

**32<sup>ND</sup>**

**ANNUAL REPORT**

**&**

**ACCOUNTS**

**2013- 2014**

**ARC FINANCE LIMITED**

ARC FINANCE LIMITED

32<sup>ND</sup> ANNUAL REPORT  
&  
ACCOUNTS 2013-2014

*Board of Directors:*

<i>MR. PRADIP KUMAR AGARWAL</i>	-	<i>Director</i>
<i>MR. ASIS BANERJEE</i>	-	<i>Director</i>
<i>MR. GOPAL KUMAR SINGH</i>	-	<i>Director</i>
<i>MR. ASHOK VARDHAN KOTHARI</i>	-	<i>Director</i>
<i>MRS. KASHI DEVI KOTHARI</i>	-	<i>Director</i>

*Registered Office:*

18, Rabindra Sarani, Poddar Court,  
Gate No.4, 1<sup>st</sup> Floor,  
Kolkata – 700 001

*Bankers:*

State Bank of India

*Auditors:*

**AGARWAL & ASSOCIATES**

Chartered Accountants

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

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of **ARC FINANCE LIMITED** will be held at 18 Rabindra Sarani, Poddar Court, Gate No.-4, 1<sup>st</sup> Floor, Kolkata- 700 001, on Tuesday, 30<sup>th</sup> September, 2014 at 11:30 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider, approve and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2014 and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Pradip Kumar Agarwal (DIN 01286415) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this regard to consider, and if thought fit to pass with or without modification(s), the following resolution as an **Special Resolution**.

**“RESOLVED THAT** pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, M/s. G.K. SUREKA & CO, Chartered Accountants, having registration No.513018C allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors M/s. Agarwal & Associates Chartered Accountants having registration No. 323210E allotted by ICAI, who shall hold office from the conclusion of this Annual General Meeting till the conclusion of 35th Annual General Meeting (to be held in the year 2017) subject to ratification at each Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any 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] read with Schedule IV to the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Asis Banerjee (holding DIN 05273668), whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office of an Independent Director for a term of five consecutive years up to the Thirty Seventh Annual General Meeting of the Company and whose office shall, henceforth, not be liable to determination by retirement of Directors by rotation.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Mr. Asis Banerjee be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any 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] read with Schedule IV to the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Gopal Kumar Singh (holding DIN 06739896), whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office of an Independent Director for a term of five consecutive years up to the Thirty Seventh Annual General Meeting of the Company and whose office shall, henceforth, not be liable to determination by retirement of Directors by rotation.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Mr. Gopal Kumar Singh be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

6. To Consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** the consent of the Company be and is hereby granted, in accordance with Section 180(1) (c) read with 180(1) (a) and 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), to the Board of Directors to borrow any sum or sums of money from time to time from any one or more bankers and or from anyone or more other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or deposits, loans or bills discounting, issue of debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether immovable or moveable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertaking(s) of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 50,00,00,000/- (Rupees Fifty Crores Only) exclusive of interest, and the Board of Directors is hereby further authorised to execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings containing such conditions and covenants as the Board may think fit.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.”

7. To Consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** consent of the Members of the company be and is hereby accorded pursuant to the provisions of Section 186 read with Rule 11 of Companies (meetings of Board and its Powers), Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, {including any statutory modification(s) or re-enactment(s) thereof and any rules there under for the time being in force}, to the Board of Directors of the Company to make any loans or investments and to give any guarantees or to provide security in connection with a loan made by any other person to, or to any other person by, a body corporate as the Board of Directors may think fit, for an amount not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores only) as detailed in the attached explanatory statement, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of Companies Act, 2013 as in their absolute discretion deem beneficial and in the interest of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to agree, make, accept and finalize all such terms, conditions, modifications and alterations, as it may deem fit, including the power to dispose of the investments so made, from time to time."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans made or guarantees given or securities to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

Date: 14<sup>th</sup> August, 2014  
Place: Kolkata

By order of the Board  
For **ARC Finance Limited**

Sd/-  
**Pradip Kumar Agarwal**  
Director  
DIN- 01286415

# DIRECTORS' REPORT

**TO  
THE MEMBERS OF  
M/s. ARC FINANCE LIMITED**

Ladies & Gentlemen,

Your Directors have pleasure in presenting their 32<sup>nd</sup> Annual Report and Audited Statement of Accounts together with Auditors' Report thereon for the year ended 31st March, 2014.

