



# ARC FINANCE LIMITED

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**33<sup>rd</sup> ANNUAL REPORT**

**2014-2015**



# ARC FINANCE LIMITED

## 33<sup>rd</sup> ANNUAL GENERAL MEETING

<b>DAY-</b>	<b>TUESDAY</b>
<b>DATE-</b>	<b>29<sup>TH</sup> SEPTEMBER,2015</b>
<b>TIME-</b>	<b>2.30 PM</b>
<b>VENUE-</b>	<b>18, Rabindra Sarani, Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700 001</b>

### **BOARD OF DIRECTORS:-**

- |   |   |
|---|---|
| 1. <b>PRADIP KUMAR AGARWAL</b><br>DIN: 01286415 | NON- INDEPENDENT & EXECUTIVE                              |
| 2. <b>ASIS BANERJEE</b><br>DIN: 05273668        | INDEPENDENT & NON-EXECUTIVE                               |
| 3. <b>GOPAL KUMAR SINGH</b><br>DIN: 06739896    | INDEPENDENT & NON-EXECUTIVE                               |
| 4. <b>APARNA SHARMA</b><br>DIN: 07006877        | ADDITIONAL WOMAN- DIRECTOR<br>INDEPENDENT & NON-EXECUTIVE |

### **KEY MANAGERIAL PERSONNEL:-**

Mr. PAWAN DALIMIA	COMPANY SECRETARY
Mrs. SAPNA AGARWAL	CHIEF FINANCIAL OFFICER

### **BANKERS:-**

HDFC BANK LTD.

**AUDITORS:-**

**STATUTORY AUDITOR**

Shah Ravi & Co.

Chartered Accountant  
33/1, N.S. Road, Marshall House  
9<sup>th</sup> floor, room No.907D,  
Kolkata-700 001.

**INTERNAL AUDITOR**

M/s. E. Gattani & Associates.

**REGISTERED OFFICE: -**

18, RABINDRA SARANI,  
PODDAR COURT, GATE NO.4,  
4TH FLOOR, ROOM NO.3,  
KOLKATA-700001

**REGISTRAR & TRANSFER AGENT:-**

M/S. ABS CONSULTANT PVT. LTD  
99 STEPHEN HOUSE, 6TH FLOOR,  
4, B.B.D BAGH (E),  
KOLKATA- 700001, W.B  
PHONE NOS. :(033) 2230-1043, 2243-0153,  
EMAIL ID: absconsultant@vsnl.net

# ARC FINANCE LIMITED

Regd. Off. : 18, Rabindra Sarani. Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001 (West Bengal)  
Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of the **ARC Finance Limited** will be held at the Registered office of the Company at "Poddar Court" 18, Rabindra Sarani, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700 001 on Tuesday, 29th September, 2015 at 2:30 P.M. to transact the following business.

### ORDINARY BUSINESS:

**Item No. 1:** To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2015 and the Profit and Loss Account for the year ended on that date and Reports of Auditors and Directors thereon.

**Item No. 2:** To appoint a Director in place of Pradip Kumar Agarwal (DIN 01286415) who retires by rotation and being eligible, offers himself for re-appointment.

**Item No. 3:** To appoint of auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules. 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. SHAH RAVI & CO. Chartered Accountants, Kolkata (FRN - 328384E), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditor, in terms of provisions of section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year 2015-16, to hold office from the conclusion's of this Annual General meeting until the conclusion of the next Annual general Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors.

### Special Business:-

**Item No.4:** APPOINTMENT OF Ms APARNA SHARMA (DIN: 07006877) AS INDEPENDENT DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions of 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 Clause 49 of the Listing Agreement, Ms Aparna Sharma, (holding DIN: 07006877), was appointed as the Additional Director of the Company, meeting of the Board of Director held on 25th March,2015, as Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years Commencing from the date of this Annual General Meeting and shall not be liable to retire by rotation"

By Order of the Board  
For ARC Finance Limited

Sd/-

Pradip Kumar Agarwal  
Director

Place : Kolkata  
Date : 24.08.2015

## NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote, instead of him/her. A proxy need not be a member of the Company. In order to be effective, the instrument appointing proxy must reach the Registered Officer of the Company not less than forty-eight hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the Paid up Capital of the Company carrying voting rights. A member holding more than ten percent of the Paid up Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

Members are requested to notify to the Registrar of the Company, M/s. ABS CONSULTANT PVT LTD, Stephen House, 6<sup>th</sup> Floor, Room No. 99, 4, B.B.D. Bag (East), Kolkata – 700 001, any change in their address.

2. The Register of Members and Equity Share Transfer Registers will remain closed from **23<sup>rd</sup> Sept, 2015 to 29<sup>th</sup> Sept, 2015(both days inclusive)**.

3. **Voting through electronic means**

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and clause 35B of the Listing Agreement, Members are provided with the facilities to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system provided by Central Depository Services (India) Ltd. (CDSL).

The notice of the **33<sup>rd</sup>** Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. The e-Voting particulars are provided at the bottom of the Attendance Slip for the **33<sup>rd</sup>** Annual General Meeting (AGM):

The e-voting period begins on 26.09.2015 from 9.00 A.M. and ends on 28.09.2015 till 5.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of 22.09.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Members also have the option to vote through Ballot Form. However, the duly completed Ballot Form should reach the Scrutinizer at 7A, Bentick Street, old wing 2<sup>nd</sup> Floor, Kolkata-700 001, not later than 28.09.2015 (5.00P.M.) (i.e. closing date of E-Voting) Ballot form received after this date will be treated as invalid. If member casts votes by both modes, then voting done through E-voting shall prevail and Ballot Form shall be treated as invalid.

**The Instructions for E-Voting are as under:**

Log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com) during the voting period.

- a. Click on “Shareholders” tab
- b. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith “**ARC FINANCE LIMITED**” from the drop down menu and click on “SUBMIT”.
- c. Now Enter your User ID (as mentioned in the Attendance Slip) :
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- f. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:
- g. After entering these details appropriately, click on “SUBMIT” tab.
- h. Members holding shares in physical form will then reach directly 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.
- i. 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.
- j. For Members holding shares in physical form, the **details in Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the relevant EVSN “**ARC FINANCE LIMITED**” for which you choose to vote.
- l. 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.
- m. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- n. 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.
- o. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- q. If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- r. **For Non – Individual Shareholders and Custodians:**
- s. ● Non Individual 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 e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance user 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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
4. 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  5. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
  6. If a person became the member of the company after the dispatch of notice, then such member may contact the company for Login ID and other e-voting related details.
  7. The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the **cut-off/entitlement date of 22.09.2015**.
  8. Mr. Jagannath Kar, a Practicing Company Secretary, C.P. No. 7591, Membership No. A20600 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**VII.** The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of AGM unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared after the 33<sup>rd</sup> Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer’s Report shall be communicated to **CDSL** and **The Calcutta Stock Exchange Limited** and **The U.P. Stock Exchange Limited** on or after 29<sup>th</sup> September 2015.

#### **Explanation Statement Pursuant to Section 102 of the Companies Act, 2013 on Item No.4**

The Company had, pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Revised Clause 49 of the Listing Agreement had appointed Ms. Aparna Sharma as an Addition Director of the Company, in compliance with the requirements of the Section 149 of the Companies Act, 2013 and the Revised Clause 49 of the Listing Agreement which requires that every Listed Company must have at least one woman Director on its Board.

Ms. Aparna Sharma, was appointed as an Addition Director on the Board of Directors of the Company w.e.f 25<sup>th</sup> March, 2015. As per the provisions of Section 161 of the Companies Act, 2013, Ms. Sharma shall hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Sharma for the office of Director. In view of the background and experience of Ms. Sharma, it will be in the interest of the Company that she continues as a director of the Company.

The Board of Director considered the matter of her appointment and felt that her continued association would be of immense benefit to the Company and it is therefore, desirable to continue to avail her service as Management & Finance. Accordingly, the Board recommends the Resolution relating to her appointment as a Management & Finance, for the approval by the members of The Company.

Ms. Aparna Sharma, 43 Years, was appointed as a Non-Executive Independent Director of the Company on 25<sup>th</sup> March, 2015. Ms Sharma is a B.Com, she has vast experience in Management & Finance.

Except Ms Aparna Sharma, being a appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the above matter.

By Order of the Board  
For ARC Finance Limited

Sd/-  
Pradip Kumar Agarwal  
Director

Place : Kolkata  
Date : 24.08.2015



# ARC FINANCE LIMITED

Regd. Off. : 18, Rabindra Sarani. Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001 (West Bengal)  
Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

## DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 33<sup>rd</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

### 1. Financial performance of the Company

Particulars	Amount (Rs.)	
	2014-2015	2013-2014
Total Income	4,74,08,394	7,13,913
Total Expenditure	(4,34,70,205)	(5,31,414)
Profit before exceptional items	<b>39,38,189</b>	<b>1,82,499</b>
Less : Exceptional Items	7,37,854	(30,000)
Profit before Tax	<b>32,00,335</b>	2,12,499
Less : Provision for Current Tax	(12,17,130)	(55,935)
Add/(Less) : Deferred Tax Assets/(Liability)	9,538	(59,898)
Net Profit after tax	<b>19,92,743</b>	<b>96,666</b>
Add: Brought forward from previous year	20,23,294	19,29,728
Less: Expenditure for share capital increase	(37,50,000)	-
Less: Transfer to Statutory Reserve	(3,98,549)	(3,100)
Less: Contingent Provision against Standard Assets	(10,79,030)	-
Balance carried to Balance Sheet	<b>(12,11,542)</b>	<b>20,23,294</b>

### 2. Dividend

No Dividend was declared for the current financial year due to insufficient profit.

