

ARC FINANCE LIMITED

34TH

ANNUAL REPORT

2015-2016

CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | | |
|--------------------------|---|--|
| Mr. Pradip Kumar Agarwal | - | Non-Independent Director & Executive (DIN: 01286415) |
| Mr. Asis Banerjee | - | Independent Director & Non Executive (DIN: 05273668) |
| Mr. Gopal Kumar Singh | - | Independent Director & Non Executive (DIN: 6739896) |
| Mrs. Aparna Sharma | - | Independent Director & Non Executive (DIN: 07006877) |

- COMPLIANCE OFFICER** - Mrs. Sapna Agarwal

- COMPANY SECRETARY** - Mr. Pawan Dalmia

REGISTERED OFFICE

18, Rabindra Sarani,
Poddar Court, Gate No.4,
4th Floor, Room No.3,
Kolkata-700001.
Ph No (91-033) 32589854

AUDITORS

M/s. Shah Ravi & Co.
Chartered Accountants
33/1, N.S. Road, Marshall House
9th floor, room No.907D,
Kolkata-700 001.

BANKERS

HDFC Bank Ltd.

CORPORATE IDENTITY NUMBER : L51909WB1982PLC035283

AUDIT COMMITTEE

- | | | |
|--------------------------|---|----------|
| Mr. Asis Banerjee | - | Chairman |
| Mr. Pradip Kumar Agarwal | - | Member |
| Mr. Gopal Kumar Singh | - | Member |
| Mrs. Aparna Sharma | - | Member |

NOMINATION & REMUNERATION COMMITTEE

- | | | |
|--------------------------|---|----------|
| Mr. Gopal Kumar Singh | - | Chairman |
| Mr. Asis Banerjee | - | Member |
| Mr. Pradip Kumar Agarwal | - | Member |
| Mrs. Aparna Sharma | - | Member |

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Asis Banerjee	-	Chairman
Mr. Gopal Kumar Singh	-	Member
Mr. Pradip Kumar Agarwal	-	Member
Mrs. Aparna Sharma	-	Member

REGISTRAR & SHARE TRANSFER AGENTS

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

LISTED AT : The CSE Limited and UPSE Limited

DEMAT ISIN NUMBER IN NSDL & CDSL: INE202R01018

WEBSITE : www.arcfinance.in

INVESTOR E-MAIL ID: arcfinancelimited@gmail.com

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Shareholders of **M/s ARC Finance Limited** will be held on Wednesday, 28th day of September, 2016 at 9.30 A.M. at 18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, Room No.3, Kolkata-700001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Pradip Kumar Agarwal [DIN: 01286415] who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. M/s. SHAH RAVI & CO, Chartered Accountants, as Statutory Auditor of the Company for the F.Y 2016-17 to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting:

"RESOLVED THAT pursuant to Section 139 and all other applicable provisions, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee of the Board, M/s. M/s. SHAH RAVI & CO. Chartered Accountants (FRN - 328384E) be and is hereby appointed as the Statutory Auditor of the Company for the financial year 2016-17 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to fix their remuneration, considering the recommendations of the Audit Committee of the Board."

**For and on behalf of the Board
ARC Finance Limited**

Place: Kolkata

**Asis Banerjee
Chairman**

Date: 09.08.2016

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. However a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2016 to 28th September, 2016 (Both days inclusive).
3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. ABS Consultant Pvt. Ltd.)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to

M/S. ABS CONSULTANT PVT. LTD, Share Transfer Agents of the Company for their doing the needful.

11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2015-2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-2016 is being sent in the permitted mode.
15. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website www.arcfinance.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: arcfinancelimited@gmail.com.
16. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 21.09.2016, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on Sunday 25th of September, 2016 and will end at 5.00 p.m. on Tuesday 27th of September, 2016. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed **Mr. Akhil Agarwal, Practising Company Secretary**, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

Procedure for remote e-voting

I. The Company has engaged the services of ABS Consultant Pvt Ltd for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

(Log on to the e-voting website: 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 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.

● 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 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

I. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call at 18002005533.

II. If you are already registered with e-voting then you can use your existing User ID and Password for casting vote.

III. The voting rights shall be as per the number of equity share held by the Member(s) as on 21.09.2016. Members are eligible to cast vote electronically only if they are holding shares as on that date.

IV. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Sunday 25th of September, 2016 and will end at 5.00 p.m. on Tuesday 27th of September, 2016. The e-voting module shall be disabled at 5.00 p.m. on the same day.

V. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

VI. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

VII. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is

pleased to provide members facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by M/s ABS Consultant Private Limited

17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 21.09.2016.
18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
19. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**For and on behalf of the Board
For ARC Finance Limited**

Place: Kolkata

**Asis Banerjee
Chairman**

Date: 09.08.2016

BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 34th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2016 has been as under:

(Rs. In Lakhs)

Particular	2015-2016	2014-2015
Total Income	349.51	474.08
Total Expenditure	307.45	434.70
Profit Before Tax	42.06	32.00
Provision for Tax	14.31	12.07
Profit after Tax	27.75	19.93
Transfer to Statutory Reserves	5.55	3.99
Profit available for appropriation	-	-
Provision for Proposed Dividend	-	-
Provision for Dividend Tax	-	-
Balance Carried to Balance Sheet	8.88	-12.12

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 09.08.2016)

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

4. DIVIDEND:

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

5. CHANGE IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at 31st March, 2016 stood at 5049.50 lacs. During the year under review, the Company has not issued any further shares.

6. BOARD MEETINGS:

The Board of Directors duly met 6 (six) times on 18.05.2015, 29.05.2015, 13.08.2015, 24.08.2015, 13.11.2015, 12.02.2016 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same. Subsection (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.

During the year under review, Mrs. Sapna Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. 13th August, 2015 as a Key Managerial Person ("KMP") under the Act, the Company had the following KMPs:

1. Mr. Pawan Dalmia- Company Secretary.
2. Mrs. Sapna Agarwal- Chief Financial Officer.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 "**Director**" means a director appointed to the Board of a Company.

2.2 "**Nomination and Remuneration Committee**" means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.

2.3 "**Independent Director**" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;

- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3.2 criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

3.2.3 The Independent Director shall abide by the "Code for Independent Directors "as specified in Schedule IV to the companies Act, 2013.

3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The HRNR Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve an indecent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 **"Director"** means a Director appointed to the Board of the company.

2.2 **"key managerial personnel"** means

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The company secretary;
- (iii) The whole-time director;
- (iv) The chief finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 **"Nomination and Remuneration Committee"** means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and clause 49 of the Equity Listing Agreement.

3. Policy:

3.1 Remuneration to Executive Director and Key Managerial Personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received a declaration from Mr. Asis Banerjee, Mr. Gopal Kumar Singh And Mrs. Aparna Sharma, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

9. COMPOSITION OF AUDIT COMMITTEE:

I. The Audit Committee of the Company is constituted in line with the provisions of Regulation 27(2) of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

II. The terms of reference of the Audit Committee include a review of the following:

- Overview of the Company’s financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 1. Any changes in accounting policies and practices;
 2. Qualification in draft audit report;
 3. Significant adjustments arising out of audit;
 4. The going concern concept;

5. Compliance with accounting standards;
6. Compliance with stock exchange and legal requirements concerning financial statements and
7. Any related party transactions

- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

III. The previous Annual General Meeting of the Company was held on 29.09.2015 and Chairman of the Audit Committee, attended previous AGM.