## FINANCIAL RESULTS:

	<u>2013-2014</u>	<u>2012 - 2013</u>
	(Rs.)	(Rs.)
Operational Revenue and Other Income	7.14	2.43
	7.14	2.43
Profit/(Loss) before Exceptional and extraordinary items and Tax	2.13	(6.68)
<u>Provision for Taxation :</u>		
Current Tax : Tax on Income	-	-
Add/(Less): Mat Receivable	-	-
Deferred Tax	-	-
	-----	-----
Profit/(Loss) after Tax (from continuing operation and for the year)	(1.33)	(6.68)
Less : Transferred to Statutory Reserve (NBFC)	-	-
Contingent Prov. Agt. Standard Loan	-	-
Add: Surplus brought forward from last year	19.30	40.55
	-----	-----
Net Surplus carried over	17.97	33.87
	=====	=====

Basic/Diluted earnings per share

Negative

Negative

## OPERATIONAL REVIEW:

During the year under review, the Company has posted a net loss of Rs. 1.33 lacs (previous year loss Rs. 7.52 lacs) after charging depreciation Rs. 1.23 lacs (previous year Rs. 1.31 lacs). It hopes further better results in the coming year as a result of better utilization of resources envisaged by the Company.

## DIVIDEND:

Your Directors do not recommend any payment of dividend for the year.

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**DIRECTORS:**  
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Mr. Pradip Kumar Agarwal, the Director of the Company, retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Siddharth Kothari, and Mrs. Deepika Maheshwari ceased to be directors by resignation on and from 05.02.2014, and 04.04.2014 respectively. The Board wishes to place on record its deep appreciation for the valuable services and contributions made by them during their tenure of offices.

The tenure of the Office of Mr. Asis Banerjee and Mr. Gopal Kumar Singh, who were appointed as Additional Directors by the Board at its meeting held on 05.02.2014, expire at the conclusion of the ensuing Annual General Meeting. The Board has received individual notices u/s. 257 for each of them severally for proposal of their candidatures for the office of Directors, as non-executive Independent Directors.

**AUDITORS:**  
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M/s. M/s. G.K. SUREKA & CO having registration number No.513018C allotted by The Institute of Chartered Accountants of India are hereby appointed as the Auditors of the Company in place of the retiring Auditors, M/s. Agarwal & Associates, Chartered Accountants having registration No. 323210E, who retire at the conclusion of the forthcoming Annual General Meeting and have expressed their unwillingness for re-appointment due to pre-occupation.

**DIRECTORS RESPONSIBILITY STATEMENT:**  
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According to section 217(2AA) Board's report confirm:-

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for the period ;
- (iii) that 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 ;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

**STATUTORY INFORMATION:**  
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1) Conservation of Energy and Technology Absorption  
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Since the Company has carried on N.B.F.C. business, there was no scope for conservation of energy or technology absorption.

2) Foreign Exchange Earning/Outgo  
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There was no foreign exchange earning/outgo during the year under review.

3) Public Deposit

-----  
The Company has neither accepted any deposit from Public during the year under review, nor it held any public deposit at the year end.

4) Particulars of Employees

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No employee is covered by section 217(2A) of the Companies Act, 1956.

5) Cash Flow Statement:

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The Cash flow Statement for the year ended 31st March, 2014, pursuant to clause 32 (as amended) of the Listing Agreement with Stock Exchange is annexed herewith.

**LISTING FEES :**

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The Listing fees of both The Calcutta Stock Exchange and U. P. Stock Exchange Limited for the financial year 2014-15 has been paid.

