability and Contingent Assets**

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

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.

24: Earnings per Share

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Amounts used as numerator in calculating EPS (Rs.)	2,845,440	3,863,186
Weighted no. of Equity Shares used as denominator (Nos.)	150,375,000	150,375,000
Nominal value per Equity Share (Rs.)	2	2
Earnings/(Loss) Per Share (Basic) (Rs.)	0.02	0.03
Earnings/(Loss) Per Share (Diluted) (Rs.)	0.02	0.03

25: Transition from IGAAP to IND AS:

These financial statements, for the year ended 31st March, 2019, are the first the Company has prepared in accordance with IND AS. For years upto and including the year ended 31 March, 2018, the Company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Company has prepared IND AS compliant financial statements for year ending on 31st March, 2019. In preparing these financial statements, the Company has prepared opening IND AS balance sheet as at 1st April, 2017 the Company's date of transition to Ind-AS in accordance with requirement of IND AS 101, First time adoption of Indian Accounting Standards. The principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at 1st April, 2017 and the financial statements as at and for the year ended 31st March 2018 are quantified and explained in detail below:

IND AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under IND AS. Accordingly, the company has availed the following exemptions/ mandatory exceptions as per IND AS 101:

Deemed Cost for Property, Plant & Equipment: The Company has availed exemption under para D7AA of appendix D to IND AS 101 which permits a first-time adopter to continue with the carrying values for its PPE as at date of transition to IND ASs measured as per previous GAAP.

Reconciliations between IGAAP and IND AS:

IND AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The regrouped previous GAAP information is derived based on the audited financial statements of the Company for year ended March 31, 2018.

The following tables represent the reconciliations from previous GAAP to IND AS.

Reconciliation of Balance Sheet as at 1 April 2017 and as at 31 March 2018

Particulars	Note	Balance Sheet as at April 1, 2017			Balance Sheet as at March 31, 2018		
		Previous GAAP	Effects of transition to IND AS	IND AS	Previous GAAP	Effects of transition to IND AS	IND AS
I. ASSETS							
1 Non-current Assets							
Property, plant and equipment	3	32,273	-	32,273	13,951,048	-	13,951,048
Financial assets	4						
i) Investments	4A	100,000	-	100,000	100,000	-	100,000
ii) Loans	4B	347,002,729	-	347,002,729	466,468,095	-	466,468,095
Deferred tax assets	5	265,090.00	-	265,090	271,050	-	271,050
Other non-current assets	6	8,396,728	-	8,396,728	11,554,961	-	11,554,961
		355,796,820	-	355,796,820	492,345,154	-	492,345,154
2 Current assets							
Inventory	7	184219484.9	-	184,219,485	91,880,721	-	91,880,721
Financial assets	8						
i) Trade receivable	8A	44,000,000	-	44,000,000	3,944,744	-	3,944,744
ii) Cash & cash equivalents	8B	1,468,113	-	1,468,113	21,934,403	-	21,934,403
iv) Other financial assets	8C	0	-	0	195,000	-	195,000
Other current assets	9	4,015,774	-	4,015,774	2,820,619	-	2,820,619
		233,703,372	-	233,703,372	120,775,486	-	120,775,486
Total assets		589,500,192	-	589,500,192	613,120,641	-	613,120,641
II. EQUITY AND LIABILITIES							
1 Equity							
Equity share capital	10	300,750,000	-	300,750,000	300,750,000	-	300,750,000
Other equity	11	210,889,426	-	210,889,426	214,752,612	-	214,752,612
		511,639,426	-	511,639,426	515,502,612	-	515,502,612
2 Non-current liabilities							
Financial liabilities							
Borrowings	12	43,160,492	-	43,160,492	83,539,604	-	83,539,604
Provisions	13	6,466,492	-	6,466,492	8,435,408	-	8,435,408
		49,626,984	-	49,626,984	91,975,012	-	91,975,012
3 Current liabilities							
Financial liabilities	14						
i) Trade payables	14A	8,551,334	-	8,551,334	5,616,467	-	5,616,467
ii) Other financial liabilities	14B	19,682,448	-	19,682,448	26,550	-	26,550
Other current liabilities	15	-	-	-	-	-	-
		28,233,782	-	28,233,782	5,643,017	-	5,643,017
Total equity and liabilities		589,500,192	-	589,500,192	613,120,641	-	613,120,641

Note: The Previous GAAP figures have been re-classified to conform to IND AS presentation requirements, for the the purpose of this note.

Reconciliation of Statement of Profit & loss for the year ended 31 March 2018

Particulars	Note	Previous GAAP	Effects of transition to IND AS	IND AS
Revenue from operations	16	306,182,430	-	306,182,430
Other Income	17	-	-	-
Total Revenue		306,182,430	-	306,182,430
Expenses				
Purchase of stock in trade	18	182,734,514	-	182,734,514
Changes in inventories of finished goods	19	92,338,764	-	92,338,764
Employee Benefit Expenses	20	1,917,350	-	1,917,350
Finance Costs	21	6,488,289	-	6,488,289
Depreciation and amortization expense	3	52,595	-	52,595
Other Expenses	22	17,168,872	-	17,168,872
		300,700,384	-	300,700,384
Loss for the Year		5,482,046	-	5,482,046

"Note: The previous GAAP figures have been reclassified to conform to IND AS presentation requirements for the purposes of this note.""