### 3. Reserves

Your Company has transferred a sum of Rs.3.99 lacs to Statutory Reserve as against the sum of Rs.0.031 lacs transferred to Statutory Reserve last year. Also the company has transferred a sum of Rs.10.79 lacs to Contingent Provision against Standard Assets as against the sum of Rs.NIL transferred to Contingent Provision against Standard Assets last year.

### 4. Change in the nature of business, if any

There were no changes in the nature of business of the company during the year.

### 5. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There were no material changes occurred to the Company subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

**6. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

During the year there were no such significant and material orders passed by the regulators or any courts or the tribunals.

**7. Details in respect of adequacy of internal financial controls with reference to the Financial Statements**

The Company has a proper and adequate system of internal controls. This ensures that all the transactions are authorized, recorded and reported correctly, and assets are safeguard and protected against loss from unauthorized use or disposition. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Internal auditor M/s. E. Gatani & Associates, had given no qualification, reservation or adverse remark or disclaimer in the internal audit report.

**8. Deposits**

The Company has not accepted any deposit during the year under review. No deposit remained unpaid or unclaimed at the end of the year and there has not been any default in repayment of deposit or payment of interest during the year.

**9. Statutory Auditors**

The Statutory Auditors of the Company – M/s. Shah Ravi & Co., Chartered Accountants, have been appointed as statutory auditors of the company in place of the retiring Auditor M/s. Agarwal & Associates, Chartered Accountants, who shall hold office from the conclusion of the Annual General Meeting held on 30.09.2014 until the conclusion of 35<sup>th</sup> Annual General Meeting (AGM) of the company to be held in the year 2017. Your Company has received a certificate confirming their eligibility to be re-appointed as Auditor of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and Rules framed thereunder.

**10. Auditors' Report**

The company had defaulted in the payment of Tax Deducted at Source of Rs.28,391/- on or before the due date. The Company had paid the above said amount of TDS till the date of the report.

**11. Share Capital**

During the year the authorised share capital of the Company increased from the existing Rs. 1,00,00,000 (Rupees One Crore only) divided into 10,00,000(Ten Lacs) equity shares of Rs. 10/- each to 51,00,00,000 (Rupees Fifty one Crore only) divided into 5,10,00,000(Five Crores and Ten Lacs) equity shares of Rs. 10/- each, by addition/creation of 5,00,00,000 (Five Crores) equity shares of Rs.10/- each, ranking pari-passu with the existing equity shares.

With the consent of the Board your company had allotted 5,00,00,000 Equity Shares of face value of Rs. 10/- each at par, ranking pari-passu with the existing equity shares, to Promoters and a group of Strategic Investors, not forming part of the Promoter/ Promoter Group of the Company, on preferential allotment basis in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulation.

**12. Extract of the annual return**

The extract of Annual Return in Form No. MGT – 9 as per section 134(3)(a) of the Companies Act,2013 read with Rule 8 of Companies Act(Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 as on the financial year ended on 31.03.2015, is annexed herewith the annual report.

**13. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

Your Company has no activity relating to conservation of energy and technical absorption. The Company has no foreign exchange earnings and outgo during the year.

**14. Corporate Social Responsibility (CSR)**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**15. Directors**

The Companies Act, 2013, provides for the appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company.

Further, according to Sub-section (11) of Section 149, no independent director shall be eligible for appointment for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

As per the provisions of section 149, 152 read with Schedule IV of 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 Clause 49 of the Listing Agreement, Ms Aparna Sharma was appointed on 25<sup>th</sup> March'2015, as the Additional Director of the Company, as Non-Executive Director of the Company, and has submitted a declaration that she meets the criteria for Independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.

During the year under review the following directors due to preoccupation resigned from the Board of the company, Mrs. Deepika Maheshwari, Mrs. Kashi Devi Kothari and Mr. Ashok Vardhan Kothari, Director of the Company resigned from the Board on 04.04.2014, 02.05.2014 and 23.05.2014 respectively.

**16. Number of meetings of the Board of Directors**

The board of Directors of the Company met 14 times during the financial year. The details of various Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013(hereinafter "the Act").

**17. Audit Committee**

The Audit committee comprises of four members, three are Non Executive Directors and one executive Director. The Committee met 5 (Five) times during the year. The details of the meetings of the committee are provided in the Corporate Governance Report.

The terms of reference of the Committee is in accordance with that specified in clause 49 of the Listing Agreement with Stock Exchanges and also confirms to the requirements of provision of Section 177 of the Companies Act, 2013.

**18. Details of establishment of vigil mechanism for directors and employees**

In compliance with the requirements of Section 177 of the Companies Act, 2013 and revised Clause 49 of Listing Agreement with the Stock Exchanges, your Company has established a vigil mechanism for the Directors and Employees of the Company through which genuine concerns regarding various issues can be communicated. The Company had adopted a Code of conduct for Directors and Senior Management Executives (“the Code”), which lays down the principles and standards that should govern their actions. Any actual or potential violation of the code, howsoever insignificant or perceived as such, is a matter of serious concern for the company and should be brought to the attention of the concerned.

**19. Nomination and Remuneration Committee**

The objective of Nomination and Remuneration Committee is to assess the remuneration payable to our Directors; sitting fee payable to our Non Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives.

The Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission.

During the financial year 2014-15, no remuneration has been paid to any of the Director of the Company.

**20. Particulars of loans, guarantees or investments under section 186**

Your Company has given Loans /Guarantees/has made Investments covered under the provisions of Section 186 of the Companies Act, 2013.

**21. Particulars of contracts or arrangements with related parties:**

The company had not entered into any contract or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso.

**22. Managerial Remuneration:**

The Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission.

During the financial year 2014-15, no remuneration has been paid to any of the Director of the Company.

**23. Secretarial Audit Report**

Mr. Anurag Fatehpuria, Practicing Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2014-15 forms part of the Annual Report and part of the Board's report.

**24. Corporate Governance Certificate**

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI.

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Statutory Auditor regarding compliance of condition of Corporate Governance is annexed to the said Report.

**25. Risk management policy**

In today's economic environment, Risk Management is a very important part of business. The main aim or risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's risk management is embedded in the business processes. The Company's management system, organizational structures, processes, standards, code of conduct, behaviour and internal control system together governs how the company conducts the business and manages associated risks.

**26. Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) 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; and
- f) 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.

**27. Acknowledgements**

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

Place: Kolkata  
Date: 24.08.2015

By Order of the Board  
For ARC Finance Limited  
Sd/-  
(Pradip Kumar Agarwal)  
Director  
DIN - 01286415

# ARC FINANCE LIMITED

Regd. Off. : 18, Rabindra Sarani, Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001 (West Bengal)  
Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

## **CORPORATE GOVERNANCE REPORT** **(Pursuant to clause 49 of the Listing Agreement)**

### **1. Brief Statement on Company's Philosophy on Code of Corporate Governance**

The Company provides detailed information on various issues concerning the Company's business / performance, to its shareholders. The fundamental philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for meeting its obligations to the shareholders. The Company believes that good Corporate Governance is a continuous process and strives to improve the same to meet shareholder's expectations. The Board of Directors of the Company has adopted the Code of Conduct for its members and senior management executives.

### **2. Board of Directors**

#### **Composition:**

The composition of the Board of Directors is in accordance with the provisions of Clause 49 of the Listing Agreement. The composition and category of Directors as on 31st March 2015 are as follows:

<b>CATEGORY</b>	<b>NAME OF DIRECTORS</b>	<b>DESIGNATION</b>
Non-Independent & Executive	Pradip Kumar Agarwal	Director
Independent & Non- Executive	Asis Banerjee	Director
Independent & Non- Executive	Gopal Kumar Singh	Director
Independent & Non- Executive	**Aparna Sharma	Additional Director

\*Appointed on 25<sup>th</sup> March 2015

#### **Board Meetings**

The Meetings of the Board of Directors are scheduled well in advance. There were fourteen Board Meetings held during the financial year ended 31st March 2015, namely on 4th April 2014, 28th April 2014, 2<sup>nd</sup> May 2014, 12th May 2014, 23rd May 2014, 10th June 2014, 13th August 2014, 14th August 2014, 17th September 2014, 12th November 2014, 28th November 2014, 1st December 2014, 14th February 2015, 25th March 2015 . There was 1 Extra General Meeting held on 19<sup>th</sup> June, 2014. The maximum gap between any two meetings was less than four months.

Attendance of Directors at Board Meetings and the last Annual General Meeting (AGM) and number of Directorships / Committee Memberships held by the Directors in other Companies:

Name	Category of Directorship	No of Board Meeting attended during the F. Y. 2014-2015.	Attendance at the Last AGM held on 30 <sup>th</sup> September , 2014	AS ON 31 <sup>st</sup> MARCH, 2015		
				No. of Directorships in other Public Co.	Committee membership in other Public Co.	Chairmanship in committees in which they are members
Ashok Vardhan Kothari (Till 23.05.2014)	Independent & Non-Executive Director	3	NIL	NIL	NIL	NIL
Deepika Maheshwari (Till 04.04.2014)	Independent & Non-Executive Director	1	NIL	NIL	NIL	NIL
Kashi Devi Kothari (Till 02.05.2014)	Non-Independent & Executive Director	2	NIL	NIL	NIL	NIL
Pradip Kumar Agarwal	Non-Independent & Executive Director	12	Yes	NIL	NIL	NIL
Asis Banerjee	Independent & Non-Executive Director	13	Yes	2	NIL	NIL
Gopal Kumar Singh	Independent & Non-Executive Director	11	Yes	1	NIL	NIL
*Aparna Sharma	Independent & Non-Executive Director	NIL	NIL	1	NIL	NIL

\*Appointed on 25<sup>th</sup> March 2015

**COMPENSATION:** - No Director is entitled to any Salary or Compensation except directors fees for attending the meeting of the Board/ Committee which have been waived by them.