**ACKNOWLEDGEMENTS:**

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The Board wishes to place on record its deep appreciation for the whole hearted Co-operation and assistance received from the Bankers, Clients, Govt/Semi-Govt. agencies and all others associated with the Company, for support and trust reposed on it by the shareholders and for the valuable services and contributions made by the employees of the Company.

**Dated: 28.04.2014**

**For and on behalf of the Board**

**Place: Kolkata**

Sd/-  
Pradip Kumar Agarwal  
**Chairman**



# AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

ROOM # 216 & 307, 7A, BENTINCK STREET, KOLKATA - 700 001  
Phone : (O) 2243-0534, 6459-0340 (R) 3290 6661, Mobile : 98300 21767  
E-mail : rk\_agarwal@rediffmail.com

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

## AUDITORS' REPORT

### To the Members of ARC Finance Ltd.

We have audited the attached Balance Sheet of **ARC FINANCE LTD.** as at 31<sup>st</sup> March, 2014 and the related Profit & Loss Account & Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report.

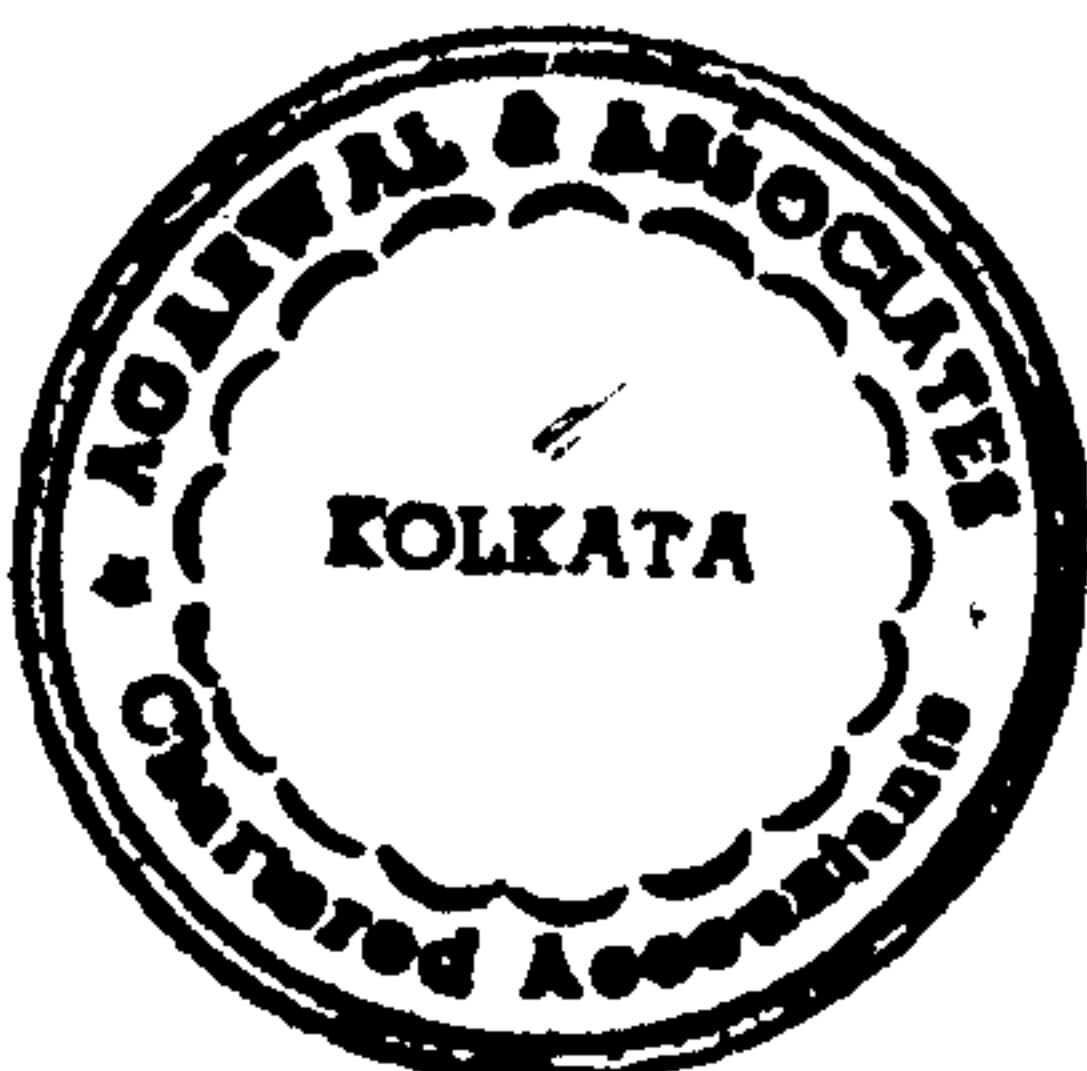
1. These Financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) order 2004, issued by the Central Govt. of India in term of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. We report that :-
  - a) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as it appears from our examination of such books.
  - c) The Balance Sheet and Profit & Loss A/c referred to in this report are in agreement with the books in account.
  - d) In our opinion, the Profit & Loss A/c & Balance Sheet comply with the mandatory accounting standards referred to in Section 211(3c) of the Companies Act, 1956 to the extent applicable.
  - e) On the basis of information made available to us, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit & Loss A/c & Cash Flow Statement read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
    - i. in the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2014.
    - ii. in so far as it relates to the Profit & Loss A/c, of the PROFIT of the Company for the year ended on that date.

