

C H A R T E R E D A C C O U N T A N T S

ROOM # 216 & 303, 7A, BENTINCK STREET, KOLKATA - 700 001  
Phone : (O) 2243-0534, 6459-0340 (R) 3290 6661, Mobile : 98300 21767  
E-mail : rk\_agarwal@rediffmail.com

Branch Office : 18, Netaji Subhas Road, Kolkata - 700 001

**AUDITORS' REPORT**

**To the Members of ARC Finance Ltd.**

We have audited the attached Balance Sheet of **ARC FINANCE LTD.** as at 31<sup>st</sup> March, 2013 and the related Profit & Loss Account & Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report.

1. These Financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) order 2004, issued by the Central Govt. of India in term of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. We report that :-
  - a) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as it appears from our examination of such books.
  - c) The Balance Sheet and Profit & Loss A/c referred to in this report are in agreement with the books in account.
  - d) In our opinion, the Profit & Loss A/c & Balance Sheet comply with the mandatory accounting standards referred to in Section 211(3c) of the Companies Act, 1956 to the extent applicable.
  - e) On the basis of information made available to us, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit & Loss A/c & Cash Flow Statement read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
    - i. in the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2013.
    - ii. in so far as it relates to the Profit & Loss A/c, of the LOSS of the Company for the year ended on that date.

A N D

- iii. in so far as it relates to Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place : Kolkata

Dated: 29/5/13



For Agarwal & Associates  
Chartered Accountants

*Raj Kumar Agarwal*  
Partner

Membership No. 52130  
Firm Regn No 323210E

C H A R T E R E D A C C O U N T A N T S

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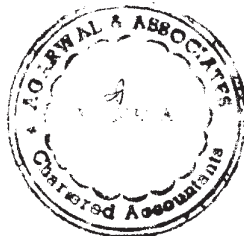
Branch Office : 18, Netaji Subhas Road, Kolkata - 700 001

ARC Finance Ltd.

Annexure Referred to in paragraph 1 of our report of even date

1. In respect of its fixed assets –
  - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All the assets have been physically verified by the Management during the year and there is regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No discrepancies were noticed on such verification.
  - (c) During the year, the company has not disposed off any part of its fixed Assets.
2. Being a Finance Company, the matters relating to inventory are not applicable.
3. (a) The company had taken unsecured loans from the parties covered in the register maintained under section 301 of the Companies Act. There were three such parties and amount involved was Rs 7.65 lacs.
4. (b) The rate of interest and other terms & conditions were prima facie not prejudicial to the interest of the company.
5. The company had not given unsecured loans to the party covered in the register maintained under section 301 of the Companies Act.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and purchase and sale of securities. Further on the basis of our examination of the books and records of the company and according to the information and explanation given to us we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
7. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register, have been so entered.
8. In our opinion and according to the information and explanations given to us, the company has not accepted public deposits other than temporary loan during the year. The company is a non-banking financial company registered under RBI Act and directions issued by Reserve Bank of India under the said Act have largely been complied with.
9. The company has no internal Audit System.
10. In our opinion as the company is a finance company the maintenance of cost records under section 209(1)(d) of the Companies Act is not applicable to the company.
11. According to the information and explanations given to us in respect of Statutory and other dues, it appears that the company is regular in payment of statutory and other dues and there were not any disputed statutory dues during the year.
12. The company does not have accumulated losses as at the end of the year. However, the company has incurred cash loss during the year as well as in preceding year.
13. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to any financial institutions, banks, etc.
14. According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

Contd. ....



CHARTERED ACCOUNTANTS

ROOM # 216 & 303, 7A, BENTINCK STREET, KOLKATA - 700 001  
Phone : (O) 2243-0534, 6459-0340 (R) 3290 6661, Mobile : 98300 21767  
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Contd. ....