### 3. Audit Committee

The composition of the Audit Committee and the scope of its activities and powers are in conformity with and includes the areas prescribed under the revised Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and the Rules framed thereunder. The Audit Committee comprises of three Non-Executive Directors and one Executive Director who are well versed with the financial matters and corporate laws. The Audit Committee met five times on 28th April 2014, 12th May 2014, 14th August 2014, 12th November 2014 and 14th February 2015. The necessary quorum was present for all the meetings.

Details of the composition of the Audit Committee and attendance of the Members are as follows:

Name	Category	Position	No. of Meetings	
			Held	Attended
Mr. Asis Banerjee	Non Executive / Independent Director	Chairman	5	5
Mr. Pradip Kumar Agarwal	Executive / Non-Independent Director	Member	5	5
Mr. Gopal Kumar Singh	Non Executive / Independent Director	Member	5	5
*Mrs. Aparna Sharma	Non Executive / Independent Director	Member	5	0

\*Became a member w.e.f. 25<sup>th</sup> March 2015.

The Company Secretary acts as the Secretary to the Committee.

#### Terms of Reference:

The terms of reference of the Committee is in accordance with that specified in clause 49 of the Listing Agreement with Stock Exchanges and also conforms to the requirements of provision of Section 177 of the Companies Act, 2013.

### 4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee met one time in the Financial Year 2014-15e.i. on 1<sup>st</sup> December, 2014. The necessary quorum was present for the meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 30, 2014. The composition of the Committee during 2014-15 and the details of meetings held and attended by the members are as under:



Name	Category	Position	No. of Meetings	
			Held	Attended
Mr. Gopal Kumar Singh	Non Executive / Independent Director	Chairman	1	1
Mr. Asis Banerjee	Non Executive / Independent Director	Member	1	1
Mr. Pradip Kumar Agarwal	Executive / Non - Independent Director	Member	1	1
*Mrs. Aparna Sharma	Non Executive / Independent Director	Member	1	0

\* Became a member w.e.f. 25<sup>th</sup> March 2015.

**Terms of Reference:**

The Broad Terms of reference of Nomination and Remuneration Committee are:

1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommends to the Board their appointment and removal;
3. To formulate the criteria for evaluation of the Independent Directors and the Board;
4. To devise a policy on Board diversity.

**Remuneration Policy:**

The Nomination and Remuneration Policy of the Company is performance driven and is structured to motivate employees, recognize their merits and achievements and promote excellence in their performance.

Both the Independent & Non- Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission.

During the financial year 2014-15, no remuneration has been paid to any of the Director of the Company.

**5. Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee has been framed in compliance with the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. This Committee is responsible for the satisfactory redressal of Investor's complaints.

The Committee comprises of:

Sl. No.	Name	Status
1	Mr. Asis Banerjee	Non Executive / Independent Director - Chairman of the committee
2	Mr. Gopal Kumar Singh	Non Executive / Independent Director
3	Mr. Pradip Kumar Agarwal	Executive / Non- Independent Director
4	*Mrs. Aparna Sharma	Non Executive / Independent Director

\* Became a member w.e.f. March 25, 2015.

**6. General Body Meetings:**

**Location and time for last three Annual General Meetings were:**

Financial Year	Date of AGM	Venue	Time
2013-2014	30-09-2014	18,Rabindra Sarani, Poddar Court, Gate No.4, 1st floor, Kolkata- 700 001	11.30 A.M.
2012-2013	27-09-2013	3UG, Mani Towers, 31/41, Binoda Bhava Road, Kolkata- 700 038	10.30 A.M.
2011-2012	28-09-2012	3UG, Mani Towers, 31/41, Binoda Bhava Road, Kolkata- 700 038	11.30 A.M.

## 7. Disclosures:

- a. Related party transactions have been disclosed in notes to accounts annexed to the financial statements of Audited Accounts in accordance with Accounting Standard 21. A statement in summary form of transactions.
- b. The Company has complied with all the requirements of the listing agreement with the Stock Exchange(s) as well as regulations and guidelines of SEBI. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange(s) on matters related to Capital Market so far.
- c. Certificate as stipulated in Clause 49 of the listing Agreement was obtained and placed before the Board.
- d. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. As regard to non-mandatory requirements under Clause 49, the Company has complied with the requirements of Remuneration Committee.
- e. In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Policy for Prohibition of Insider Trading for Directors and specified employees of the Company. This policy also provides for periodical disclosures from designated employees as well as pre-clearance of transactions by such persons.
- f. Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee.

## 8. CEO/ CFO Certification:

The Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Clause 49 of the listing agreement certifying that the Financial Statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs and the same forms a part of this report.

## 9. Means of Communications:

- The Company's unaudited quarterly financial results are announced within forty-five days of the close of the quarter and its audited annual financial results are announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to The Calcutta Stock Exchange Limited (CSE) and U. P. Stock Exchange Limited (UPSE) where the Company's securities are listed, immediately after these are approved by the Board.
- The financial results are published in The Financial Express (English) & Sukhabhar (Bengali).
- The Company's results and official news releases are displayed on the Company's website [www.arcfinance.in](http://www.arcfinance.in).
- The Annual Report is circulated to all members, and is also available on the Company's website.

- The Annual Report of the Company shall be posted to every shareholder of the Company at their registered address.

#### 10. General Shareholders Information:

##### Annual General Meeting:

- **Date** : 29<sup>th</sup> September, 2015
- **Time** : 2.30 P.M.
- **Venue**: 18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001
- **Financial Calendar : (Tentative)**

Financial Year – 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	Relevant Dates
Board Meeting for consideration of accounts	29 <sup>th</sup> May, 2016
Book closure dates	22 <sup>nd</sup> September, 2016 to 28 <sup>th</sup> September, 2016
Unaudited results for the quarter ended on June 30, 2015	On or before 14 <sup>th</sup> August, 2015
Unaudited results for the quarter ended on September 30, 2015	On or before 12 <sup>th</sup> November, 2015
Unaudited results for the quarter ended on December 31, 2015	On or before 14 <sup>th</sup> February, 2016
Audited results for the quarter ended on March, 31, 2016	On or before 30 <sup>th</sup> May, 2016

- Listing on Stock Exchanges at:
  - i) The Calcutta Stock Exchange Ltd.  
7, Lyons Range, Kolkata - 700 001
  - ii) U. P. Stock Exchange Limited  
Padam Towers, 14/113, Civil Lines, Kanpur - 208001
- The Company has paid the listing fee to The Calcutta Stock Exchange Ltd., U. P. Stock Exchange Ltd. for the year 2014-2015.

#### Stock Market Price for the Financial Year 2014-2015:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2014	Not Traded	Not Traded	Not Traded
May, 2014	Not Traded	Not Traded	Not Traded
June, 2014	Not Traded	Not Traded	Not Traded
July, 2014	Not Traded	Not Traded	Not Traded
August, 2014	Not Traded	Not Traded	Not Traded
September, 2014	Not Traded	Not Traded	Not Traded
October, 2014	Not Traded	Not Traded	Not Traded
November, 2014	Not Traded	Not Traded	Not Traded
December, 2014	Not Traded	Not Traded	Not Traded
January, 2015	Not Traded	Not Traded	Not Traded
February, 2015	Not Traded	Not Traded	Not Traded
March, 2015	Not Traded	Not Traded	Not Traded

- Share Transfer System: The Company's shares are in compulsory demate mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if

the documents are complete in all respects. Shares under objection are returned within two weeks. No physical shares were transferred during the year ended 31<sup>st</sup> March, 2015.

- **Dedicated email ID for Investors:** For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. [arcfinancelimited@gmail.com](mailto:arcfinancelimited@gmail.com).
- **Registrar & Share Transfer Agent :**  
M/s. ABS Consultant Pvt. Ltd.  
99, Stephen House, 6th Floor, 4, B.B.D. Bag (E), Kolkata-700 001, West Bengal  
Phone No. (033) 2230-1043, 2243-0153, Email: [absconsultant@vsnl.net](mailto:absconsultant@vsnl.net)
- **Dematerialisation of Shares and Liquidity:**  
The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company as allotted by NSDL and CDSL is INE162D01014. Nearly 98.69% of total equity shares have been dematerialized as on 31.03.2015.
- Distribution of shareholding & shareholding pattern:

#### Distribution of shareholding as on 31/03/2015

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	539	89.09	33950	0.07
501-1000	NIL	NIL	NIL	NIL
1001-2000	NIL	NIL	NIL	NIL
2001-3000	NIL	NIL	NIL	NIL
3001 -4000	1	0.17	4000	0.01
4001-5000	NIL	NIL	NIL	NIL
5001-10000	9	1.49	86000	0.17
10001 and above	56	9.26	50371050	99.75
<b>Total</b>	<b>605</b>	<b>100.00</b>	<b>50495000</b>	<b>100.00</b>

- Outstanding ADRs/GDRs : Not Applicable
- Address for matters related to shares, any correspondence:  
M/s. ABS Consultant Pvt. Ltd.  
99, Stephen House, 6th Floor, 4, B.B.D. Bag (E), Kolkata-700 001, West Bengal  
Phone No. (033) 2230-1043, 2243-0153, Email: [absconsultant@vsnl.net](mailto:absconsultant@vsnl.net)
- Address for any kind of assistance/clarification :

Mr. Pawan Dalmia, Compliance Officer  
18, Rabindra Sarani, Poddar Court, gate No.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700 001

## 11. Code of Conduct:

The Company's Code of Conduct has been complied with by all the members of the Board and selected employees of the Company.

The Company has put in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and selected employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

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### **Declaration of compliance with the Code of Conduct**

To the Members of

ARC FINANCE LIMITED

I hereby confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct framed by the Company, for the financial year ended 31<sup>st</sup> March, 2015.