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

Place : Kolkata

Dated: 28/4/14



For Agarwal & Associates  
Chartered Accountants

Raj Kumar Agarwal  
Partner

Membership No. 52130  
Firm Regn No 323210E

# AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

ROOM # 216 & 307, 7A, BENTINCK STREET, KOLKATA - 700 001  
Phone : (O) 2243-0534, 6459-0340 (R) 3290 6661, Mobile : 98300 21767  
E-mail : rk\_agarwal@rediffmail.com

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

## ARC Finance Ltd.

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

1. In respect of its fixed assets –
  - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All the assets have been physically verified by the Management during the year and there is regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No discrepancies were noticed on such verification.
  - (c) During the year, the company has not disposed off any part of its fixed Assets.
2. Being a Finance Company, the matters relating to inventory are not applicable.
3. (a) The company had taken unsecured loans from the parties covered in the register maintained under section 301 of the Companies Act. There were three such parties and amount involved was Rs 3.80 lacs.
4. (b) The rate of interest and other terms & conditions were prima facie not prejudicial to the interest of the company.
5. The company had not given unsecured loans to the party covered in the register maintained under section 301 of the Companies Act.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and purchase and sale of securities. Further on the basis of our examination of the books and records of the company and according to the information and explanation given to us we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
7. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register, have been so entered.
8. In our opinion and according to the information and explanations given to us, the company has not accepted public deposits other than temporary loan during the year. The company is a non-banking financial company registered under RBI Act and directions issued by Reserve Bank of India under the said Act have largely been complied with.
9. The company has no internal Audit System.
10. In our opinion as the company is a finance company the maintenance of cost records under section 209(1)(d) of the Companies Act is not applicable to the company.
11. According to the information and explanations given to us in respect of Statutory and other dues, it appears that the company is regular in payment of statutory and other dues and there were not any disputed statutory dues during the year.
12. The company does not have accumulated losses as at the end of the year. However, the company has not incurred any cash loss during the year. However, there was a cash loss in preceding year.
13. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to any financial institutions, banks, etc.
14. According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

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# AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