15. In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) order 2003 are not applicable to the Company.
16. (a) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the company is maintaining proper records of the transactions and contracts of dealing in shares and securities and that timely entries have been made in these records.  
(b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and securities have been held by the company in its own name.
17. According to the information and explanations given to us the company has not taken any term loan during the year.
18. According to the records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investments and vice versa.
19. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956, during the year.
20. The company has not issued any debenture during the year.
21. The company has not raised monies by public issues during the year.
22. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

Place : Kolkata,

Dated: 29/5/13



For Agarwal & Associates  
Chartered Accountants

*Raj Kumar*  
Raj Kumar Agarwal  
Partner  
Membership No. 52130  
FR No 323210E

**A R C FINANCE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2013**

	<u>Note No</u>	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>I. <u>EQUITY &amp; LIABILITIES</u></b>			
(1) Shareholders' Fund			
(a) Share Capital	A	4,950,000.00	4,950,000.00
(b) Reserves & Surplus	B	3,386,559.93	4,054,862.16
(2) Non-current Liabilities			
(a) Long-term Provisions	C	807,258.00	807,258.00
(3) Current Liabilities			
(a) Other Current Liabilities	D	19,158.00	123,676.82
<b>TOTAL :-</b>		9,162,975.93	9,935,796.98
<b>II. <u>ASSETS</u></b>			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	E	1,101,603.37	1,232,497.37
(b) Non-current Investments	F	6,903,018.67	7,524,518.85
(2) Current Assets			
(a) Trade Receivables	G	807,362.25	809,058.00
(a) Cash & Cash Equivalents	H	75,843.64	84,221.76
(b) Short-term Loans & Advances	I	20,891.00	22,641.00
© Other Current Assets	J	254,257.00	262,860.00
<b>TOTAL :-</b>		9,162,975.93	9,935,796.98

NOTES ON ACCOUNTS

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As per our report of even date attached to Balance Sheet

PLACE : KOLKATA

DATED : 29/5/13



For AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

*Raj Kumar Agarwal*  
RAJ KUMAR AGARWAL  
PARTNER

**For ARC FINANCE LIMITED**

*Anamika*  
**Director**

**For ARC FINANCE LIMITED**

*Deepika Maheswari*  
**Director**

**A R C FINANCE LIMITED**  
Notes to Balance Sheet as on 31.03.13

	31.03.2013	31.03.2012																																				
<b>A) SHARE CAPITAL</b>																																						
<u>Authorised</u>																																						
1000,000 Equity shares of Rs. 10/- each	10,000,000.00	10,000,000.00																																				
<u>Issued, Subscribed &amp; Paid Up</u>																																						
495,000 Equity shares of Rs. 10/- each	4,950,000.00	4,950,000.00																																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 40%;">Name of Shareholders holding 5 or more % of Share</th> <th style="text-align: center; width: 15%;">No of Shares</th> <th style="text-align: center; width: 15%;">% of Holding</th> <th style="width: 30%;"></th> </tr> </thead> <tbody> <tr> <td>Smt. Alka Kothari</td> <td style="text-align: center;">35000</td> <td style="text-align: center;">7.07</td> <td></td> </tr> <tr> <td>M/s SK Growth Fund Pvt. Ltd.</td> <td style="text-align: center;">71875</td> <td style="text-align: center;">14.52</td> <td></td> </tr> <tr> <td>Sri Ashok V. Kothari</td> <td style="text-align: center;">47075</td> <td style="text-align: center;">9.51</td> <td></td> </tr> <tr> <td>Sri Jagmohan Kothari</td> <td style="text-align: center;">53900</td> <td style="text-align: center;">10.89</td> <td></td> </tr> <tr> <td>Sri Siddharth Kothari</td> <td style="text-align: center;">45000</td> <td style="text-align: center;">9.09</td> <td></td> </tr> <tr> <td>Mrs. Deepika Maheswari</td> <td style="text-align: center;">45800</td> <td style="text-align: center;">9.25</td> <td></td> </tr> <tr> <td>Smt. Kashi Devi Kothari</td> <td style="text-align: center;">120400</td> <td style="text-align: center;">24.32</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">419050</td> <td style="text-align: center; border-top: 1px solid black;">84.65</td> <td></td> </tr> </tbody> </table>			Name of Shareholders holding 5 or more % of Share	No of Shares	% of Holding		Smt. Alka Kothari	35000	7.07		M/s SK Growth Fund Pvt. Ltd.	71875	14.52		Sri Ashok V. Kothari	47075	9.51		Sri Jagmohan Kothari	53900	10.89		Sri Siddharth Kothari	45000	9.09		Mrs. Deepika Maheswari	45800	9.25		Smt. Kashi Devi Kothari	120400	24.32			419050	84.65	
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	419050	84.65																																				
<b>B) RESERVES &amp; SURPLUS</b>																																						
General Reserve as per Last Account	1,456,832.00	1,456,832.00																																				
<u>Profit &amp; Loss Account</u>																																						
Balance brought forward from last year	2,598,030.16	3,243,376.13																																				
Profit (Loss) for the year	(668,302.23)	(645,345.97)																																				
Surplus	1,929,727.93	2,598,030.16																																				
	3,386,559.93	4,054,862.16																																				
<b>C) LONG TERM PROVISIONS</b>																																						
Provisions for Sub-standard, Doubtful and Loss Assets	807,258.00	807,258.00																																				
<b>D) OTHER CURRENT LIABILITIES</b>																																						
Liability for Expenses	11,177.00	115,787.82																																				
Due to Staff	-	1,500.00																																				
Income-tax Payable	6,389.00	6,389.00																																				
Interest Payable	1,592.00	-																																				
	19,158.00	123,676.82																																				
<b>E) FIXED ASSETS</b>																																						
	AS PER SEPARATE SHEET ATTACHED																																					