IV. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Regulation 27 of SEBI (LODR) Regulations 2015 relating to the composition of the Audit Committee. During the financial year 2015-2016, (4) four meetings of the Audit Committee were held on the 29.05.2015, 13.08.2015, 13.11.2015 and 12.02.2016.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Asis Banerjee	Chairman	NED(1)	4	4
Gopal Kumar Singh	Member	NED(1)	4	4
Aparna Sharma	Member	NED(1)	4	4
Pradip Kumar Agarwal	Member	ED	4	4

NED (I) : Non Executive Independent Director
ED : Executive Director

V. NOMINATION & REMUNERATION COMMITTEE

The details of composition of the Committee are given below:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Gopal Kumar Singh	Chairman	NED(1)	1	1
Asis Banerjee	Member	NED(1)	1	1
Aparna Sharma	Member	NED(1)	1	1
Pradip Kumar Agarwal	Member	ED	1	1

NED (I): Non Executive Independent Director

ED : Executive Director

Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

During the financial year 2015-16, no remuneration has been paid to any of the Director of the Company.

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Asis Banerjee	Chairperson	NED(1)
Gopal Kumar Singh	Member	NED(1)
Aparna Sharma	Member	NED(1)
Pradip Kumar Agarwal	Member	ED

NED (I) : Non Executive Independent Director

ED : Executive Director

B) Powers:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

The Company has designated an exclusive e-mail ID called arcfinancelimited@gmail.com complaints/grievances.

VII. RISK MANAGEMENT POLICY

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process.

10. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with CSE Limited and framed the following policies which are available on Company's website i.e. www.arcfinance.in

i. Board Diversity Policy

ii. Policy on preservation of Documents

iii. Risk Management Policy

11. VIGIL MECHANISM:

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

12. DIRECTOR'S RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal

financial controls were adequate and effective during the financial year 2015-16. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm 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; and

(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.

(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.

13. STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

14. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

The Company does not have any subsidiaries, associates and joint ventures.

15. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report **(FORMAT IN ANNEXURE A)**

16. STATUTORY AUDITORS:

M/s. Shah Ravi & Co, Statutory Auditors of the company retires at the ensuing annual general meeting and is eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. Shah Ravi & Co., as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

17. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Anurag Fatehpuria, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended as **Annexure B** to this Report.

18 . QUALIFICATIONS IN AUDIT REPORTS:

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2016 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the robust capital market in the coming years.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The required information as per rule 8(3) of the companies (Accounts) Rules, 2014 is provided hereunder:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D) : NIL
2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: NIL
Foreign Exchange Outgo: NIL

20. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

Your Company has not accepted any deposits falling within the meaning of Sec. 73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

21. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

22. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given loans, Guarantees or made any investments during the year under review.

24. CREDIT & GUARANTEE FACILITIES:

The Company has been availing facilities of Credit and Guarantee as and when required, for the business of the Company, from HDFC Bank Ltd.

25. CORPORATE SOCIAL RESPONSIBILITY POLICY:

In accordance with the requirements of the provisions of section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

Since your Company do not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

26. RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.arcfinance.in

27. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 12.02.2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 1 (One) non-independent directors namely:

- i.) Shri Pradip Kumar Agarwal – Non- Independent & Executive

The meeting was recognized for shaping up of the company and putting the company on accelerated growth path. They devoted more time and attention to bring up the company to the present level.

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

Sri.Pradip Kumar Agarwal, chairman of the company has performed exceptionally well by attending board meetings regularly, by taking active participation in the discussion of the agenda and by providing required guidance from time to time to the company for its growth etc.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

28. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

29. LISTING AGREEMENT:

The Securities and Exchange Board of India(SEBI), on September 2, 2015, issued SEBI(Listing Obligations and Disclosure Requirements)Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital Markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The company entered into Listing Agreement with CSE Limited.

30. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to The Calcutta Stock Exchange Limited where the Company's Shares are listed.

31. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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.

32. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY

The Company is an NBFC company therefore all the provisions of the RBI act is complied during the year under review.

33. SECRETARIAL STANDARDS

EVENT BASED DISCLOSURES

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

34. Non-Executive Directors' Compensation and Disclosures

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

35. CEO/ CFO Certification

The Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 27(2) 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.

36. EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013

37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

38. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company like SEBI, BSE, NSE, MCX, NSDL, CDSL, HDFC Bank etc. for their continued support for the growth of the Company.

**For and on behalf of the Board
For ARC Finance Limited**

**Place: Kolkata
Date: 09.08.2016**

**Asis Banerjee
Chairman**

**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR
MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

The shareholders

I, Pradip Kumar agarwal, Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

**For and on behalf of the Board
For ARC Finance Limited**

**Place: Kolkata
Date: 09.08.2016**

**Pradip Kumar agarwal
Director**

								Share s	
A. Promoters									
(1) Indian									
Individual/ HUF	0	299175	299175	0.59	0	299175	299175	0.59	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	6000000	71875	6071875	12.02	6000000	71875	6071875	12.02	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1) :-	6000000	371050	6371050	12.61	6000000	371050	6371050	12.61	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6000000	371050	6371050	12.61	6000000	371050	6371050	12.61	0
B. Public Shareholding									
1. Institutions									
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(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.									0
i) Indian	41390000	30000	41420000	82.03	41390000	30000	41420000	82.03	0
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 up to Rs. 2 lakhs	0	93950	93950	0.19	0	93950	93950	0.19	0

ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	2610000	0	2610000	5.17	2610000	0	2610000	5.17	0
c) Others (specify) 1. NRI 2. Clearing Members	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	44000000	123950	44123950	87.39	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)	50000000	495000	50495000	100	50000000	495000	50495000	100	0

(ii) **Shareholding of Promoters**

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1.	Alka Kothari	0	35000	35000	0.07	0	35000	35000	0.07	Nil
2.	Siddharth Kothari	0	45000	45000	0.09	0	45000	45000	0.09	Nil
3.	Deepika Maheshwari	0	45800	45800	0.09	0	45800	45800	0.09	Nil
4.	Ashok V. Kothari	0	47075	47075	0.09	0	47075	47075	0.09	Nil
5.	Jagmohan Kothari	0	53900	53900	0.11	0	53900	53900	0.11	Nil
6.	Kashi Devi Kothari	0	72400	72400	0.14	0	72400	72400	0.14	Nil
7.	M/s S K Growth Fund Pvt. Ltd.	0	71875	71875	0.14	0	71875	71875	0.14	Nil
8.	Vaibhavlaxmi Vanijya Private Limited	6000000	0	6000000	11.88	6000000	0	6000000	11.88	Nil

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
1.	-	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

					any
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	-			
	At the End of the year			-	-
2.	-	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4-	-	-	-
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	-			
	At the End of the year	-	-	-	-
3.	-	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):				
	At the End of the year	-	-	-	-
4.	-	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase	-			

	/ decrease (e.g.allotment / transfer /bonus/sweat equity etc):				
	At the End of the year			-	-

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

Sl. No.	Shareholder Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
1	SUBHLABH TRADEVIN PRIVATE LIMITED						
	At the beginning of the year	01.04.2015	Opening balance	2500000	4.95		
	Changes during the year	-					
	At the End of the Year	31.03.2016	Closing Balance	-	-	2500000	4.95
2	SUNFLOWER INVESTMENT MANAGEMENT PRIVATE LIMITED						
	At the beginning of the year	01.04.2015	Opening Balance	2500000	4.95		
	Changes during the year	-	-	-	-		
	At the End of the Year	31/03/2016	Closing Balance	-	-	2500000	4.95
3	MAADHAWA REALPRO PRIVATE LIMITED						
	At the beginning of the year	01.04.2015	Opening Balance	2500000	4.95	0	0.00
	Changes during the year	-	-	-	-	-	-
	At the End of the Year	31/03/2016	Closing Balance	-	-	2500000	4.95
4	DHANSAKTI SUPPLIERS PRIVATE LIMITED						
	At the beginning of the year	01.04.2015	Opening Balance	2500000	4.95	-	-
	Changes during the year	-	-	-	-	-	-
	At the End of the Year	31/03/2016	Closing Balance	-	-	2500000	4.95
5	DEVESHWAR REALTY PRIVATE LIMITED						
	At the beginning of the year	01.04.2015	Opening Balance	2500000	4.95	-	-
	Changes during the year	-	-	-	-	-	-
	At the End of the Year	31/03/2016	Closing Balance			2500000	4.95
6	NEPTUNE FINANCIAL ADVISORY PRIVATE LIMITED.						
	At the beginning of the year	01.04.2015	Opening Balance	2500000	4.95	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31/03/2016	Closing Balance	-	-	2500000	4.95