Place: Kolkata  
Dated: 24.08.2015

For and on behalf of the Board of Directors

Sd/-  
(Pradip Kumar Agarwal)  
Director  
DIN - 01286415

**AUDITOR'S CERTIFICATE TO THE MEMBERS OF  
ARC FINANCE LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **ARC FINANCE LIMITED** for the year ended 31st March' 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations 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 in the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to further viability of the Company of the efficiency or effectiveness with which management has conducted the affairs of the Company.
4. We state that in respect of Investor Grievances received during the year ended 31st March, 2015, no investor grievances are remaining unattended/pending against the Company for a period exceeding one month as per the records maintained by the Shareholders/Investors Grievance Committee.
5. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Listing Agreement.

**For Shah Ravi & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration: 328384E**

Sd/-

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**Ravi Kumar Shah**  
**Partner**  
**Membership Number: 302019**  
**Place of Signature: Kolkata**  
**Date: 24/08/2015**

# ARC FINANCE LIMITED

Regd. Off. : 18, Rabindra Sarani, Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001 (West Bengal)  
Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

## MANAGEMENT DISCUSSION ANALYSIS REPORT

### OPERATIONS AND GENERAL VIEW:

During the year, revenue from operations including income from financing activities for the current year is Rs. 474.08 Lacs as against Rs.7.14 Lacs in the previous year .During the year the Company has earned interest income Rs.286.50 Lacs as against Rs. 0.19 Lacs in the previous year from its financial activities. In addition the Company has also earned other income Rs. (50.56) Lacs as against Rs. 5.93 Lacs in the preceding year mainly on account of receipt of profit/loss on sale of investment, dividend and commission income. The Company expects to further improve its performance in the Current Year.

### DIVIDEND

The Company has not declared any dividend for the year ended 31<sup>st</sup> March, 2015.

### STATE OF COMPANY AFFAIR

During the year the Company in addition to its activities of manufacturing and trading in agricultural and other products, has also undertaken financial and investment activities. The net profit during the year is Rs.19.93 Lacs as against previous year profit was Rs. 0.97 Lacs. The net profit carried to balance-sheet is Rs. 19.93 Lacs.The Company expects to further improve on its performance in the coming years.

There has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate.

There were no significant material orders passed by the regulators or Courts or Tribunals impacting the ongoing concern status and its future operations.

### PUBLIC DEPOSITS

There was no transactions relating to Deposits covered under Chapter V of the Companies Act,2 013.

### DEPOSITORY SERVICES FOR THE SHAREHOLDERS OF THE COMPANY OPPORTUNITIES AND RISKS:

The Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited has accepted the equity shares of the Company for Demat vide ISIN No.INE202R01018 and as such the members of the Company can avail of the Depository services with any of the Depository Participant registered with CDSL& NSDL.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the AGM of the Company held on 30th September, 2014, the members had approved the appointment of Mr.Asis Banerjee (DIN: 05273668) and Mr. Gopal Kumar Singh (DIN: 06739896) as Independent Directors for a term of five years.

Mr. Pawan Dalmia was appointed as Company Secretary of the Company on 28th November, 2014.

Mrs. Aparna Sharma was appointed as woman director on the Board on 25th March, 2015.

## **OPPURTUNITIES AND RISKS**

The year witnessed a marked slow-down in global growth. Emerging markets were characterized by a sharp fall in growth rate, especially in China, Europe and Japan continued to be under pressure all throughout the year. While US shows tepid signs of improvement.

In the Domestic market, better macroeconomic conditions coupled with improved sentiment post the general election, helped India to be among better performing emerging market economies. There was a slight increase in the GDP growth rate. While inflation moderated and the Rupee remain relatively stable during the year.

Consumer spending remains muted. Given the backdrop of a market slowdown coupled with a volatile input cost environment and heightened competitive intensity. The operating environment for the year continues to be challenging.

Our company's performance for the year 2014-2015 has to be viewed in the context of aforesaid economic and market environment.

## **SEGMENT WISE OR PRODUCT WISE PERFORMANCE:**

The Company during the year mainly engaged in agricultural produces, food products and consumer goods. Due to adverse market condition the company is presently exploring new opportunities and looking for better prospects in near future.

## **OUTLOOK:**

The global economic climate continues to be volatile and uncertain and prone to geo-political risks. The marked slowdown in global market is expected to continue in 2016. The sharp fall in growth emerging markets like China will continue to keep commodity prices including oil, which is considerably lower than last year. The divergence in developed market growth as a result of US recovery is expected to add volatility in the currency market.

**Place: Kolkata**  
**Date: 24.08.2015**

**For ARC FINANCE LIMITED**

Sd/-  
(Pradip Kumar Agarwal)  
Director  
DIN - 01286415



# ARC FINANCE LIMITED

Regd. Off. : 18, Rabindra Sarani. Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001 (West Bengal)  
Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

**Form No. MR-3**

## **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,

**ARC FINANCE LTD**

**18, RABINDRA SARANI, PODDAR COURT,  
GATE NO.4, 4TH FLOOR, ROOM NO.3  
KOLKATA-700001**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARC FINANCE LTD** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **ARC FINANCE LTD** 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 my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 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 **ARC FINANCE LTD** for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

[The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the company for the financial year ended 31-03-2015:-

- i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009]

vi. OTHER APPLICABLE ACTS;

- a) Income Tax Act, 1961
- b) RBI Regulations on Non-Banking Financial (Non Deposit Accepting or Holding) Companies;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with **The Calcutta Stock Exchange(CSE) and The U.P. Stock Exchange Limited** during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 provisions 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. **All decisions of the Board were unanimous and the same was recorded as part of the minutes.**

**We further report that** 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** during the audit period, the company has made Preferential issue of shares.

**We further report that** during the audit period, the company has not made any:

(i) Public/Right /debentures/sweat equity, etc.

(ii) Redemption / buy-back of securities

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(iv) Merger / amalgamation / reconstruction, etc.

(v) Foreign technical collaborations

For **ARC FINANCE LTD**

Sd/-

Anurag Fatehpuria

**(Company Secretaries)**

PCS Membership No.:34471

C P No.: 12855

Place: Kolkata

Date: 24.08.2015



Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	371050	371050	74.960	6000000	371050	6371050	12.61	-62.35
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	0	0	0	0	0	0	0	0
(b). Banks / FI	0	0	0	0	0	0	0	0	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0	0	0
(e). Venture Capital	0	0	0	0	0	0	0	0	0
(f). Insurance	0	0	0	0	0	0	0	0	0
(g). FIs	0	0	0	0	0	0	0	0	0
(h). Foreign Venture	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	0	30000	30000	6.06	41390000	30000	41420000	82.03	75.97
(ii). Overseas	0	0	0	0	0	0	0	0	0
(b). Individuals	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	93950	93950	18.98	0	93950	93950	0.19	-18.79
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	2610000	0	2610000	5.17	5.17
(c). Other (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	123950	123950	25.04	44000000	123950	44123950	87.39	62.35
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	123950	123950	25.04	44000000	123950	44123950	87.39	62.35
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	495000	495000	100.00	50000000	495000	50495000	100.00	0

## (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			% change in share holding during theyear
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	ALKA KOTHARI	35000	7.07	0	35000	0.07	0	0
2	SIDDHARTH KOTHARI	45000	9.09	0	45000	0.09	0	0
3	DEEPIKA MAHESHWARI	45800	9.25	0	45800	0.09	0	0
4	ASHOK V. KOTHARI	47075	9.51	0	47075	0.09	0	0
5	JAGMOHAN KOTHARI	53900	10.89	0	53900	0.11	0	0
6	KASHI DEVI KOTHARI	72400	14.63	0	53900	0.14	0	0
7	M/S S K GROWTH FUND PVT. LTD.	71875	14.52	0	71875	0.14	0	0
6	VAIBHAVLAXMI VANIJYA PRIVATE LIMITED				6000000	11.88	0	0

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			% of total Shares of the company
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	VAIBHAVLAXMI VANIJYA PRIVATE LIMITED	0	0	17.09.2014	Increase in shareholding	Preferential issued	6000000	11.88
	<b>Closing Balance</b>			31.03.2015			6000000	11.88

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

sr .no	Name	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	Ashok Kumar Gulgulia	10000	2.02	-	-	-	-	-
2	M/s Chhajer Marcantiles Pvt.Ltd	10000	2.02	-	-	-	-	-
3	M/s. Gujrani Consultancy Services Pvt.Ltd	10000	2.02	-	-	-	-	-
4	M/s Snehdip Finance Pvt.Ltd	10000	2.02	-	-	-	-	-
5	Manorama Tiwari	10000	2.02	-	-	-	-	-
6	Vijay Kumar Tiwari	10000	2.02	-	-	-	-	-
7	Bhupali Mukherjee	10000	2.02	-	-	-	-	-
8	Swaranjan Mukerjee	10000	2.02	-	-	-	-	-
9	Arun Kumar Tiwari	8000	1.62	-	-	-	-	-
10	Sri Pradeep Kumar Jain	4000	0.81	-	-	-	-	-
11	Sunflower Investment Management Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000.00	4.95
	-Closing Balance	-	-	31.03.2015			2500000.00	4.95
12	Subhlabh Tradevin Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000	4.95
	-Closing Balance	-	-	31.03.2015			2500000	
13	Maadhawa Realpro Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000	4.95
	-Closing Balance	-	-	31.03.2015			2500000	
14	Dhansakti Suppliers Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000	4.95
	-Closing Balance	-	-	31.03.2015			2500000	
15	Deveshwar Realty Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000	4.95
	-Closing Balance	-	-	31.03.2015			2500000	
16	Neptune Financial Advisory Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000	4.95
	-Closing Balance	-	-	31.03.2015			2500000	
17	Natraj Financial Management Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000	4.95
	-Closing Balance	-	-	31.03.2015			2500000	
18	Indivar Realtors Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000	4.95
	-Closing Balance	-	-	31.03.2015			2500000	
19	Excellent Financial Advisory Private Limited	-	-	27.09.2014	2500000	Preferential allotment	2500000	4.95
	-Closing Balance	-	-	31.03.2015			2500000	
20	Vistaar Infra Property Private Limited	-	-	27.09.2014	2290000	Preferential allotment	2290000	4.54
	-Closing Balance	-	-	3/31/2015			2290000.00	4.54