**For ARC FINANCE LIMITED**

*Deepika Maheswari*  
**Director**

**For ARC FINANCE LIMITED**

*Deepika Maheswari*  
**Director**

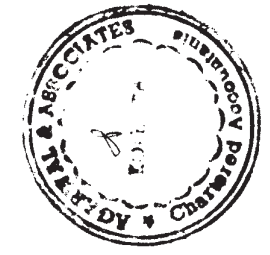
# ARC FINANCE LIMITED

( ACCOUNTING YEAR :: 2012 - 13 )

SCHEDULE : E

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRICIATION				NET BLOCK	
	Balance as on 31.03.12	Addition	Deduction	Balance as on 31.03.12	Addition	Deduction	Balance as on 31.03.13	Balance as on 31.03.12	Balance as on 31.03.13
Office Equipments	50,118.00	-	-	19,044.55	1,958.00	-	21,002.55	29,115.45	31,073.45
Furniture & Fixtures	457,608.92	-	-	163,896.00	26,371.00	-	190,267.00	267,341.92	293,712.92
Computers	96,577.00	-	-	83,228.00	10,732.00	-	93,960.00	2,617.00	13,349.00
Vehicles	2,235,654.00	-	-	1,410,929.00	87,555.00	-	1,498,484.00	737,170.00	824,725.00
Airconditioner	90,066.00	-	-	20,429.00	4,278.00	-	24,707.00	65,359.00	69,637.00
<b>TOTAL :-</b>	<b>2,930,023.92</b>	<b>-</b>	<b>-</b>	<b>1,697,526.55</b>	<b>130,894.00</b>	<b>-</b>	<b>1,828,420.55</b>	<b>1,101,603.37</b>	<b>1,232,497.37</b>



**For ARC FINANCE LIMITED**

*Director*

**Director**

**For ARC FINANCE LIMITED**

*Deepika Maheswari*

**Director**

F) NON CURRENT INVESTMENT  
OTHER THAN TRADE INVESTMENT

		<u>As on 31.03.13</u>		<u>As on 31.03.12</u>	
(a) <u>QUOTED SHARE</u>	<u>Face Value</u>	<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
Allied Digital Systems Ltd	5	4,000	962,902.97	4,000	962,902.97
BGR Energy System Ltd	10	1,600	1,254,909.63	1,600	1,254,909.63
Assam Company Ltd.	1	1,000	36,541.30	1,000	36,541.30
Astra Micro Wave Products Ltd.	2	1,125	158,015.98	1,125	158,015.98
Alplphageo (India) Ltd.	10	1,600	156,157.03	1,600	156,157.03
Bilcare (I) Ltd	10	500	331,880.00	500	331,880.00
Opto Circuits Ltd.	10	2,400	597,565.60	2,400	597,565.60
Orissa Lamps Ltd.	10	1,000	10,000.00	1,000	10,000.00
MIC Electronics Ltd	2	600	64,703.00	600	64,703.00
Educomp Solutions Ltd.	2	4,500	285,003.38	4,500	285,003.38
Goldstone Technologies Ltd.	10	900	214,201.50	900	214,201.50
Bartronics India Ltd.	10	2,500	176,021.20	2,500	176,021.20
Indage Vintners Ltd.	2	550	191,989.75	550	191,989.75
Indian Hume Pipe Co Ltd	2	1,500	275,200.75	1,500	275,200.75
Visesh Infotecncs Ltd.	10	5,000	206,146.00	5,000	206,146.00
ICSA (India) Ltd.	2	2,200	364,311.50	2,200	364,311.50
Radha Madhav Corporation Ltd.	10	1,700	237,424.23	1,700	237,424.23
Gemini Communication Ltd.	1	2,000	70,276.00	2,000	70,276.00
Gemini Communication Ltd.(Bonus)	1	2,000		2,000	
On Mobile Global Ltd	10	4,800	807,928.14	4,800	807,928.14
<b>Sub-Total (a) :-</b>			<b>6,401,177.96</b>		<b>6,401,177.96</b>