7	NATRAJ FINANCIAL MANAGEMENT PRIVATE LIMITED At the Beginning of the year	01.04.2015	Opening Balance	2500000	4.95	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the Year	31/03/2016	Closing balance			2500000	4.95
8	INDIVAR REALTORS PRIVATE LIMITED At the beginning of the year	01.04.2015	Opening balance	2500000	4.95	0	0.00
	Changes during the year	-	-	-	-	-	-
	At the End of the year	31/03/2016	Closing Balance			2500000	4.95
9	EXCELLENT FINANCIAL ADVISORY PRIVATE LIMITED At the beginning of the year	01.04.2015	Opening Balance	2500000	4.95	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31/03/2016	Closing Balance			2500000	4.95
10	VISTAAR INFRA PROPERTY PRIVATE LIMITED At the beginning of the year	01.04.2015	Opening Balance	2290000	4.54	-	-
	At the end of the year	31/03/2016	Closing Balance			2290000	4.54

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	-	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year			-	-
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	-	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase /	-			

	decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year			-	-

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager:			Total Amount
		MD	WTD/CFO		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission - as % of profit - Others, specify...	-	-	-	
5.	Others, please specify	-	-	-	
6.	Total (A)	--	-	-	0
7.	Ceiling as per the Act				

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Director			Total Amount
		-	-	-	
3.	Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
4.	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				

Overall Ceiling as per the Act

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (Pawan Dalmia)	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	84,000/-	-	84,000/-
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total		84000/-		84000/-

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]	Appeal made, if any (give details)
Penalty	-	-	-	-	
Punishment	-	-	-	-	
Compounding	-	-	-	-	
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	--	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNUAL REPORT 2015-16-ANNEXURE "B" TO BOARD'S REPORT

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To
The Members of
M/s. ARC Finance Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. ARC Finance Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2015 to 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. ARC Finance Limited ("The Company") for the financial year ended on 31st March, 2016, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
 - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2015-16.

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 : Not Applicable.
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable.
 - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable.
 - v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable.
 - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. Not Applicable.
 - vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable.
 - viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure, 2015 and displayed the same on the Company's website i.e. www.arcfinance.in and all the required disclosures from time to time as and when applicable were complied with.
 - ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
 - The Company has signed uniform listing agreement with CSE Limited;
 - The Company has framed the policies as mentioned below and displayed the same on the Company's website i.e. www.arcfinance.in
 - Board Diversity Policy
 - Policy on preservation of Documents
 - Risk Management Policy
3. During the year the Company has conducted 6 Board meetings including 4 Audit committee meetings and 1 meeting of Nomination & Remuneration Committee meeting. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company secretaries of India and
 - ii. The Listing Agreements entered into by the Company with CSE Limited;
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;

OBSERVATIONS:

(a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, **we report that**

(i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

(b) We further report that:

(i) The Company has the Company Secretary namely Mr.Pawan Dalmia and CFO namely Mrs. Sapna Agarwal.

(ii) The Company has the internal auditors namely M/s. E. Gattani & Associates. Chartered Accountants, Kolkata.

(iii) The Company is regular in deducting and paying TDS under the Income Tax Act.

(iv) The Company has not paid PF and ESI to the respective authorities.

(v) The Company also has collected stamp duty and service tax on behalf of the client and paid to the respective authorities.

(vi) The Company is a registered member of NSE, BSE and MCX SX apart from having DP connectivity with CDSL. From time to time there were inspection of books, accounts, records of the company by the above said authorities and the observations given there on have also been complied with by the Company.

Place: Kolkata

Date: 20.05.2016

Anurag Fatehpuria
Practicing Company Secretaries
Membership No.:34471
C.P.No: 12855

Annexure A

To
The Members of
M/s. ARC Finance Limited

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

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

Place: Kolkata
Date: 20.05.2016

Anurag Fatehpuria
Practicing Company Secretaries
Membership No.:34471
C.P.No: 12855

CERTIFICATE BY THE CFO OF THE COMPANY

**To
The Board of Directors of ARC Finance Limited**

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2016 and to the best of our knowledge and belief;

a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and

b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or volatile of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,

4. That we have informed the auditors and the audit committee of:

a) Significant changes in the internal control during the year;

b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**For and on behalf of the Board
ARC Finance Limited**

**Place: Kolkata
Date: 09.08.2016**

**Sapna Agarwal
Chief Financial Officer**

Report on Corporate Governance

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Company's philosophy on Corporate Governance is to achieve the highest levels of transparency, accountability in all its interactions with its stakeholders, employees, lenders and the government. We believe that Corporate Governance is a voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs. Focus of the Company has always been to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development.

In compliance with the requirements of Listing Agreements with Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), SEBI regulations and Companies Act, 2013. The Company presents hereunder the required disclosures in the form of a report for information of all the stakeholders.

2. BOARD OF DIRECTORS :

The Board of Directors has an optimum combination of Executive and Non-Executive Directors. The Chairman being a non-Executive promoter Director, not less than one half of the Board comprises of Non-Executive independent Directors. The Non-Executive Independent Directors comply with the requirements of Listing Agreement/LODR Regulations for being independent and have also furnished declarations for compliance with the criteria of independence as per provisions of companies Act, 2013.

During the year 6 Meetings of the Board of Directors of the Company were held i.e 18.05.2015, 29.05.2015, 13.08.2015, 24.08.2015, 13.11.2015 and 12.02.2016. The Maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

The composition and category of the Directors on Board, their relationship with other Directors, their attendance at the Board Meeting during the year and at the last Annual General Meeting, as also number of Directorships and Committee Memberships/Chairmanships in other Companies and number of shares held by them as on 31st March, 2016 are as follows:

Name of Director	Category	Attendance		No. of Shares held	No. of Directorship in other public Companies	Details of other Board Committee/Memberships #	
		Board Meeting	Last AGM			Member	Chairman
Mr. Pradip Kumar Agarwal	Executive	6	YES	NIL	0	2	NIL
Mr. Asis Banerjee	Independent, Non-Executive	6	YES	NIL	2	2	2
Mrs. Aparna Sharma	Independent, Non-Executive	6	YES	NIL	1	2	NIL
Mr. Gopal Kumar Singh	Independent, Non-Executive	6	YES	NIL	1	2	NIL

The Board of Directors has laid down a code of conduct for all Board members and all employees in management grade of the Company. All Board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the Company.

3. AUDIT COMMITTEE:

The Audit Committee of the Board is entrusted with the oversight of financial reporting with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting. The role & terms of reference of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Details of the terms of reference of the committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.

- f) Disclosure of any related party transactions.
- g) Qualifications in the draft audit report.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval liabilities as at the end of the half-year and/or as at the end of the financial year.
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, private placement etc.).
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience & background, etc. of the candidate.
- To evaluate valuation of undertakings or assets of the Company, wherever necessary.
- To scrutinize inter-corporate loans and investments to be undertaken by the Company
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Furthermore the Audit committee has been authorised to invite the statutory auditors, any outsiders with relevant expertise, if it thinks necessary, to attend the meetings.