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. no		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	165275	33.390	0	0.000
	At the End of the year	0.000	0	0	0.000

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****Director, Whole-time Directors and/or Manager:**

Sl.no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	0.000	0.000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.000	0.000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.000	0.000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.000	0.000
		0.000	0.000
2	Stock Option	0.000	0.000
3	Sweat Equity	0.000	0.000
4	Commission	0.000	0.000
	- as % of profit	0.000	0.000
	- others, specify...	0.000	0.000
5	Others, please specify	0.000	0.000
	Total (A)	0.000	0.000
	Ceiling as per the Act	0.000	0.000
		0.000	0.000
		0.000	0.000

ration to other directors:

Sl.no.	Particulars of Remuneration	Name of Directors Manager	Total Amount
1.	Independent Directors	0.000	0.000
	•Fee for attending board / committee meetings	0.000	0.000
	• Commission	0.000	0.000
	• Others, please specify	0.000	0.000
	Total (1)	0.000	0.000
2.	Other Non-Executive Directors	0.000	0.000
	•Fee for attending board / committee meetings	0.000	0.000
	• Commission	0.000	0.000
	• Others, please specify	0.000	0.000
	Total (2)	0.000	0.000
	Total (B)=(1+2)	0.000	0.000
	Total Managerial Remuneration	0.000	0.000
	Overall Ceiling as per the Act	0.000	0.000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

	Particulars of Remuneration	Key Managerial Personnel			
		CFO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0.000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0.000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0.000
2	Stock Option	0	0	0	0.000
3	Sweat Equity	0	0	0	0.000
4	Commission - as % of profit - others, specify...	0	0	0	0.000
	Others, please specify	0	0	0	0.000
	Total	0	0	0	0.000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
Penalty	0	0	0.000	0	0.000
Punishment	0	0	0.000	0	0.000
Compounding	0	0	0.000	0	0.000
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	0	0	0.000	0	0.000
Punishment	0	0	0.000	0	0.000
Compounding	0	0	0.000	0	0.000

Sd/-  
PRADIP KUMAR AGARWAL  
DIN: 01286415

Sd/-  
ASIS BANERJEE  
DIN: 05273668

Sd/-  
APARNA SHARMA  
DIN: 07006877

Place : Kolkata  
Date: 24.08.2015



# ARC FINANCE LIMITED

Regd. Off. : 18, Rabindra Sarani. Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001 (West Bengal)  
Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

## CFO CERTIFICATION

THE BOARD OF DIRECTOR  
ARC FINANCE LIMITED  
KOLKATA

Dear Members of the Board,

I Sapna Agarwal, Chief Financial Officer, of ARC FINANCE LIMITED (the Company), hereby certify to the Board that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2015 and 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.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.
- e. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct if any).

f. We further declare that all Board members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

For ARC Finance Limited

Sd/-

Sapna Agarwal

**Chief Financial Officer**

Place: Kolkata

Date: 24.08.2015

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
M/s. ARC Finance Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of ARC Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year then ended and the Cash Flow Statement 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 financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2015, its profit for the year ended on that date and the Cash Flow statement for the year.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015, issued by the department of company affairs, in terms of sub section 11 of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 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 and Cash Flow Statement, dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Shah Ravi & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration: 328384E**

Sd/-

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**Ravi Kumar Shah**  
**Partner**  
**Membership Number: 302019**  
**Place of Signature: Kolkata**  
**Date: 29/05/2015**

**Annexure to the Auditors' Report**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of "M/S. ARC FINANCE LIMITED" Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2015]**

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) As per schedule II of Companies Act, 2013, the useful life remaining of the opening Fixed assets standing in the books is nil, so all those Fixed Assets have been written off during the year amounting to Rs. 7,37,853/-.
- (ii) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- (iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013:
  - (a) According to the information and explanations given to us, the Company has granted unsecured loans to 38 companies, 21 other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
  - (b) The principal amounts and interest are being received regularly as per stipulations.
  - (c) As the ordinary course of business of the company is that of financing loans and advances, so there is no scenario of any overdue amount.
- (iv) 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 inventory, fixed assets, financing loans & advances and interest there upon and for the sale of goods (and/services). During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control. In the internal audit report given by the internal auditor M/s. E. Gatani & Associates there was no qualification, reservation or adverse remark or disclaimer in the report.
- (v) The company has not received any public deposits during the year.

- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) In respect of statutory dues:
- a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities, except the company had defaulted in the payment of Tax Deducted at Source of Rs.28,391/- on or before the due date.
  - b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2015 for a period of more than six months from the date they became payable.
  - c) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
- (viii) The company have the accumulated losses of Rs. 12,11,541.86 at the end of financial year. The company has not incurred any Cash losses during the financial covered by our Audit and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) The company has not obtained any term loan during the year, so this para of order is not applicable.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For Shah Ravi & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration: 328384E**

Sd/-

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**Ravi Kumar Shah**  
**Partner**  
**Membership Number: 302019**  
**Place of Signature: Kolkata**  
**Date: 29/05/2015**

# ARC FINANCE LIMITED - *STANDALONE*

CIN:L51909WB1982PLC035283  
BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) SHARE CAPITAL	1	504,950,000	4,950,000
(b) RESERVE & SURPLUS	2	646,939	3,483,226
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		-	-
<b>(3) NON CURRENT LIABILITIES</b>			
(a) DEFERRED TAX LIABILITY		50,360	59,898
(b) LONG TERM PROVISIONS	3	1,079,030	777,258
<b>(4) CURRENT LIABILITIES</b>			
(a) SHORT TERM BORROWING		-	80,000
(b) OTHER CURRENT LIABILITIES	4	457,242	63,427
(c) SHORT TERM PROVISIONS	5	1,217,130	55,935
<b>Total</b>		508,400,701	9,469,744
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) FIXED ASSETS			
TANGIBLE ASSETS	6	445,333	978,824
(b) NON CURRENT INVESTMENT	7	-	6,773,084
<b>(2) CURRENT ASSETS</b>			
(a) CURRENT INVESTMENT	8	69,835,000	-
(b) INVENTORIES	9	1,134,000	-
(c) TRADE RECEIVABLE		-	777,258
(d) CASH & CASH EQUIVALENTS	10	1,690,983	155,192
(e) SHORT TERM LOANS & ADVANCES	11	434,845,385	322,188
(f) OTHER CURRENT ASSETS	12	450,000	463,198
<b>Total</b>		508,400,701	9,469,744

Significant Accounting Policies and Other Notes on Financial Statements

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IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED HEREWITH.

**For SHAH RAVI & CO.**  
Chartered Accountants  
Firm's Regn. No. 328483E

Sd/-  
**(CA RAVI KUMAR SHAH)**  
**PARTNER**  
**M. NO. 302019**  
Place : Kolkata  
Date : 29/05/2015

Sd/-  
\_\_\_\_\_  
**PRADIP KUMAR AGARWAL**  
**DIN: 01286415**

Sd/-  
\_\_\_\_\_  
**ASIS BANERJEE**  
**DIN: 05273668**

Sd/-  
\_\_\_\_\_  
**APARNA SHARMA**  
**DIN: 07006877**

# ARC FINANCE LIMITED - *STANDALONE*

CIN:L51909WB1982PLC035283

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No	Year Ended 31.03.2015	Year Ended 31.03.2014
I. REVENUE FROM OPERATION	13	52,464,080	121,198
II. OTHER INCOME	14	(5,055,687)	592,715
III. <b>Total Revenue</b>		<b>47,408,393</b>	<b>713,913</b>
IV. <u>EXPENSES</u>			
PURCHASE OF STOCK-IN-TRADE	15	42,348,840	-
INCREASE/9DECREASE IN STOCK-IN TRADE	16	(1,134,000)	-
FINANCE COST(INTEREST)		10,439	900
EMPLOYEE BENEFIT EXPENSE	17	977,715	184,265
DEPRECIATION & AMORTIZATION EXPENSE	18	120,914	122,779
OTHER EXPENSES	19	1,146,297	223,470
<b>Total Expenses</b>		<b>43,470,205</b>	<b>531,414</b>
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX(III- IV)		3,938,189	182,499
VI. EXCEPTIONAL ITEMS		737,853	(30,000)
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		3,200,335	212,499
VIII EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX (VII - VIII)		3,200,335	212,499
X. TAX EXPENSES:			
CURRENT TAX : ON INCOME	20	1,217,130	55,935
DEFERRED TAX		(9,538)	59,898
XI PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)		1,992,743	96,666
XII PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII TAX EXPENSES OF DISCONTINUING OPERATIONS		-	-
XIV PROFIT/(LOSS) FROM DISCONTINUING OPERATION AFTER TAX (XII - XIII)		-	-
XV. PROFIT/(LOSS) FOR THE PERIOD (XI + XIV)		1,992,743	96,666
XVI EARNING PER EQUITY SHARES :	21.II.3.B		
(1) BASIC		0.067	0.195
(2) DILUTED		0.067	0.195

Significant Accounting Policies and Other Notes on Financial Statements

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IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED HEREWITH.