		<u>As on 31.03.13</u>		<u>As on 31.03.12</u>	
(b) <u>MUTUAL FUND</u>	<u>Face Value</u>	<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
ICICI Pru Income Plan Gr	10	9,432.68	301,840.71	28,854.898	923,340.89
<b>Sub-Total (b) :-</b>			<b>301,840.71</b>		<b>923,340.89</b>

		<u>As on 31.03.12</u>			
(c) <u>UNQUOTED SHARE</u>	<u>Face Value</u>	<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
S. K. Growth Fund Pvt. Ltd.	10	30,000	200,000.00	30,000	200,000.00
At Cost			<b>200,000.00</b>		<b>200,000.00</b>
<b>Grand Total (a+b+c) :</b>			<b>6,903,018.67</b>		<b>7,524,518.85</b>

Aggregate Market Value of Quoted Investments

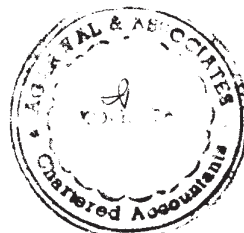
QUOTED SHARE	1,390,839.00	2,727,261.
MUTUAL FUND	350,042.00	963,655

G) TRADE RECEIVABLES

Stock on Hire Purchase Finance (Value at Hire Receivable)

(Secured against vehicle financed)

Considered Good	-	1,800.00
Considered Doubtful	807,258.00	807,258.00
Other Unsecured Debtors	104.25	
	<b>807,362.25</b>	<b>809,058.00</b>



For ARC FINANCE LIMITED

Deepika Maheswari  
Director

H)	<u>CASH &amp; CASH EQUIVALENT</u>		
	Balance with Banks in Current A/c	2,840.64	11,218.76
	Income-tax Seizure	73,003.00	73,003.00
		<u>75,843.64</u>	<u>84,221.76</u>
I)	<u>SHORT TERM LOANS &amp; ADVANCES</u>		
	Advances to Staff	18,391.00	17,141.00
	Advance against Exp (P. K. Jain)	2,500.00	2,500.00
	Advance against Expenses (V. K. Tiwary)	-	3,000.00
		<u>20,891.00</u>	<u>22,641.00</u>
J)	<u>OTHER CURRENT ASSETS</u>		
	Expenses Recoverable		8,603.00
	(S.K. Growth Fund P Ltd)		
	Income-tax Advances & T.D.S.	254,257.00	254,257.00
		<u>254,257.00</u>	<u>262,860.00</u>



**A R C FINANCE LIMITED**  
**PROFIT & LOSS A/c FOR THE YEAR ENDED ON 31st MARCH, 2013**

PARTICULARS	Note No	31.03.2013	31.03.2012
I Revenue from Operations	K	132,200.00	93,829.00
II Other Income	L	111,151.57	283,418.62
III Total Revenue (I+II)		243,351.57	377,247.62
IV <b>Expenses</b>			
Employee Benefit Expenses	M	563,355.00	584,059.00
Finance Cost (Interest)		1,592.00	-
Depreciation		130,894.00	166,216.00
Other Expenses	N	215,812.80	379,269.59
Total Expenses		911,653.80	1,129,544.59
V Profit (Loss) before exceptional & extraordinary items and tax (III-IV)		(668,302.23)	(752,296.97)
VI Exceptional Items			
Loss on sale of Fixed Assets		-	-
VII Profit before extraordinary items & tax (V-VI)		(668,302.23)	(752,296.97)
VIII Extraordinary Items			
Prov. For Sub-standard, Doubtful and Loss Assets		-	(106,181.00)
IX Profit before Tax		(668,302.23)	(646,115.97)
X Tax Expense (FBT)		-	(770.00)
XI Profit(Loss) for the year (IX-X)		(668,302.23)	(645,345.97)
XII Earnings per equity share			
(1) Basic		Negative	Negative
(2) Diluted		Negative	Negative