During the year, 4 meetings of the Audit Committee of the Company were held i.e. on 29.05.2015, 13.08.2015, 13.11.2015 & 12.02.2016. The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The composition and the attendance of Directors at these meetings are as under:

Name	Position held	Category	No of meetings attended
Mr. Asis Banerjee	Chairman	Independent Director	4
Mr. Gopal Kumar Singh	Member	Independent Director	4
Mr. Aparna Sharma	Member	Independent Director	4
Mr. Pradip Kumar Agarwal	Member	Executive Director	4

4. NOMINATION & REMUNERATION COMMITTEE:

- Nomination & Remuneration Policy

In terms with the provisions of the Section 178 and all other sections, if applicable, of the Companies Act, 2013 read with relevant Rules framed there under and SEBI (LODR) Regulations, 2015 entered with the Stock Exchanges Howrah Gases Ltd. ('The Company') on the recommendation of the Nomination & Remuneration Committee of the Board laid down a policy for:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- The criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Lay down criteria for evaluation of Directors (including both Executive and Non-executive Directors) and the Board.
- Devise a policy on Board diversity.

During the year, a meetings of the Nomination and Remuneration Committee of the Company were held i.e. 18.05.2015.

The Composition and the attendance of Directors at these meetings are as under:

Name	Designation	Category	No of meetings attended
Mr. Gopal Kumar Singh	Chairman	Independent Director	1
Mr. Asis Banerjee	Member	Independent Director	1
Mr. Aparna Sharma	Member	Independent Director	1
Mr. Pradip Kumar Agarwal	Member	Executive Director	1

- **REMUNERATION POLICY:**

Pursuant to provisions of the Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy for Directors and senior management. The Company has paid remuneration by way of salary perquisites and allowances to its Managing Directors in line with the Nomination & Remuneration policy of the Company, current industry practice, the statutory limits and is being approved by the Board and Shareholders of the Company.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board has constituted Stakeholders Relationship Committee in terms of the Companies Act, 2013, rules made there under and SEBI (LODR) Regulations, 2015.

The term of reference of the Committee is as follows:

- To approve transfer/transmission of shares
- To readdress the investors' and shareholders' grievance relating to non-receipt of annual report, declared dividends, transfer of shares, etc.
- To approve issue of duplicate share certificates as requested, if any.
- To review Dematerialization/ Rematerialization of shares.
- To review the work of Registrar and Transfer agent of the Company.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

During the year, 3 meetings of the Stakeholders Relationship Committee of the Company were held i.e. 18.05.2015, 13.08.2015 & 13.11.2015.

The Composition and the attendance of Directors at these meetings are as under:

Name	Designation	Category	No of meetings attended
Mr. Asis Banerjee	Chairman	Independent Director	3
Mr. Gopal Kumar Singh	Member	Independent Director	3
Mr. Aparna Sharma	Member	Independent Director	3
Mr. Pradip Kumar Agarwal	Member	Executive Director	3

6. GENERAL BODY MEETINGS:

The details of General Meetings in last 3 years are as under:

Date	AGM/EGM	Venue	No of Special Resolutions
27.09.2013	31 st Annual General Meeting	3UG, Mani Tower, 31/41, Binoda Bhave Road, Kolkata-700038	-
19.06.2014	Extra Ordinary General Meeting	18, Rabindra sarani, Poddar Court, Gate No.4, 1 st Floor, Kolkata-700001	1
30.09.2014	32 nd Annual General Meeting	18, Rabindra sarani, Poddar Court, Gate No.4, 1 st Floor, Kolkata-700001	2
29.09.2015	33 rd Annual General Meeting	18, Rabindra sarani, Poddar Court, Gate No.4, 4 th Floor, Room no.3, Kolkata-700001	-

There is no immediate proposal for passing of any resolution through Postal Ballot.

7. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual financial results are published in English & Vernacular newspaper and are also furnished to the Stock Exchange with whom the Company has listed. The Managing Discussion & Analysis, forms part of the Directors Report is covered in the Annual Report.

8. GENERAL SHAREHOLDERS INFORMATION:

- CIN : L51909WB1982PLC035283
- Annual General Meeting
 - Date and Time : 28th September, 2016, 9:30 A.M.
 - Venue : 18, Rabindra sarani, Poddar Court, Gate No.4, 4th Floor, Room no.3, Kolkata-700001
- Financial Year : Year ended March 31, 2016.
- Dates of Book Closure : 22nd Sept.2016 to 28th Sept. 2016 (Both Days Inclusive)

- Dividend Payment Date

The Company has not declared any dividend for the Financial Year ended 31st March, 2016.

- Financial Calendar

Financial Year 2016-17
(Tentative schedule subject to change)

First Quarter Results

Second Quarter and Half-Year Results

Third Quarter Results

} Within 45 days of the end of Quarter.

Fourth Quarter and Annual Results

Within 60 days of the end of Financial Year.

- Listing of Shares on Stock Exchanges with Stock Code

Stock Exchange

- 1) The Calcutta Stock Exchange Limited (CSE)
7, Lyons Range, Dalhousie, Murgighata,
B B D Bagh, Kolkata-700001, West Bengal
- 2) Uttar Pradesh Stock Exchange Limited (UPSE)
"Padam Towers" 14/113, Empire Ln,
Civil Lines, Kanpur – 208001, Uttar Pradesh.

The Company has paid the listing fees to these Stock Exchanges for the year 2015-16.

- **Market Price Data:**

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2015	Not Traded	Not Traded	Not Traded
May, 2015	Not Traded	Not Traded	Not Traded
June, 2015	Not Traded	Not Traded	Not Traded
July, 2015	Not Traded	Not Traded	Not Traded
August, 2015	Not Traded	Not Traded	Not Traded
September, 2015	Not Traded	Not Traded	Not Traded
October, 2015	Not Traded	Not Traded	Not Traded
November, 2015	Not Traded	Not Traded	Not Traded
December, 2015	Not Traded	Not Traded	Not Traded
January, 2016	Not Traded	Not Traded	Not Traded
February, 2016	Not Traded	Not Traded	Not Traded
March, 2016	Not Traded	Not Traded	Not Traded

- **Registrar & Share Transfer Agents:**

M/s. ABS Consultant Pvt. Ltd.
 99, Stephen House, 6th Floor, 4, B.B.D. Bag (E), Kolkata-700 001, West Bengal
 Phone Nos. (033) 2230-1043, 2243-0153,
 Email: absconsultant@vsnl.net

- **Share transfer system:**

Share transfers in physical form are generally registered within 15 days from the date of receipt provided the documents are found to be in order. Stakeholders Relationship Committee considers and approves the transfer proposals.

All requests for dematerialisation of shares, which are found to be in order, are generally processed within 15 days and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- **Shareholding Pattern:**

The shareholding of Distribution of shareholders as on 31st March, 2016 is given below:

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
Total	605	100.00	50495000	100.00

- **Categories of Shareholders as on March 31, 2016**

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	63,71,050	12.62
2	Public - Bodies Corporate	4,14,20,000	82.02
3	Public - Indian public	27,03,950	5.36
4	Public – Others	NIL	NIL
	TOTAL	5,04,95,000	100.00

- **Dematerialisation of shares and liquidity**

Shares held in dematerialised and physical form as on 31st March, 2016.

Status of Dematerialisation	No. of Shares	% of total shares
Share held in Dematerialised form - NSDL	2720000	5.39
Share held in Dematerialised form - CDSL	47280000	93.63
Share held in Physical form	495000	0.98
Total	50495000	100

The shareholders may address their communications/suggestions/grievances/queries to:

ARC FINANCE LIMITED
CIN-L51909WB1982PLC035283
18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, R/No. 3,
Kolkata-700001
Email Id- arcfinancelimited@gmail.com

MANAGEMENT DISCUSSION ANALYSIS REPORT

ECONOMIC SCENARIO:

The year 2015-16 began with several changes on the macroeconomic front, including rising inflation, dwindling industrial output and a falling rupee. The Reserve Bank of India intervened in July and August to stem the rupee's slide by increasing the marginal standing rate and the bank rate by 200bps each to 10.25%. The result was that frequent issuers such as us Non Banking Financial Companies(NBFCs) pulled back from the bond market. In the first quarter of 2016, the RBI has cut the repo rate by 50bps to 7.50% in two tranches as there are signs that inflation rate is moderating.