Notes Forming Part of the Financial Statements as at 31st March 2019**26. Fair Value Measurements****(a) Financial instruments by category**

Particulars	31 .03.2019			31.03 2018			01.04.2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets									
Trade Receivables	-	-	1,626,322	-	-	3,944,744	-	-	44,000,000
Loans	-	-	430,960,359	-	-	466,468,095	-	-	347,002,729
Cash and cash equivalents	-	-	60,910,208	-	-	21,934,403	-	-	1,468,113
Investments	-	-	5,100,000	-	-	100,000	-	-	100,000
Other financial assets	-	-	-	-	-	195,000	-	-	-
	-	-	498,596,889	-	-	492,642,242	-	-	392,570,842
Financial liabilities									
Borrowings	-	-	83,245,775	-	-	83,539,604	-	-	43,160,492
Trade payables	-	-	5,623,467	-	-	5,616,467	-	-	8,551,334
	-	-	88,869,242	-	-	89,156,071	-	-	51,711,826

(b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into the three levels prescribed under Ind AS 113, 'Fair value measurement'.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

27. Financial Risk Management

"Financial Risk factors" The Company's activities expose it to a variety of financial risks, settlement risk, market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of liquidity risks emanating from defaulting of the member(s) during settlement and seek to minimize potential adverse effects on its financial performance. The Company uses members' contribution and line of credit to mitigate risk associated with defaulting of member(s) during settlement."

"Credit Risk" Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Since the Company has exposure to regulated entities, the credit risk is limited. It is mitigated by timely monitoring of receivables. The Company has robust accounts receivable collection mechanism which has ensured near zero level of credit risk since inception. The investment of the Company is in high grade investment categories reducing the credit risk exposure to near minimal."

"Credit risk exposure" There is no requirement for providing for expected credit loss as the Company has robust collection mechanism and has not written off any amount due to client credit risk exposure."

"Market Risk" Under the current changing dynamics of the market, there is always a business or market risk for the Company. As per our existing risk management framework, the Company evaluates its Strategic, Compliance, Financial, Operational risks so as to maintain its effectiveness in delivery."

ARNOLD HOLDINGS LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2019**

(₹ in rupees)

PARTICULARS	31st March 2019	31st March 2018
A. Cash Flow From Operating Activities		
Profit as per Profit and Loss Account	3,982,773	5,482,046
Non cash adjustments:		
Interest expense	4,130,984	6,488,289
Depreciation	30,678	52,595
Provision for expenses	(5,472,325)	1,968,916
Operating Profit/ (Loss) before working capital change	2,672,110	13991846
Movements in working capital		
(Increase)/ Decrease in Trade Receivables	2,318,422	40,055,256
(Increase)/ Decrease in Inventory	1,172,671	92,338,764
(Increase)/ Decrease in other current financial assets	195,000	(195,000)
(Increase)/ Decrease in other non-current assets	7,160,858	(3,158,233)
(Increase)/ Decrease in other current assets	511,923	1,195,155
Increase/ (Decrease) in current financial liabilities	-	(19,655,898)
Increase/ (Decrease) in trade payable	7,000	(2,934,867)
Increase/ (Decrease) in other current Liabilities	10,000	-
Cash Generated From Operations	14,047,984	121,637,023
Income Tax Paid	(1,155,102)	(1,624,820)
Net Cash From Operating Activities	12,892,882	120,012,203
B. Cash Flow From Investing Activities		
Purchase of fixed assets	-	(13,971,370)
Purchase of Investment	(5,000,000)	-
Cash advances and loans received back	35,507,736	(119,465,367)
Net Cash Flow From Investing Activities	30,507,736	(133,436,737)
C. Cash Flow from Financing Activities		
Proceeds/(payment) from long term borrowings	(293,829)	40,379,112
Interest paid	(4,130,984)	(6,488,289)
Net Cash Flow From Financing Activities	(4,424,813)	33,890,823
Net Increase/ Decrease In Cash & Cash Equivalents (A+B+C)	38,975,805	20,466,289
Cash & Cash Equivalents at the beginning of the period	21,934,403	1,468,113
Cash & Cash Equivalents at the end of period	60,910,208	21,934,403
Cash surplus/(deficit) for the year	38,975,805	20,466,289

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Amit Ray & Company

For and on behalf of the Board of directors

Chartered Accountants
Firm Regn. No. 000483C

Nag Bhushan Rao
Partner
Membership No.: 073144

M.P.Mallawat
Director

Mohandas Dasari
Director

Date: 30.05.2019
Place: Mumbai

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, 27th Day of September, 2019 at 10.00AM. at IMC Chamber of Commerce and Industry, Walchand Centre, 3rd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400020)

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, 27th Day of September, 2019 at 10.00 AM. at IMC Chamber of Commerce and Industry, Walchand Centre, 3rd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai - 400 020

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 37th Annual General Meeting of the Company, to be held on Friday, September 27, 2019 at 10.00AM. at IMC Chamber of Commerce and Industry, Walchand Centre, 3rd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400020 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, 2019. (Ordinary Resolution)		
2.	To appoint Mr. Mohandas Dasari who retires by rotation and being eligible, offer himself for re-appointment. (Ordinary Resolution)		
3.	Re-appointment of Auditors and fix their Remuneration. (Ordinary Resolution)		
4.	Appointment of Mr. Rajkumar Goyal(DIN 08529131) as a Non – Executive Independent Director for a further period of 5 Years and remuneration payable to him. (Ordinary Resolution)		
5.	Re-appointment of Mr. Sopan Vishwanathrao Kshirsagar (DIN: 06491444) as an Independent Director for a second term of five consecutive years.		
6.	Consolidation of Face Value of Equity Shares from Rs. 2/- to Rs. 10/- of the Company.		
7.	Alteration to memorandum of association of the company.		

Signed this day of 2019.

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 the 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