NOTES ON ACCOUNTS

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As per our report of even date attached to Profit & Loss A/c

PLACE : KOLKATA

DATED : 29/5/13

For AGARWAL & ASSOCIATES  
 CHARTERED ACCOUNTANTS



*AK*  
 RAJ KUMAR AGARWAL  
 PARTNER  
 M Np 052130

**For ARC FINANCE LIMITED**

*anurag*

Director

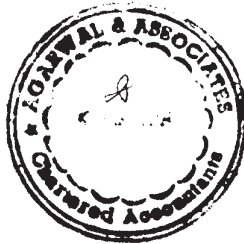
**For ARC FINANCE LIMITED**

*Deepika Maheswari*

Director

Notes to Profit & Loss Account for the year ended 31.03.13

K) <u>Revenue from Operations</u>		
H P Interest	60,200.00	21,829.00
Lease Rent	72,000.00	72,000.00
	<u>132,200.00</u>	<u>93,829.00</u>
L) <u>Other Income</u>		
Profit on sale of Investments	78,499.82	236,946.12
Dividend	32,547.50	46,472.50
Share Difference	104.25	-
	<u>111,151.57</u>	<u>283,418.62</u>
M) <u>Employee Benefit Expenses</u>		
Salary (Including Leave Salary)	435,660.00	444,010.00
Transport allowance	33,600.00	36,800.00
Children Benefit	7,200.00	8,000.00
House Rent Allowance	60,000.00	64,200.00
Staff Welfare	6,895.00	11,049.00
Bonus & Exgratia	20,000.00	20,000.00
	<u>563,355.00</u>	<u>584,059.00</u>



**For ARC FINANCE LIMITED**

*[Signature]*  
**Director**

**For ARC FINANCE LIMITED**

*[Signature]*  
**Director**

N) ADMINISTRATIVE & GENERAL EXPENSES

Electricity	-	13,722.07
Office Rent	42,000.00	84,000.00
Insurance	16,068.00	17,480.00
Rates & Taxes	21,147.80	22,192.28
Advertisement	2,648.00	3,248.00
Audit Fees	8,427.00	8,427.00
Bank Charges	313.00	438.00
Motor Car Expenses	60,802.00	109,525.90
Telephone Charges	22,549.00	26,311.00
Depository Charges	1,062.00	1,052.00
Entertainment Expenses	-	1,920.00
Law & Service Charges	24,750.00	57,500.00
Membership & Subscription	-	3,518.00
Office Expenses	3,123.00	8,391.00
Office Maintenance	12,236.00	17,608.34
Travelling & Conveyance	400.00	1,098.00
Postage & Telegraph	60.00	2,416.00
Printing & Stationary	227.00	422.00
	215,812.80	379,269.59
	215,812.80	379,269.59



For ARC FINANCE LIMITED

*11/11/2018*

*DIRECTOR*

For J. G. K. J. & ASSOCIATES

*Deepika Maheswari*

*DIRECTOR*

## ARC FINANCE LIMITED

P. NOTES ON ACCOUNTS  
ANNEXED TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH, 2013.

### o) Significant Accounting Policies

1) **Basis of Accounting**

The concern prepares its financial statements on accrual basis in accordance with generally accepted accounting principles.

2) **Investments**

Investments are classified as non-current investments and are carried at cost in terms of Accounting Standard 13 issued by ICAI. No permanent diminution in value is believed to have occurred in the opinion of the management. The profit or loss on the sale of investments is dealt with at the time of actual sale/redemption.

3) **Fixed Assets**

a) Fixed Assets are stated at historical cost less Accumulated depreciation in the financial statements.

b) Additions & Disposals during the accounting period have been disclosed. Gross book values at the beginning and end of the accounting period have been disclosed in the financial statements.

c) There has been no revaluation of fixed assets during the accounting year.