India's GDP grew by 7.6% in FY 2015-16, making it one of the fastest growing key economies in the world. During the fourth quarter, the GDP displayed brilliant performance, growing at 7.9%, The policy initiatives taken up by the government, low interest rates, declining fiscal deficit and moderate inflation have helped the Indian economy stay on a viable growth path. The growth rate is expected to touch 8% in FY 2016-17 if the monsoon is favourable.

The vision of our new Government is more pragmatic and of inclusive growth which is apparent from more devolution of tax collection to the states. Thrust to infrastructure, measures to revive the investment cycle, boost to savings, "make in India", initiative, ease of doing business in India and boosting entrepreneurship are major focus forces of present Government.

INDUSTRY DEVELOPMENT:

The NBFCs show moderation growth in asset management, rising delinquency resulting in higher provisionary thereby impacting profitability. However, comfortable capitalization level and conservative liquidity management continues to provide comfort to the credit profile of well run of NBFCs inspite of the impact of the profitability.

RESULT:

During the year under review, the revenue of your Company stood at Rs. 349.51 lacs, as compared to Rs.524.64 lacs during the year ended on March 31, 2015. However, due to reasons stated above, the Profit of the Company during the year increased to Rs.27.75 lacs as compared to profit of Rs.19.93 lacs during the year ended on March 31, 2015.

OPPORTUNITIES:

ARC Finance Limited, being a financial Company, is exposed to specific risks that are particular to its business and environment within which it operates including its interest rate volatility, investment cycle, credit risk, market risk and operational risk. The measurement, monitoring management of risk remains key focus areas for the company. The company has laid down stringent credit norms through the Lending Policy Framework approved by the Board. It maintains a conservative approach and manages the credit risk through prudent selection of clients, delegation of appropriate lending powers and by stipulating various prudential limits. In retail loan businesses like ours, overall portfolio diversification and reviews also facilitate mitigation and management.

THREATS:

Growth of the Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. Unfavorable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial services providers, unstable political environment and changes in Government policy / regulatory framework could impact the Company's operations.

OUTLOOK:

The markets will continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its niche in order to add value to consumers. The Company is cautiously optimistic in its outlook for the year 2015-16.

RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **ARC FINANCE LIMITED**

Report on the Financial Statements

We have audited the financial statements of **ARC Finance. Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit 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 operating 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, subject to Note No 1 para x.1) and 2) of the Notes to the financial statements regarding non-provision of gratuity and leave encashment which are treated on cash basis, a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet , of the state of affairs of the Company as at March 31, 2016; and
- b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect of the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in 'Annexure -B' and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact on its financial positions in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There 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

Ravi Kumar Shah
Partner
Membership Number: 302019
Place of Signature: Kolkata
Date: 30/05/2016

Annexure A to the Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of ARC Finance. Limited for the year ended 31st March 2016)

- (i) In respect of its Fixed Assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The company has regular programme of physical verification of its fixed assets by which fixed assets are verified in phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of its Inventory:
- a) The physical verification of inventory has been conducted at reasonable intervals by the management which in our opinion, having regard to the nature and location of stock, frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to any companies, firms, Limited Liabilities partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3(iii)(a) to (C) of the Order is not applicable to the company in respect of repayment of the principal amount and overdue interest.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, Investments made.

(v) The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, in respect of the activities carried on by the company.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amount deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income tax, sales tax/ value added tax, service tax, wealth tax, duty of customs, duty of excise, cess and other material statutory dues has been regularly deposited during the year by the company with appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of custom, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us there are no material dues of Provident fund, sales tax, wealth tax, income tax, service tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debentures.

(ix) The company did not raise money by way of initial public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company , the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to explanations and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 o the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company has obtained registration under section 45-1A of the Reserve Bank of India Act, 1934.

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

Ravi Kumar Shah
Partner
Membership Number: 302019
Place of Signature: Kolkata
Date: 30/05/2016

Annexure B to the Auditors' Report:

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

We have audited the internal financial controls over financial reporting of **ARC Finance Limited** (the Company') as of 31 March 2016 in conjunction 'with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Ravi Kumar Shah
Partner
Membership Number: 302019
Place of Signature: Kolkata
Date: 30/05/2016

ARC FINANCE LIMITED - STANDALONE

CIN:L51909WB1982PLC035283

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) SHARE CAPITAL	1	50,49,50,000	50,49,50,000
(b) RESERVE & SURPLUS	2	33,01,559	6,46,939
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT			
(3) NON CURRENT LIABILITIES			
(a) DEFERRED TAX LIABILITY	20-IV	1,70,445	50,360
(b) LONG TERM PROVISIONS	3	11,99,455	10,79,030
(4) CURRENT LIABILITIES			
(a) SHORT TERM BORROWING		-	-
(b) OTHER CURRENT LIABILITIES	4	25,88,415	4,57,242
(c) SHORT TERM PROVISIONS	5	13,11,160	12,17,130
Total		51,35,21,034	50,84,00,701
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) FIXED ASSETS			
TANGIBLE ASSETS	6	2,18,993	4,45,333
(b) NON CURRENT INVESTMENT	7	-	-
(2) CURRENT ASSETS			
(a) CURRENT INVESTMENT	8	2,26,20,000	6,98,35,000.00
(b) INVENTORIES	9	5,13,000	11,34,000.00
(c) TRADE RECEIVABLE		19,15,375.56	-
(d) CASH & CASH EQUIVALENTS	10	38,86,943	16,90,983
(e) SHORT TERM LOANS & ADVANCES	11	48,43,66,722	43,48,45,385
(f) OTHER CURRENT ASSETS	12	-	4,50,000
Total		51,35,21,034	50,84,00,702

Significant Accounting Policies and Other Notes on Financial Statements

21

IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED HERewith.

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

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

Place : Kolkata
Date : 30/05/2016

PRADIP KUMAR AGARWAL
Director
DIN: 01286415

APARNA SHARMA
Director
DIN: 01286415

SAPNA AGARWAL
Chief Financial Officer

PAWAN DALMIA
Company Secretary

ARC FINANCE LIMITED - STANDALONE

CIN:L51909WB1982PLC035283

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No	Year Ended 31.03.2016	Year Ended 31.03.2015
I. REVENUE FROM OPERATION	13	3,49,50,887	5,24,64,080
II. OTHER INCOME	14	-	(50,55,687)
III. Total Revenue		3,49,50,887	4,74,08,393
IV. <u>EXPENSES</u>			
PURCHASE OF STOCK-IN-TRADE	15	2,45,47,119	4,23,48,840
INCREASE/9DECREASE IN STOCK-IN TRADE	16	6,21,000	(11,34,000)
FINANCE COST(INTEREST)		-	10,439
EMPLOYEE BENEFIT EXPENSE	17	14,93,139	9,77,715
DEPRECIATION & AMORTIZATION EXPENSE	18	2,26,340	1,20,914
OTHER EXPENSES	19	38,56,999	11,46,297
Total Expenses		3,07,44,596	4,34,70,205
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX(III- IV)		42,06,290	39,38,189
VI. EXCEPTIONAL ITEMS		-	7,37,853
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		42,06,290	32,00,335
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX (VII - VIII)		42,06,290	32,00,335
X. TAX EXPENSES:			
CURRENT TAX : ON INCOME	20	13,11,160	12,17,130
DEFERRED TAX		1,20,085	(9,538)
XI. PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)		27,75,045	19,92,743
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)		27,75,045	19,92,743
XVI. EARNING PER EQUITY SHARES :	21.II.3.B		
(1) BASIC		0.055	0.004
(2) DILUTED		0.055	0.004

Significant Accounting Policies and Other Notes on Financial Statements

21

IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED HEREWITH.