**For SHAH RAVI & CO.**

Chartered Accountants

Firm's Regn. No. 328483E

Sd/-  
(CA RAVI KUMAR SHAH)  
PARTNER

M. NO. 302019

Place : Kolkata

Date : 29/05/2015

Sd/-

PRADIP KUMAR AGARWAL  
DIN: 01286415

Sd/-

ASIS BANERJEE  
DIN: 05273668

Sd/-

APARNA SHARMA  
DIN: 07006877



# ARC FINANCE LIMITED - STANDALONE

CIN:L51909WB1982PLC035283

**NOTED ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015  
AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.**

PARTICULARS	AS AT 31ST MARCH 2015		AS AT 31ST MARCH 2014	
	NUMBER	AMOUNT(RS.)	NUMBER	AMOUNT(RS.)
<b>NOTE NO. 1 : SHARE CAPITAL</b>				
<b>1(i)AUTHORISED</b>				
<u>EQUITY SHARES OF Rs. 10/- EACH</u>				
OUTSTANDING AT THE BEGINNING OF THE YEAR	1,000,000	10,000,000.00	1,000,000	10,000,000.00
ADD: DURING THE YEAR	50,000,000	500,000,000.00	-	-
AT THE END OF THE YEAR	51,000,000	510,000,000.00	1,000,000	10,000,000.00
<b>1(ii)ISSUED, SUBSCRIBED &amp; PAID UP</b>				
<u>EQUITY SHARES OF Rs.10/- EACH FULLY PAID UP IN CASH</u>				
OUTSTANDING AT THE BEGINNING OF THE YEAR	495,000	4,950,000.00	495,000	4,950,000.00
ADD: ISSUED, SUBSCRIBED & PAID UP DURING THE YEAR	50,000,000	500,000,000.00	-	-
LESS: BOUGHT BACK DURING THE YEAR	-	-	-	-
	50,495,000	504,950,000.00	495,000	4,950,000.00
	-	-	-	-
Total Outstanding at the end of the year	50,495,000	504,950,000.00	495,000	4,950,000.00
<b>1(iii)EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARES IN THE SHARE CAPITAL OF THE COMPANY</b>				
NAME OF SHARE HOLDERS	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Smt. Alka Kothari	-	-	35,000	7.07%
M/s SK Growth Fund Pvt. Ltd.	-	-	71,875	14.52%
Sri Ashok V Kothari	-	-	100,975	20.40%
Sri Siddharth Kothari	-	-	45,000	9.09%
Mrs. Deepika Maheshwari	-	-	45,800	9.25%
Smt. Kashi Devi Kothari	-	-	72,400	14.63%
Vaibhavlaxmi Vanijya Private Limited	6,000,000	11.88%	-	-
	6,000,000	11.88%	371,050	74.96%
Note: The company has one class of equity shares having a per value of Rs.10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding and are subject to the Preferential Shares (if Issued).				
<b>NOTE NO. 2 : RESERVES &amp; SURPLUS</b>				
<b>2.1 RESERVES</b>				
<u>STATUTORY RESERVE</u> (as per R.B.I. ACT for NBFC)				
AT THE BEGINNING OF THE YEAR		1,459,932.00		1,456,832.00
ADDITION DURING THE YEAR (Transfer from Surplus)		398,549.00		3,100.00
AT THE END OF THE YEAR		1,858,481.00		1,459,932.00
<b>2.2 SURPLUS</b>				
AT THE BEGING OF THE YEAR		2,023,294.05		1,929,727.93
ADDITION (SURPLUS OF THE YEAR)		1,992,743.09		96,666.12
LESS: EXPENDITURE FOR SHARE CAPITALINCREASE		3,750,000.00		
LESS : TRANSFER TO STATUTORY RESERVE FUND		398,549.00		3,100.00
: CONTINGENT PROV. AGST. STANDARD ASSETS		1,079,030.00		-
BALANCE AT THE END OF THE YEAR		(1,211,541.86)		2,023,294.05
<b>TOTAL [2.1(a) + 2.1(b) + 2.2]</b>		646,939.14		3,483,226.05

**For SHAH RAVI & CO.**  
Chartered Accountants  
Firm's Regn. No. 328483E

Sd/-  
**(CA RAVI KUMAR SHAH)**  
PARTNER  
M. NO. 302019  
Place : Kolkata  
Date : 29/05/2015

Sd/-  
\_\_\_\_\_  
**PRADIP KUMAR AGARWAL**  
DIN: 01286415

Sd/-  
\_\_\_\_\_  
**ASIS BANERJEE**  
DIN: 05273668

Sd/-  
\_\_\_\_\_  
**APARNA SHARMA**  
DIN: 07006877

**ARC FINANCE LIMITED - STANDALONE**

CIN: L51909WB1982PLC035283

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015  
AND STATEMENT OF PROFIT & LOSS FOR THE YEARENDED ON THAT DATE.  
DEPRECIATION ON FIXED ASSETS AS PER COMPANIES ACT'2013

**Note:6 : Fixed Assets (Tangible Assets)**

Sr. No.	Particulars	Gross Block			Depreciation			Net Block	
		Balance as on 31.03.2014	Addition/ Deletion	Balance as on 31.03.2015	Balance as on 31.03.2014	During the year	Balance as on 31.03.2015	WDV balance as on 31.03.2014	WDV balance as on 31.03.2015
1	AIR CONDITIONER	90,066.00		90,066	28,985	-	28,985	61,081	-
2	COMPUTER & ASSESORIES		198,450	198,450	-	7,597	7,597	-	190,853
3	FURNITURE & FIXTURE	457,608.92	48,548	506,156.92	216,638.00	110,030.55	326,668.55	240,970.92	179,488.37
4	OFFICE EQUIPMENT	50,118.00	78,278	128,396	22,961	3,286	26,247	27,157	74,992
5	MOTOR CAR	2,235,654.00	-	2,235,654	1,586,039	-	1,586,039	649,615	-
	<b>TOTAL</b>	<b>2,833,446.92</b>	<b>325,276</b>	<b>3,158,723</b>	<b>1,854,623</b>	<b>120,914</b>	<b>1,975,536</b>	<b>978,824.37</b>	<b>445,333.37</b>

**NOTES**

(i) There is no asset which is jointly owned by the Company.

(ii) All above assets are freehold assets.

(iii) Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II.  
Depreciation on Computer has not been provided as residual value is more than WDV shown in the books.

**For SHAH RAVI & CO.**

Chartered Accountants

**Firm's Regn. No. 328483E**

Sd/-

**(CA RAVI KUMAR SHAH)****PARTNER****M. NO. 302019**

Place : Kolkata

Date : 29/05/2015

Sd/-

**PRADIP KUMAR AGARWAL****DIN: 01286415**

Sd/-

**ASIS BANERJEE****DIN: 05273668**

Sd/-

**APARNA SHARMA****DIN: 07006877**

**ARC FINANCE LIMITED - STANDALONE**

CIN:L51909WB1982PLC035283

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2015  
AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE**

PARTICULARS	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014		
<b>NOTE NO. 3 : LONG TERM PROVISIONS</b>				
CONTINGENT PROV. AGST. STANDARD ASSETS	1,079,030.00	777,258.00		
	<u>1,079,030.00</u>	<u>777,258.00</u>		
<b>NOTE NO. 4 : OTHER CURRENT LIABILITIES</b>				
TDS PAYABLE	28,391.00	-		
EXPENSES PAYABLE	428,851.00	63,427.00		
	<u>457,242.00</u>	<u>63,427.00</u>		
<b>NOTE NO. 5 : SHORT TERM PROVISIONS</b>				
PROVISION FOR TAXATION	1,217,130.00	55,935.00		
	<u>1,217,130.00</u>	<u>55,935.00</u>		
<b>NOTE NO.7 : NON CURRENT INVESTMENT ( Equity Shares, valued at Cost) (LIST ENCLOSED)</b>				
QUOTED SHARES	-	6,573,083.69		
UNQUOTED SHARES	-	200,000.00		
TOTAL	-	6,773,083.69		
MARKET VALUE OF QUOTED INVESTMENTS		<u>1,740,881.00</u>		
<b>NOTE NO.8 :CURRENT INVESTMENT ( Equity Shares, valued at Cost) (LIST ENCLOSED)</b>				
UNQUOTED SHARES	69,835,000.00	-		
TOTAL	<u>69,835,000.00</u>	<u>-</u>		
<b>NOTE NO. 9 : INVENTORIES (LIST ENCLOSED)</b>				
	No. of Shares	Amount(Rs.)	No. of Shares	Amount(Rs.)
QUOTED SHARES	18000	1,134,000.00	-	-
TOTAL	18000	1,134,000.00	-	-
<b>NOTE NO. 10 : CASH &amp; CASH EQUIVALANTS</b>				
CASH & BANK BALANCE WITH SCHEDULE BANKS				
IN CURRENT A/C	1,617,980.18	82,188.99		
INCOME TAX SEIZURE	73,003.00	73,003.00		
	<u>1,690,983.18</u>	<u>155,191.99</u>		
<b>NOTE NO. 11 : SHORT-TERM LOANS &amp; ADVANCES</b> (Unsecured, Considered Good) (List Enclosed)				
<b>(a) LOANS</b> (including interest)	<u>431,867,636.04</u>	<u>-</u>		
<b>(b) ADVANCES</b> (Advance recoverable in cash or in kind or for value to be received )				
To Others	322,188.00	322,188.00		
TDS	2,655,561.00	-		
Sub Total (b)	<u>2,977,749.00</u>	<u>322,188.00</u>		
Grand Total (a + b)	<u>434,845,385.04</u>	<u>322,188.00</u>		

**For SHAH RAVI & CO.**  
Chartered Accountants  
Firm's Regn. No. 328483E

Sd/-  
**(CA RAVI KUMAR SHAH)**  
PARTNER  
M. NO. 302019  
Place : Kolkata  
Date : 29/05/2015