4) **Depreciation :**

Depreciation is provided on straight line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

5) **Stock on Hire Purchase Finance :**

Stock on Hire Purchase Finance is valued at instalments receivables inclusive of income accrued & due.

6) **Congingent Liabilities**

a) Contingent Liabilities have been accounted for according to the guidelines prescribed by the ICAI. However, any gain of such nature has not been recognised.

b) Cash Flow Statement is prepared under Indirect Method.

7) **Taxes on Income**

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

II) Other particulars as per Part II of Schedule VI are not furnished, since the same are not applicable.

III) No deferred tax liability has been provided as deferred tax asset is more than deferred tax liability.

No deferred tax asset has been recognised as there is no certainty of income in future.

contd...



**For ARC FINANCE LIMITED**

*Director*

**Director**

**For ARC FINANCE LIMITED**

*Deepika Maheswari*

**Director**

contd.....

IV) Assets classification as per NBFC (Non-deposit accepting or holding) Prudential Norms (Reserve Bank) directions 2007 -

	Standard	Sub-standard	Doubtful Assets	Loss Assets	Total
Stock on Hire purchase finance.	-	-	-	807,258.00	807258

VI) Stock on Hire of Rs.807.258/- has become Non-Performing Assets and so no interest has been accrued on such SOH given.

VI) Related Parties with Transactions with them

<u>KEY MANAGEMENT</u>	MR. ASHOK VARDHAN KOTHARI	DIRECTOR
<u>PERSONNEL</u>	MR. SIDDHARTH KOTHARI	- DO -
	SMT. DEEPIKA MAHESWARI	- DO -
	SMT. KASHI DEVI KOTHARI	- DO -
<u>ASSOCIATE</u>	S. K. INVESTMENT	A partnership Firm in which Director is partner
	S. K. GROWTH FUND PVT. LTD.	Company under the same group.
<u>Directors' Relative</u>	SMT. ALKA KOTHARI	Wife of Director, Ashok Vardhan Kothari

<u>Nature of Transaction</u>	<u>Nature of Relations</u>	<u>Cr. Year</u>	<u>Pr. Year</u>
Salary & Allowance	Directors Relative	158600	153600
Rent Paid	Directors	42000	84000
Loan Taken	- do -	765000	370000
Loan taken refunded	- do -	765000	390000
Interest paid on above loan	- do -	18003	-
Advance Lease Rent taken & given back	Associates	-	60000
Lease Rent Received	- do -	72000	72000
Elec. & Maint Ch Recovered	- do -	-	8603
Loan Given	Directors Relative	-	20000
Loan given received back	- do -	-	20000

VII) Law & Service Charges include payment to Auditors as retainership for Rs 20,000/- (P.Y. 20000/-)

VIII) Previous year figures have been regrouped and rearranged wherever considered necessary.

DIRECTORS



**For ARC FINANCE LIMITED**

*Deepika Maheswari*

**Director**

**For ARC FINANCE LIMITED**

*Deepika Maheswari*

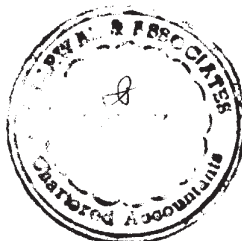
**Director**

## ARC FINANCE LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>A) <u>CASH FLOW FROM OPERATION ACTIVITIES</u></b>		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEMS	(668,302)	(752,297)
ADJUSTMENT FOR DEPRECIATION	130,894	166,216
DIVIDEND INCOME	(32,548)	(46,473)
INTEREST ON BORROWINGS	1,592	-
PROFIT/LOSS ON SALE OF FIXED ASSETS (NET)	-	-
PROFIT/LOSS ON SALE OF INVESTMENTS (NET)	<u>(78,500)</u>	<u>(236,946)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>(646,864)</u>	<u>(869,500)</u>
 <b>ADJUSTMENT FOR :</b>		
TRADE AND OTHER RECEIVABLE	12,049	144,078
TRADE PAYABLE & OTHER LIABILITIES	<u>(104,519)</u>	<u>(92,470)</u>
CASH GENERATED FROM OPERATIONS	<u>(739,334)</u>	<u>(11,985)</u>
INTEREST PAID	(1592.00)	-
INCOME-TAX PAID	0.00	-
NET CASH FROM OPERATING ACTIVITIES	<u><u>(740,926)</u></u>	<u><u>(737,407)</u></u>
 <b>B) <u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
SALE OF INVESTMENTS	700,000	2,956,547
PURCHASE OF INVESTMENTS	-	(2,292,210)
PURCHASE OF FIXED ASSETS	0	-
SALE OF FIXED ASSETSS	0	-
INTEREST INCOME	0	-
DIVIDEND INCOME	32,548	46,473
NET CASH FROM INVESTING ACTIVITIES	<u><u>732,548</u></u>	<u><u>710,810</u></u>