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

(CA RAVI KUMAR SHAH)
PARTNER
M. NO. 302019
Place : Kolkata
Date : 30/05/2016

PRADIP KUMAR AGARWAL
Director
DIN: 01286415

APARNA SHARMA
Director
DIN: 01286415

SAPNA AGARWAL
Chief Financial Officer

PAWAN DALMIA
Company Secretary

ARC FINANCE LIMITED - STANDALONE

CIN:L51909WB1982PLC035283

**NOTED ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2016
AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.**

PARTICULARS	AS AT 31ST MARCH 2016		AS AT 31ST MARCH 2015	
	NUMBER	AMOUNT(RS.)	NUMBER	AMOUNT(RS.)
NOTE NO. 1 : SHARE CAPITAL				
1(i)AUTHORISED				
<u>EQUITY SHARES OF Rs. 10/- EACH</u>				
OUTSTANDING AT THE BEGINNING OF THE YEAR	10,00,000	1,00,00,000.00	10,00,000	1,00,00,000.00
ADD: DURING THE YEAR			5,00,00,000	50,00,00,000.00
AT THE END OF THE YEAR	10,00,000	1,00,00,000.00	10,00,000	51,00,00,000.00
1(ii)ISSUED, SUBSCRIBED & PAID UP				
<u>EQUITY SHARES OF Rs.10/- EACH FULLY PAID UP IN CASH</u>				
OUTSTANDING AT THE BEGINNING OF THE YEAR	5,04,95,000	50,49,50,000.00	4,95,000	49,50,000.00
ADD: ISSUED. SUBSCRIBED & PAID UP DURING THE YEAR			5,00,00,000	50,00,00,000.00
LESS: BOUGHT BACK DURING THE YEAR	-	-	-	-
	5,04,95,000	50,49,50,000.00	5,04,95,000	50,49,50,000.00
	-	-	-	-
Total Outstanding at the end of the year	5,04,95,000	50,49,50,000.00	5,04,95,000	50,49,50,000.00
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				
NAME OF SHARE HOLDERS	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Smt. Alka Kothari	-	-	-	-
M/s SK Growth Fund Pvt. Ltd.	-	-	-	-
Sri Ashok V Kothari	-	-	-	-
Sri Siddharth Kothari	-	-	-	-
Mrs. Deepika Maheshwari	-	-	-	-
Smt. Kashi Devi Kothari	-	-	-	-
Vaibhavlaxmi Vanijya Private Limited	60,00,000	11.88%	60,00,000	11.88%
-	60,00,000	11.88%	60,00,000	11.88%
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).				
NOTE NO. 2 : RESERVES & SURPLUS				
2.1 RESERVES				
<u>STATUTORY RESERVE</u> (as per R.B.I. ACT for NBFC)				
AT THE BEGINNING OF THE YEAR		18,58,481.00		14,59,932.00
ADDITION DURING THE YEAR (Transfer from Surplus)		5,55,009.00		3,98,549.00
AT THE END OF THE YEAR		24,13,490.00		18,58,481.00
2.2 SURPLUS				
AT THE BEGING OF THE YEAR		(12,11,541.86)		20,23,294.05
ADDITION (SURPLUS OF THE YEAR)		27,75,045.27		19,92,743.09
LESS: EXPENDITURE FOR SHARE CAPITALINCREASE		-		37,50,000.00
LESS : TRANSFER TO STATUTORY RESERVE FUND		5,55,009.00		3,98,549.00
: CONTINGENT PROV. AGST. STANDARD ASSETS		1,20,425.00		10,79,030.00
BALANCE AT THE END OF THE YEAR		8,88,069.41		(12,11,541.86)
TOTAL [2.1(a) + 2.1(b) + 2.2]		33,01,559.41		6,46,939.14

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

(CA RAVI KUMAR SHAH)
PARTNER
M. NO. 302019
Place : Kolkata
Date : 30/05/2016

APARNA SHARMA
Director
DIN: 01286415

PRADIP KUMAR AGARWAL
Director
DIN: 01286415

SAPNA AGARWAL
Chief Financial Officer

PAWAN DALMIA
Company Secretary

ARC FINANCE LIMITED - STANDALONE

CIN: L51909WB1982PLC035283

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2016
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 31.03.2015	Addition/ Deletion	Balance as on 31.03.2016	Balance as on 31.03.2015	During the year	Balance as on 31.03.2016	WDV balance as on 31.03.2015	WDV balance as on 31.03.2016
1	AIR CONDITIONER	90,066.00		90,066	90,066	-	90,066	-	-
2	COMPUTER & ASSESORIES	1,98,450.00	-	1,98,450	7,597	1,20,568	1,28,165	1,90,853	70,285
3	FURNITURE & FIXTURE	5,06,156.92	-	5,06,156.92	3,26,668.55	71,972	3,98,640.55	1,79,488.37	1,07,516.37
4	OFFICE EQUIPMENT	1,28,396.00	-	1,28,396	53,404	33,800	87,204	74,992	41,192
	TOTAL	9,23,068.92	-	9,23,068.92	4,77,735.55	2,26,340.00	7,04,075.55	4,45,333.37	2,18,993.37

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

APARNA SHARMA
Director
DIN: 01286415**PRADIP KUMAR AGARWAL**
Director
DIN: 01286415**(CA RAVI KUMAR SHAH)****PARTNER****M. NO. 302019**

Place : Kolkata

Date : 30/05/2016

SAPNA AGARWAL
Chief Financial Officer**PAWAN DALMIA**
Company Secretary

ARC FINANCE LIMITED - STANDALONE

CIN:L51909WB1982PLC035283

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2016
AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE

PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015		
NOTE NO. 3 : LONG TERM PROVISIONS				
CONTINGENT PROV. AGST. STANDARD ASSETS	11,99,455.00	10,79,030.00		
	11,99,455.00	10,79,030.00		
NOTE NO. 4 : OTHER CURRENT LIABILITIES				
TDS PAYABLE	2,19,235.00	28,391.00		
EXPENSES PAYABLE	23,69,180.00	4,28,851.00		
	25,88,415.00	4,57,242.00		
NOTE NO. 5 : SHORT TERM PROVISIONS				
PROVISION FOR TAXATION	13,11,160.00	12,17,130.00		
	13,11,160.00	12,17,130.00		
NOTE NO.7 : NON CURRENT INVESTMENT (Equity Shares, valued at Cost) (LIST ENCLOSED)				
QUOTED SHARES	-	-		
UNQUOTED SHARES	-	-		
TOTAL	-	0		
MARKET VALUE OF QUOTED INVESTMENTS		-		
NOTE NO.8 :CURRENT INVESTMENT (Equity Shares, valued at Cost) (LIST ENCLOSED)				
UNQUOTED SHARES	2,26,20,000.00	6,98,35,000.00		
TOTAL	2,26,20,000.00	6,98,35,000.00		
NOTE NO. 9 : INVENTORIES (LIST ENCLOSED)				
	No. of Shares	Amount(Rs.)	No. of Shares	Amount(Rs.)
QUOTED SHARES	18000	5,13,000.00	18,000.00	11,34,000.00
TOTAL	18000	5,13,000.00	18,000.00	11,34,000.00
NOTE NO. 10 : CASH & CASH EQUIVALANTS				
CASH & BANK BALANCE WITH SCHEDULE BANKS IN CURRENT A/C	38,13,940.26	16,17,980.18		
INCOME TAX SEIZURE	73,003.00	73,003.00		
	38,86,943.26	16,90,983.18		
NOTE NO. 11 : SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good) (List Enclosed)				
(a) LOANS (including interest)	47,98,62,693.90	43,18,67,636.04		
(b) ADVANCES (Advance recoverable in cash or in kind or for value to be received)				
To Others	-	3,22,188.00		
TDS	45,04,027.77	26,55,561.00		
Sub Total (b)	45,04,027.77	29,77,749.00		
Grand Total (a + b)	48,43,66,721.67	43,48,45,385.04		