Sd/-  
**PRADIP KUMAR AGARWAL**  
DIN: 01286415

Sd/-  
**ASIS BANERJEE**  
DIN: 05273668

Sd/-  
**APARNA SHARMA**  
DIN: 07006877

**ARC FINANCE LIMITED - STANDALONE**

CIN:L51909WB1982PLC035283

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015  
AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2015		FOR THE YEAR ENDED 31ST MARCH 2014	
<b>NOTE NO. 19 : OTHER EXPENSES</b>				
AUDITORS' REMUNERATION		28,000.00		8,427.00
ADVERTISEMENT		-		4,330.00
BANK CHARGES		9,637.47		200.00
CONVEYANCE EXPENSES		8,718.00		-
DEPOSITORIES & REGISTRAR FEES		935,145.00		1,561.10
GENERAL EXPENSES		4,680.00		2,500.00
INSURANCE		-		12,472.00
INTEREST ON INCOME TAX		12,485.00		-
PENALTY & FINE		-		34,233.00
POSTAGE & TELEPGRAM		2,138.00		900.00
PRINTING & STATIONARY		5,322.00		-
PROFESSIONAL CHARGES		40,000.00		62,750.00
RATES & TAXES		990.00		24,672.80
RENT		72,000.00		-
REPAIR & MAINTENANCE		21,000.00		60,162.00
TELEPHONE EXPENSES		6,182.00		11,262.00
<b>TOTAL</b>		<b>1,146,297.47</b>		<b>223,469.90</b>
<b>NOTE NO. 20: CURRENT TAX</b>				
TAX ON INCOME		1,217,130.00		55,935.00
ADD/(LESS) : MAT RECEIVABLE		-		-
		<b>1,217,130.00</b>		<b>55,935.00</b>

**For SHAH RAVI & CO.**  
Chartered Accountants  
Firm's Regn. No. 328483E

Sd/-  
**(CA RAVI KUMAR SHAH)**  
PARTNER  
M. NO. 302019  
Place : Kolkata  
Date : 29/05/2015

Sd/-

**PRADIP KUMAR AGARWAL**  
DIN: 01286415

Sd/-

**ASIS BANERJEE**  
DIN: 05273668

Sd/-

**APARNA SHARMA**  
DIN: 07006877

# ARC FINANCE LIMITED

Regd. Off. : 18, Rabindra Sarani, Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001 (West Bengal)  
Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

## NOTE NO. 21: Significant Accounting Policies and other Notes on Financial Statements

(Annexed to and forming part of the Balance Sheet as at 31st March, 2015 and the annexed Statement of Profit & Loss for the year ended on that date.)

### I. SIGNIFICANT ACCOUNTING POLICIES:

a) Principle & Practice:

The Financial Statements have been prepared under the historical cost convention, in accordance with generally accepted accounting principles (GAAP) in India, including the Accounting standards notified under the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared under the historical cost convention and ongoing concern concept. The Accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

b) Use of estimates: -

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

c) System of Accounting:

Generally Mercantile System of Accounting is followed except filing fees and other unascertained items which have been taken on cash basis.

d) Recognition of Income & Expenses:

Items of Income and Expenditure are recognized on accrual basis save as above.

e) Fixed Assets & Depreciation:

i) Fixed Assets are stated at historical cost less depreciation provided on WDV method.

ii) Depreciation on fixed assets have been provided in the accounts based on the useful life of the assets and at the rate prescribed in schedule II to the Companies Act, 2013.

f) Current Assets & Liabilities:

In the opinion of the Board, all the Assets other than Fixed Assets and Non-Current Investments are at least approximately of the value stated in the accounts, if realized in the ordinary course of business, unless otherwise stated. The provision of all the known liabilities are adequate and are not in excess of the amount considered reasonably necessary by the management.

g) Method of valuation:

i) Non-Current Investments in securities are valued at cost. No Provision for diminution in value of Investments is made as diminution, if any, is temporary.

ii) Stock was valued at cost or market value, whichever was lower.

- h) Contingent Liabilities & Commitments:  
Contingent Liabilities are provided in the Accounts on the best judgement basis depending upon the degree of certainty of the contingency. Commitments are provided on the basis of estimated amount of and period of occurrence. The balances of both, not provided for, are disclosed by way of notes. However, there is no known or expected contingent liability or commitment at the year end.
- i) Earnings per Share:  
Basic earnings (Con) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects for all dilutive potential equity shares.
- j) Employees Benefits  
The Company has applied the revised Accounting Standard (AS)-15- employees Benefits notified under the Companies (Accounting Standard) Rules, 2006.  
(i) Employees Benefits of Short term nature are recognized as expense as and when it accrues.  
(ii) Long term and post employment benefit is recognized as expense as and when it accrues or is most likely to accrue in future.
- k) Provision for Taxation:  
Provision for Taxation has been made as per Income Tax Act 1961 and Rules made there under.
- l) NBFC Requirements regarding transfer of profit to reserve :  
20% of profit after Tax for the current year have been transferred to Statutory Reserve Fund appropriating the Statement of Profit & Loss as per requirement of the R.B.I. Act.
- m) Contingent Provision against Standard Assets:  
Contingent Provision @ 0.25% against Standard Loans is made as per R.B.I. requirement for NBFC appropriating surplus of the Statement of Profit & Loss.
- n) Recognition of Deferred Tax  
The Company recognizes deferred tax assets and liabilities in terms with Accounting Standard 22 issued by the Institute of Chartered Accountants of India on "Accounting for Taxes on Income". Deferred tax is recognized on timing differences (being the difference between taxable income under Income Tax Act and Accounting Income) which originate in one period and are capable of reversal in subsequent period. Deferred Tax Assets over & above Deferred Tax Liabilities are recognized only if there is reasonable certainty of recouping them against taxable Profit in foreseeable future. All such assets and liabilities are reviewed on each Balance Sheet date to reflect the changed position.

## **II. OTHER NOTES ON FINANCIAL STATEMENTS**

1. Figures of the previous year has been re-grouped/re-arranged and recasted wherever considered necessary to conform to current year's grouping and classification.
- 2.

### **A. RELATED PARTY DISCLOSURE**

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

- a. Relationship are given below :-

<u>KEY MANAGEMENT</u>	Mr. Pradip Kumar Agarwal	Director (From 05.02.2014)
<u>PERSONNEL</u>	Mr. Asis Banerjee	----Do-- (From 05.02.2014)
	Mr. Gopal Kuamr Singh	----Do--(From 05.02.2014)
	Mrs. Aparna Sharma	----Do--(From 25.03.2015)
	Mrs. Kashi Devi Kothari	----Do-- (Till 02.05.2014)
	Mr. Ashok Vardhan Kothari	----Do-- (Till 23.05.2014)
	Mrs. Deepika Maheshwari	----Do-- (Till 04.04.2014)

b. Group Company or Company having Common Control:

NIL

c. Transaction with related Parties:

Nature of Transaction	Nature of Relations	Current Year	Previous Year
Loan Taken	----Do---	-	3,80,000
Loan Refunded	----Do---	80,000	3,00,000
Lease Rent Received	----Do---	-	72,000

3. B.	<u>Earning Per Share</u>	2014-2015	2013-14
		-----	-----
	(a) Calculation of Weighted average		
	no. of equity shares of Rs. 10/- each.		
	No. of shares at the beginning of the period	4,95,000	4,95,000
	Share issued during the year.	5,00,00,000	Nil
	No. of Shares at the close of the period	5,04,95,000	4,95,000
	Weighted average no. of Equity shares during the period	2,96,61,667	4,95,000
	(b) Net Profit for the period attributable to equity shares (in rupees)	19,92,743	96,666
	(c) Basic & diluted earning (in rupees) per share	0.067	0.195

#### 4. DEFERRED TAX ASSETS/LIABILITIES:

In accordance with A.S.22-"Accounting for Taxes on Income" issued by the I.C.A.I., the Company has accounted for deferred tax during the year. The Company has no amount of carried forward loss/unabsorbed depreciation under the Income Tax Act at the year end and hence there is no deferred tax asset. It has recognized and accounted for deferred tax liability only.

The Components of the recognition is as under:

Deferred Tax Assets (due to difference between W.D.V. of fixed assets as on 31.3.2015

as per I. T. Act and that as per books of accounts Rs. 30,869 @ 30.90%)

Rs. 9,538/-

Less: Deferred Tax Assets (there is no carried for business loss & Unabsorbed Depreciation)

Rs. Nil

NET DEFERRED TAX ASSETS/ (LIABILITIES)

Rs.9,538/-

## 5. EMPLOYEES BENEFITS

The Company has applied the revised Accounting Standard (AS)-15- employees Benefits notified under the Companies (Accounting Standard) Rules, 2006.

A. Short Term Employee Benefits:- All employees' benefits payable wholly within 12 months of rendering the service are recognized in the period of service and charged to the Statement of Profit & Loss.

B. Long Term & Post Employment Benefits:-

(i) No Act relating to Defined Contribution Plans such as Provident Fund, ESI etc. is applicable.

(ii) Defined Gratuity Obligation: - It is provided only if there is a reasonable certainty of staff continuing the service for minimum eligible period or has completed such period.

There is no present obligation of any post employment benefit including payment of gratuities during the year. Therefore no actuarial gains or loss arose at the end of the year.