contd.....



**ARC FINANCE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

contd.....

C) <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
BORROWING	765,000	370,000
Loan Refund	(765,000)	(390,000)
Loan Given	-	(20,000)
Repayment of Loan Given	-	20,000
NET CASH FROM FINANCING ACTIVITIES	<u>-</u>	<u>(20,000)</u>
NET INCREASE/DECREASE IN CASH & CASH EQUIVALENT (A+B+C)	(8,378)	(46,597)
CASH & CASH EQUIVALENT OPENING BALANCE	84,221	130,818
CASH & CASH EQUIVALENT CLOSING BALANCE	<u>75,843</u>	<u>84,221</u>
(Including cash seized by Income Tax Department)		

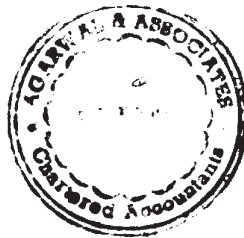
**AUDITORS CERTIFICATE**

We have examined the above cash flow statement of ARC FINANCE LIMITED for the year ended 31st March, 2013 and found the same is to be drawn in accordance with the requirements of the Clause 32 of the listing agreement.

As per our report of even date attached

PLACE : KOLKATA

DATED : 29/3/13



For AGARWAL & ASSOCIATES  
 CHARTERED ACCOUNTANTS

*Raj Kumar Agarwal*  
 RAJ KUMAR AGARWAL  
 PARTNER

Name of the company : **ARC FINANCE LTD.**

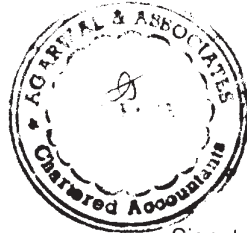
RBI CERTIFICATE NO.- 0504642 dt.21-11-2001

<u>Item Name</u>	<u>Item Code</u>	<u>As on 31-03-2013</u>	<u>As on 31-03-2012</u>
Capital Fund-Tier I			
( I ) Paid up Equity Capital	001	4,950,000	4,950,000
( ii ) Preference Shares to be compulsorily converted into equity	002	Nil	Nil
(iii) Free Reserves			
(a) General Reserve	003	1,456,832	1,456,832
(b) Share Premium	004	Nil	Nil
(c) Capital Reserve(Representing Surplus on sale of assets)	005	Nil	Nil
(d) Debenture Redemption Reserve	006	Nil	Nil
(e) Capital Redemption Reserve	007	Nil	Nil
(f) Credit Balance in P&L Account	008	1,913,317	2,598,030
(g) Other free Reserve	009	Nil	Nil
TOTAL(1 to 9)	010	8,320,149	9004862
(iv) Accumulated Loss	011	Nil	Nil
(v) Deferred Revenue Expenditure	012	Nil	Nil
(vi) Other intangible assets	013	Nil	Nil
(vii) Short provisioning against NPA/ diminution in value of investments	014	Nil	Nil
TOTAL L(11to 14)	015	Nil	Nil
(ix) Owned Fund (10-15)	016	8,320,149	9004862
(x) Investment in Shares of			
(a) Subsidiaries	017	Nil	Nil
(b) Companies in the same group	018	200000	200000
(c) Other NBFC'S	019	Nil	Nil
(xi) The book value of debenture,bonds Outstanding loans and advances, bills Purchased and discounted (HP and Lease) made to and deposit with			
(a) Subsidiaries	020	Nil	Nil
(b) Companies in the same group	021	Nil	Nil
(xii) TOTAL(17 to 21)	022	200000	200000
(xiii) Amount of item 22 in excess of 10% of item 16 above	023	Nil	Nil
(xiv) Net Owned Fund (16-23)	024	8,320,149	9004862