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

APARNA SHARMA
Director
DIN: 01286415

PRADIP KUMAR AGARWAL
Director
DIN: 01286415

(CA RAVI KUMAR SHAH)
PARTNER
M. NO. 302019
Place : Kolkata
Date : 30/05/2016

SAPNA AGARWAL
Chief Financial Officer

PAWAN DALMIA
Company Secretary

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
NOTE NO. 12 : OTHER CURRENT ASSETS		
INTEREST RECEIVABLE	-	-
COMMISSION RECEIVABLE	-	4,50,000.00
TOTAL	-	4,50,000.00
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2015	FOR THE YEAR ENDED 31ST MARCH 2014
NOTE NO. 13 : REVENUE FROM OPERATION		
(a) SALE OF SHARES	28,14,500.00	2,38,14,538.67
(b) INTEREST INCOME	3,21,36,386.67	2,86,49,541.04
	3,49,50,886.67	5,24,64,079.71
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2015	FOR THE YEAR ENDED 31ST MARCH 2014
NOTE NO. 14 : OTHER INCOME		
PROFIT/LOSS ON SALE OF INVESTMENT	-	(50,55,686.56)
DIVIDEND	-	-
COMMISSION INCOME	-	-
	-	(50,55,686.56)
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2015	FOR THE YEAR ENDED 31ST MARCH 2014
NOTE NO. 15: PURCHASE OF STOCK IN TRADE SHARES		
	2,45,47,118.89	4,23,48,839.57
	2,45,47,118.89	4,23,48,839.57
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2015	FOR THE YEAR ENDED 31ST MARCH 2014
NOTE NO. 16: INCREASE/(DECREASE) IN STOCK IN TRADE		
OPENING STOCK	11,34,000.00	-
LESS: CLOSING STOCK	5,13,000.00	11,34,000.00
	6,21,000.00	(11,34,000.00)
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2015	FOR THE YEAR ENDED 31ST MARCH 2014
NOTE NO. 17: EMPLOYEE BENEFIT EXPENSE		
SALARY (INCLUDING LEAVE SALARY)	13,66,414.00	8,46,000.00
BONUS	90,000.00	75,000.00
STAFF WELFARE EXPENSES	36,725.00	56,715.00
OTHER ALLOWANCE	-	-
	14,93,139.00	9,77,715.00
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2015	FOR THE YEAR ENDED 31ST MARCH 2014
NOTE NO. 18: DEPRECIATION & AMORTIZATION		
DEPRECIATION & AMORTIZATION	2,26,340.00	1,20,914.00
	2,26,340.00	1,20,914.00

For SHAH RAVI & CO.

Chartered Accountants

Firm's Regn. No. 328483E

APARNA SHARMA

Director

DIN: 01286415

PRADIP KUMAR AGARWAL

Director

DIN: 01286415

(CA RAVI KUMAR SHAH)

PARTNER

M. NO. 302019

Place : Kolkata

Date : 30/05/2016

SAPNA AGARWAL

Chief Financial Officer

PAWAN DALMIA

Company Secretary

ARC FINANCE LIMITED - STANDALONE

CIN:L51909WB1982PLC035283

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2016
AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2016		FOR THE YEAR ENDED 31ST MARCH 2015	
NOTE NO. 19 : OTHER EXPENSES				
AUDITORS' REMUNERATION				28,000.00
ADVERTISEMENT		79,652.00		-
BANK CHARGES		2,114.51		9,637.47
CONVEYANCE EXPENSES		69,247.00		8,718.00
GENERAL EXPENSES		60,337.00		4,680.00
INTEREST ON INCOME TAX		1,136.00		12,485.00
LISTING , DEPOSITORIES & REGISTRAR FEES		26,19,881.00		9,35,145.00
PENALTY & FINE		-		-
POSTAGE & TELEPGRAM		12,211.00		2,138.00
PRINTING & STATIONARY		32,657.00		5,322.00
PROFESSIONAL CHARGES		27,500.00		40,000.00
RATES & TAXES		-		990.00
RENT		72,000.00		72,000.00
REPAIR & MAINTENANCE		-		21,000.00
TELEPHONE EXPENSES		-		6,182.00
BUSINESS PROMOTION EXPENSE		5,45,993.00		
CONSULTANCY FEES PAID		1,50,000.00		
FILING FEES PAID		2,028.00		
REGISTRATION FEES		17,100.00		
BAD DEBT		1,65,142.00		
TOTAL		38,56,998.51		11,46,297.47
NOTE NO. 20: CURRENT TAX				
TAX ON INCOME		13,11,160.00		12,17,130.00
ADD/(LESS) : MAT RECEIVABLE		-		-
		13,11,160.00		12,17,130.00

For SHAH RAVI & CO.

Chartered Accountants

Firm's Regn. No. 328483E

APARNA SHARMA

Director

DIN: 01286415

PRADIP KUMAR AGARWAL

Director

DIN: 01286415

(CA RAVI KUMAR SHAH)

PARTNER

M. NO. 302019

Place : Kolkata

Date : 30/05/2016

SAPNA AGARWAL

Chief Financial Officer

PAWAN DALMIA

Company Secretary

ARC FINANCE LIMITED - STANDALONE

CIN:L51909WB1982PLC035283

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2016

	For the year ended 31st March 2016 (Rupees)	For the year ended 31st March 2015 (Rupees)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net profit before tax and after extra- ordinary items (As per profit & loss account)	42,06,290.27	32,00,335.09
Adjustments for non Cash Items (Fixed Assets W/o.)	-	7,37,853.45
Adjustments for non Cash Items (Depreciation)	2,26,340.00	1,20,914.00
Operating Profit before working capital changes	44,32,630.27	40,59,102.54
<u>Working capital adjustments:-</u>		
(Increase)/ decrease in current loans and advances	(4,95,21,336.63)	(43,45,23,197.04)
(Increase)/ decrease in Trade receivables	(19,15,375.56)	7,77,298.00
Increase/(decrease) in Provisions for Standard Assets	-	(7,77,298.00)
(Increase)/ decrease in inventories	6,21,000.00	(11,34,000.00)
(Increase)/ decrease in Other Current Assets	4,50,000.00	13,198.00
Increase/ (decrease) in current liabilities	21,31,173.00	3,13,815.00
Cash generated from operations	(4,38,01,908.92)	(43,12,71,081.50)
Direct Taxes Paid	(12,17,131.00)	(55,935.00)
Net cash flow from operating activities (A)	(4,50,19,039.92)	(43,13,27,016.50)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
(Increase)/ decrease in investments	4,72,15,000.00	(6,30,61,916.31)
Expenses for capital expenses	-	(37,50,000.00)
Purchase of fixed assets	-	(3,25,276.00)
Net cash flow from investing activities (B)	4,72,15,000.00	(6,71,37,192.31)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from issue of equity shares	-	50,00,00,000.00
Preliminary Expenses	-	-
Increase/ (decrease) in share application money	-	-
Net cash flow from financing activities (C)	-	50,00,00,000.00
Net cash flow during the year (A + B + C)	21,95,960.08	15,35,791.19
Add: Opening cash and cash equivalents	16,90,983.18	1,55,191.99
Closing cash and cash equivalents	38,86,943.26	16,90,983.18
Components of cash and cash equivalents		
Cash in hand	18,12,136.00	6,47,275.00
Deposit with banks in current accounts	20,74,807.26	10,43,708.18
Toal cash and cash equivalents (note 8)	38,86,943.26	16,90,983.18
	0.00	(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

APARNA SHARMA

Director

DIN: 01286415

PRADIP KUMAR AGARWAL

Director

DIN: 01286415

(CA RAVI KUMAR SHAH)