## 6. Additional information pursuant to the provision of Paragraph "5" of part II of Schedule VI to the Companies Act, 1956:-

- |  |  |
|--|--|
| a) Details of Items of Exceptional and Extra Ordinary Nature   | ... NIL  |
| b) Prior period Items  | ... NIL  |
| c) Aggregate of the amounts set aside or proposed to be set aside to Reserves or Reserves or Provisions or withdrawn from such Reserves or Provisions  | Net Profit Transferred to Statutory Reserve Fund Rs. 3,98,549/- , Contig. Prov. agt.Std Assets: - Rs.10,79,030/- |
| d) Value of Imports on C.I.F. basis, Expenditure in Foreign Currency on Account of Royalty, Know-how, Fees, Interest and other matters and remittance on account of dividend in foreign currency | ... NIL  |
| e) Earning in Foreign Exchange on Export, Royalty, Know-how, Fees, Interest, Dividend or others  | ... NIL  |

## 7. ALLOTMENT OF SHARES

The Company had made the Preferential Allotment on 17.09.2014 of 5,00,00,000 equity shares of face value of Rs. 10/- each at par, ranking pari-passu with the existing equity shares, to the Promoter and a group of Strategic Investors not forming part of the Promoter/ Promoter Group in compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto (the "SEBI (ICDR) Regulations").



8. Quantitative information in respect of goods traded during the year are as under:-

	<u>Opening Stock</u>		<u>Purchases</u>	
	<u>Qty</u>	<u>Value(Rs)</u>	<u>Qty</u>	<u>Value(Rs)</u>
Shares	-	-	61400	2,25,97,904.54
	-	-	<b>61400</b>	<b>2,25,97,904.54</b>

	<u>Sales</u>		<u>Closing Stocks</u>	
	<u>Qty</u>	<u>Value(Rs)</u>	<u>Qty</u>	<u>Value(Rs)</u>
Shares	43400	2,38,14,538.67	18000	11,34,000/-
	<b>43400</b>	<b>2,38,14,538.67</b>	<b>18000</b>	<b>11,34,000/-</b>

**For SHAH RAVI & CO.**  
CHARTERED ACCOUNTANTS  
Firm's Regn. No. 328384E

Sd/-  
(RAVI KUMAR SHAH)  
PARTNER  
M. NO.302019

Place: Kolkata  
Date: 29/05/2015

Sd/-

-----  
PRADIP KUMAR AGARWAL  
DIN: 01286415

Sd/-

-----  
ASIS BANERJEE  
DIN: 05273668

Sd/-

-----  
APARNA SHARMA  
DIN: 07006877

**ARC FINANCE LIMITED - STANDALONE**

CIN:L51909WB1982PLC035283

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2015**

	For the year ended 31st March 2015 (Rupees)	For the year ended 31st March 2014 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after extra- ordinary items (As per profit & loss account)	3,200,335.09	305,278.12
Adjustments for non Cash Items (Fixed Assets W/o.)	737,853.45	-
Adjustments for non Cash Items (Depreciation)	120,914.00	-
Operating Profit before working capital changes	4,059,102.54	305,278.12
Working capital adjustments: -		
(Increase)/ decrease in current loans and advances	(434,523,197.04)	20,891.00
(Increase)/ decrease in Trade receivables	777,258.00	30,104.25
Increase/( decrease) in Provisions for Standard Assets	(777,258.00)	-
(Increase)/ decrease in inventories	(1,134,000.00)	-
(Increase)/ decrease in Other Current Assets	13,198.00	(531,129.00)
Increase/ (decrease) in current liabilities	313,815.00	132,250.00
Cash generated from operations	(431,271,081.50)	(42,605.63)
Direct Taxes Paid	(55,935.00)	(7,981.00)
<b>Net cash flow from operating activities (A)</b>	<b>(431,327,016.50)</b>	<b>(50,586.63)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/ decrease in investments	(63,061,916.31)	129,934.98
Expenses for capital expenses	(3,750,000.00)	-
Purchase of fixed assets	(325,276.00)	-
<b>Net cash flow from investing activities (B)</b>	<b>(67,137,192.31)</b>	<b>129,934.98</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	500,000,000.00	-
Preliminary Expenses	-	-
Increase/ (decrease) in share application money	-	-
<b>Net cash flow from financing activities (C)</b>	<b>500,000,000.00</b>	<b>-</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>1,535,791.19</b>	<b>79,348.35</b>
Add: Opening cash and cash equivalents	155,191.99	75,843.64
<b>Closing cash and cash equivalents</b>	<b>1,690,983.18</b>	<b>155,191.99</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	647,275.00	-
Deposit with banks in current accounts	1,043,708.18	155,191.99
<b>Toal cash and cash equivalents (note 8)</b>	<b>1,690,983.18</b>	<b>155,191.99</b>
	(0.00)	-

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

As per our report of even date

For **SHAH RAVI & CO.**  
Chartered Accountants  
Firm's Regn. No. 328483E

Sd/-  
**PRADIP KUMAR AGARWAL**  
DIN: 01286415

Sd/-  
**(CA RAVI KUMAR SHAH)**  
PARTNER  
M. NO. 302019  
Place : Kolkata  
Date : 29/05/2015

Sd/-  
**ASIS BANERJEE**  
DIN: 05273668

Sd/-  
**APARNA SHARMA**  
DIN: 07006877

*AUDITORS' CERTIFICATE*

The Board of Directors

**ARC FINANCE LIMITED**  
18 RABINDRA SARANI, PODDAR COURT,  
GATE NO.4, 4TH FLOOR, ROOM NO.3,  
KOLKATA - 700001

We have examined the attached Cash Flow Statement of ARC FINANCE LIMITED for the year ended 31st March, 2015. The Statement has been prepared by the Company in accordance with the requirement of clause 32 (as amended) of listing agreement with Stock Exchange and is based on and is in agreement with the corresponding Statement of Profit and Loss and the Balance Sheet of the Company covered by our report dated 29th May, 2015 to the member of the Company.

**For SHAH RAVI & CO.**  
CHARTERED ACCOUNTANTS  
Firm's Regn. No. 328384E

Sd/-

**(RAVI KUMAR SHAH)**  
PARTNER  
M. NO.302019

Place: Kolkata  
Dated: 29.05.2015

# ARC FINANCE LIMITED

Regd. Off. : 18, Rabindra Sarani, Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.3, Kolkata-700001 (West Bengal)  
 Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

## 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]*

CIN : L51909WB1982PLC035283  
 Name of the company : ARC FINANCE LIMITED  
 Registered office : 18, Rabindra sarani, Poddar Court , Gate No.4, 4th Floor, R/No.3, Kolkata-1

E- mail :  
 Website :  
 Name of the member (s) :  
 Registered Address :

E-mail Id :

Folio No/ Client ID :  
 DP ID :

I/We, being the member of ----- equityshares of the above named company, hereby appoint

Name :  
 Address :

E-mail id :

Signature :.....,

as my/our proxy to attend and vote (on a poll) for me and on my behalf at the 33<sup>rd</sup> Annual General Meeting of the company, to be held on the 29<sup>th</sup> day of September, 2015 At 02.30 P.M at 18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, room No.3, Kolkata-700001, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

Sl. No.	Resolution	Optional	
		For	Against
1.	Adoption of Financial Statement of Accounts for the year ended on 31st March, 2015.		
2.	Re appointment of Pradip Kumar Agarwal (DIN 01286415) m Director, retires by rotation.		
3.	Re-appointment of SHAH RAVI & CO. Chartered Accountants, Kolkata(FRN - 328384E) as a Statutory Auditor and fixing their remuneration.		

**Special Business:**

Sl. No.	Resolution	Optional	
		For	Against
4.	Appointment of Ms. Aparna Sharma as a Non Executive, Independent Director.		

Signed this.....day of..... 2015

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s)\_\_\_\_\_

Please  
Affix  
Revenue  
Stamp

**Note:** 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.  
 A Proxy need not be member of the Company.

# ARC FINANCE LIMITED

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Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

## ATTENDANCE SLIP

<b>Regd. Folio / DP ID &amp; Client ID</b>	
<b>Name and Address of the Shareholder</b>	

1. I hereby record my presence at the 33<sup>rd</sup> **ANNUAL GENERAL MEETING** of the Company being held on 29<sup>th</sup> September, 2015 at 2.30 P.M. at the Registered Office of the Company at "PODDAR COURT" 18, Rabindra Sarani, Gate No. 4, 4<sup>th</sup> Floor, Room no.3, Kolkata-700001

2. Signature of the Shareholder/Proxy Present

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3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

**Note:** - PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

## ELECTRONIC VOTING PARTICULARS

(1) EVSN (E-Voting Sequence No.)	(2) USER ID.	(3) PAN or Relevant No.as under	(4) Bank Account No.
			(See Note No.1)

### Notes:

- (1) Where Bank Account Number is not registered with the Depositories or Company please enter your User Id. as mentioned in column (2) above.
- (2) Please read the Instructions printed under the Note No. 3 to the Notice dated 24<sup>th</sup> August, 2015 of the 33rd Annual General Meeting. The e-voting period starts from 09.00 A.M. on 26.09.2015 and ends at 5.00 P.M. on 28.09.2014, the e-voting module shall be disabled by CDSL for voting thereafter.

# ARC FINANCE LIMITED

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Phone: (91-033) 32589854, E-mail: arcfinancelimited@gmail.com, CIN: L51909WB1982PLC035283

**Form No. MGT-12  
Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: ARC FINANCE LIMITED

Registered office: 18, Rabindra sarani, Poddar Court , Gate No.4, 4<sup>th</sup> Floor, R/No.3, Kolkata-1

**BALLOT PAPER (33<sup>rd</sup> AGM 2015)**

S. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	<b>Equity Share</b>

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S. No.	Resolutions	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of financial statements for the year 2014-15.			
2.	Re appointment of Pradip Kumar Agarwal (DIN 01286415) Director, retires by rotation.			
3.	Re-appointment of SHAH RAVI & CO. Chartered Accountants, Kolkata (FRN - 328384E) as a Statutory Auditor and fixing their remuneration.			
4.	Appointment of Ms. Aparna Sharma as a Non Executive, Independent Director.			

Place:

Date :

(Signature of the shareholder)