**For ARC FINANCE LIMITED**

Place : Kolkata

Dated : 29/5/13



*anurag*  
Director  
Deepika Maheswari  
Director

Signature of the Director with seal



**A R C FINANCE LIMITED**

**ANNEX**

**SCHEDULE**

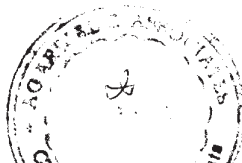
**Balance Sheet of a non-deposit taking non-banking financial company**

**AS ON 31.03.2013**

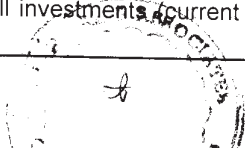
[as required in terms of Paragraph 13 of Non-Banking Financial(Non-Deposit Accepting or Holding)  
Companies Prudential Norms (Reserve Bank ) Directions, 2007]

**(Rs in lakhs)**

Particulars			
<b>LIABILITIES SIDE :</b>			
[1]	Loans and Advances availed by the NBFC's inclusive of interest accrued thereon but not paid	Amount outstanding	Amount overdue
	(a) Debentures : Secured	--	--
	: Unsecured (other than falling within the meaning of public deposits)	--	--
	* Please see Note 1 below		
	(b) Deferred Credits	--	--
	(c) Term Loans	--	--
	(d) Inter-corporate loans and borrowing	--	--
	(e) Commercial Papers	--	--
	(f) Other Loans (specify nature)	--	--
<b>ASSETS SIDE :</b>			
		Amount Outstanding	
[2]	Break-up of Loans & Advances including bills receivables (other than those included in (4) below) :		
	(a) Secured	0	
	(b) Unsecured	0.21	
[3]	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	0	
	(b) Operating Lease	0	
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	8.07	
	(b) Repossessed Assets	0	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	0	
	(b) Loans other than (a) above	0	
[4]	Break-up of Investments :		
	<i>Current Investments :</i>		
	1> Quoted :		
	(i) Shares : (a) Equity	0	



	(b) Preference		0	
	(ii) Debentures & Bonds		0	
	(iii) Units of Mutual Funds		0	
	(iv) Government Securities		0	
	(v) Others (please specify)		0	
2> Unquoted :				
(i) Shares :	(a) Equity		0	
	(b) Preference		0	
	(ii) Debentures & Bonds		0	
	(iii) Units of Mutual Funds		0	
	(iv) Government Securities		0	
	(v) Others (please specify)		0	
Long-term Investments :				
1> Quoted :				
(i) Shares :	(a) Equity		64.01	
	(b) Preference		0	
	(ii) Debentures & Bonds		0	
	(iii) Units of Mutual Funds		3.02	
	(iv) Government Securities		0	
	(v) Others (please specify)		0	
2> Unquoted :				
(i) Shares :	(a) Equity		2.00	
	(b) Preference		0	
	(ii) Debentures & Bonds		0	
	(iii) Units of Mutual Funds		0	
	(iv) Government Securities		0	
	(v) Others (please specify)		0	
[5]	Borrower group-wise classification of all leased assets financed as in (2) and (3) above : please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1> Related Parties			
	a) Subsidiaries	--	--	--
	b) Companies in the same group	--	--	--
	c) Other related parties	--	--	--
	2> Other than Related Parties	--	0.21	0.21
	Total :	0	0.21	0.21
[6]	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			



	Category	Market Value / Break-up or fair value or NAV	Book Value (Net of Provisions)
	1> Related Parties		
	a) Subsidiaries	--	--
	b) Companies in the same group	9.39	2.00
	c) Other related parties	--	--
	2> Other than Related Parties	17.41	67.03
	<b>Total:</b>	<b>26.80</b>	<b>69.03</b>
[7]	Other Information :		
	Particulars	Amounts	
	(i) Gross Non-Performing Assets		
	a) Related Parties	--	
	b) Other than related parties	8.07	
	(ii) Net Non Performing Assets	--	
	a) Related Parties	--	
	b) Other than related parties	0	
	(iii) Assets acquired in satisfaction of debt	--	

**Notes :-**

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