PARTNER

M. NO. 302019

Place : Kolkata

Date : 30/05/2016

SAPNA AGARWAL

Chief Financial Officer

PAWAN DALMIA

Company Secretary

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, 2016 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 (rounded off to next hundred) 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

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. 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 :-

KEY MANAGEMENT	Mr. Pradip Kumar Agarwal
PERSONNEL & DIRECTORS	Mr. Asis Banerjee Mr. Gopal Kuamr Singh Mrs. Aparna Sharma Mr. Pawan Dalmia Mrs. Sapna Agarwal

b. Group Company or Company having Common Control: NIL

c. Transaction with related Parties: NIL

3. B.	Earning Per Share	2015-2016	2014-2015
		-----	-----
	(a) Calculation of Weighted average no. of equity shares of Rs. 10/- each.		
	No. of shares at the beginning of the period	5,04,95,000	4,95,000
	Share issued during the year.	-	5,00,00,000
	No. of Shares at the close of the period	5,04,95,000	5,04,95,000
	Weighted average no. of Equity shares during the period	5,04,95,000	2,96,61,667
	(b) Net Profit for the period attributable to equity shares (in rupees)	27,75,045	19,92,743
	(c) Basic & diluted earning (in rupees) per share	0.055	0.067

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 31.03.2016

as per I. T. Act and that as per books of accounts Rs. 3,88,625 @ 30.90%) Rs. 1,20,085/-

Less: Deferred Tax Assets (there is no carried for business loss

& Unabsorbed Depreciation) Rs. (50,360/-)

NET DEFERRED TAX ASSETS/ (LIABILITIES) Rs.(1,70,445/-)

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 Net Profit Transferred to Statutory Reserve
 set aside to Reserves or Reserves or Provisions or Fund Rs. 5,55,009/- , Contig. Prov. agt.Std
 withdrawn from such Reserves or Provisions Assets: - Rs.1,20,425/-
- 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. Quantitative information in respect of goods traded during the year are as under:-

Opening Stock			Purchases	
	Qty	Value(Rs)	Qty	Value(Rs)
Shares	18000	11,34,000/-	8500	42,50,000
	18000	11,34,000/-	8500	42,50,000

Sales			Closing Stocks	
	Qty	Value(Rs)	Qty	Value(Rs)
Shares	8500	28,14,500	18000	5,13,000/-
	8500	28,14,500	18000	5,13,000/-

NOTES: 1. Previous year's figures are given in the brackets in terms of out report of even date.

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

(RAVI KUMAR SHAH)
 PARTNER
 M. NO.302019

PRADIP KUMAR AGARWAL
 Director
 DIN: 01286415

APARNA SHARMA
 Director
 DIN: 0527366

Place: Kolkata
 Date: 30/05/2016

SAPNA AGARWAL
 Chief Financial Officer

PAWAN DALMIA
 Company Secreatry

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,
Room No.3, Kolkata-700 001

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

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

1. Name:

Address: _

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:, or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Wednesday, 28th day of September, 2016 at 18, Rabindra Sarani. Poddar Court, Gate No.4, 4th Floor, Room No.3, Kolkata-700001 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO.

1. Approval of financial statements for the year ended 31.03.2016.
2. Appointment of Mr. Pradip Kumar Agarwal as Director who retires by rotation.
3. Appointment of statutory auditors and fixation of their remuneration.

Signed this day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)

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.

ATTENDANCE SLIP

Regd. Folio / DP ID & Client ID	
Name and Address of the Shareholder	

1. I hereby record my presence at the **34th ANNUAL GENERAL MEETING** of the Company being held on 28th **September 2016** at 9.30 a.m. at the Registered Office of the Company at 18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, Room No.3, Kolkata-700001.

2. Signature of the Shareholder/Proxy Present

--

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.

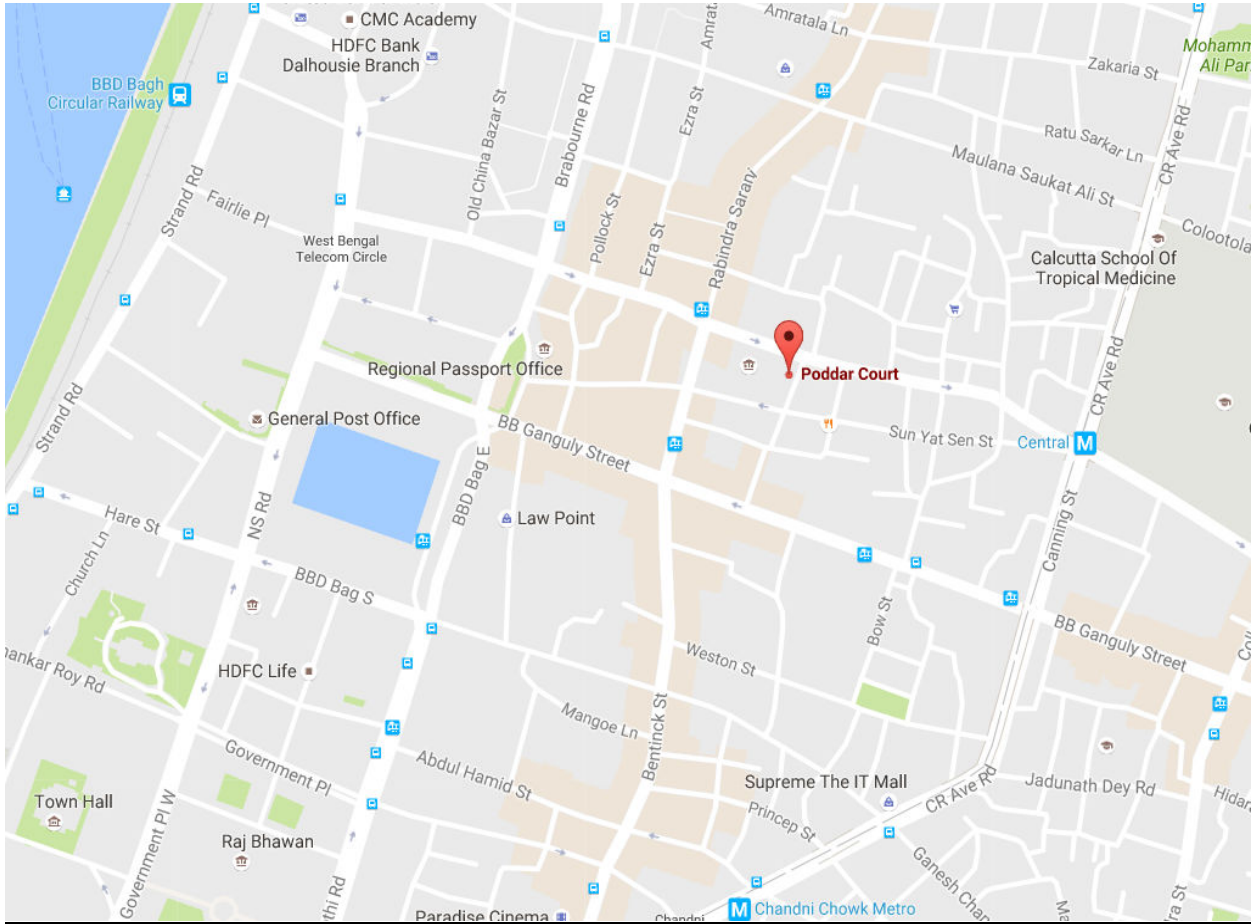
ELECTRONIC VOTING PARTICULARS

(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. 2 to the Notice dated 09th August, 2016 of the 34th Annual General Meeting. The e-Voting period starts from 9.00 A.M. on 25.09.2016 and ends at 5.00 P.M. on 27.09.2016, the e-voting module shall be disabled by CDSL for voting thereafter.

ROAD MAP TO AGM VENUE



Poddar Court

18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, Room No.3
Kolkata-700001