ROOM # 216 & 307, 7A, BENTINCK STREET, KOLKATA - 700 001

Phone : (O) 2243-0534, 6459-0340 (R) 3290 6661, Mobile : 98300 21767

E-mail : rk\_agarwal@rediffmail.com

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

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

Place : Kolkata

Dated: 28/4/14



For Agarwal & Associates  
Chartered Accountants

Raj Kumar Agarwal  
Partner

Membership No. 52130  
FR No 323210E



**A R C FINANCE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2014**

	<u>Note No</u>	31.03.2014	31.03.2013
<b>I. <u>EQUITY &amp; LIABILITIES</u></b>			
(1) Shareholders' Fund			
(a) Share Capital	A	4,950,000.00	4,950,000.00
(b) Reserves & Surplus	B	3,253,868.05	3,386,559.93
(2) Non-current Liabilities			
(a) Long-term Provisions	C	777,258.00	807,258.00
(3) Current Liabilities			
(a) Short-term Borrowings	D	80,000.00	-
(a) Other Current Liabilities	E	63,427.00	19,158.00
<b>TOTAL :-</b>		9,124,553.05	9,162,975.93
<b>II. <u>ASSETS</u></b>			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	F	978,824.37	1,101,603.37
(b) Non-current Investments	G	6,773,083.69	6,903,018.67
(2) Current Assets			
(a) Trade Receivables	H	777,258.00	807,362.25
(a) Cash & Cash Equivalents	I	82,188.99	75,843.64
(b) Short-term Loans & Advances	J	-	20,891.00
(c) Other Current Assets	K	513,198.00	254,257.00
<b>TOTAL :-</b>		9,124,553.05	9,162,975.93
NOTES ON ACCOUNTS	P	-	-

As per our report of even date attached to Balance Sheet

PLACE : KOLKATA

DATED : 28/4/14



For **AGARWAL & ASSOCIATES**

CHARTERED ACCOUNTANTS

*Raj Kumar Agarwal*

**RAJ KUMAR AGARWAL**

PARTNER

M No 052130

Firm Reg No 323210E

**For ARG FINANCE LIMITED**

*Anuathy*  
**Director**

**For ARG FINANCE LIMITED**

*Gopal K Singh*  
**Director**

**A R C FINANCE LIMITED**  
**PROFIT & LOSS A/c FOR THE YEAR ENDED ON 31st MARCH, 2014**

PARTICULARS	Note No	31.03.2014	31.03.2013
I Revenue from Operations	L	102,000.00	132,200.00
II Other Income	M	611,913.02	111,151.57
III Total Revenue (I+II)		713,913.02	243,351.57
IV <b>Expenses</b>			
Employee Benefit Expenses	N	184,265.00	563,355.00
Finance Cost (Interest)		900.00	1,592.00
Depreciation		122,779.00	130,894.00
Other Expenses	O	223,469.90	215,812.80
Total Expenses		531,413.90	911,653.80
V Profit (Loss) before exceptional & extraordinary items and tax (III-IV)		182,499.12	(668,302.23)
VI Exceptional Items Loss on sale of Fixed Assets			
VII Profit before extraordinary items & tax (V-VI)		182,499.12	(668,302.23)
VIII Extraordinary Items Prov. For Sub-standard, Doubtful and Loss Assets (Write-back)		30,000.00	
IX Profit before Tax		212,499.12	(668,302.23)
X Income-tax for earlier years		(345,191.00)	
XI Profit(Loss) for the year (IX-X)		(132,691.88)	(668,302.23)
XII Earnings per equity share			
(1) Basic		Negative	Negative
(2) Diluted		Negative	Negative

NOTES ON ACCOUNTS

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

PLACE : KOLKATA

DATED : 28/4/14

For AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

*Raj Kumar Agarwal*  
RAJ KUMAR AGARWAL  
PARTNER

M No 052130

Firm Reg No 323210E

**For ARG FINANCE LIMITED**

*Anshu*  
Director

**For ARG FINANCE LIMITED**

*Gopal K Singh*  
Director



**A R C FINANCE LIMITED**  
**Notes to Balance Sheet as on 31.03.14**

	31.03.2014	31.03.2013
<b>A) <u>SHARE CAPITAL</u></b>		
<u>Authorised</u>		
1000,000 Equity shares of Rs. 10/- each	10,000,000.00	10,000,000.00
<u>Issued, Subscribed &amp; Paid Up</u>		
495,000 Equity shares of Rs. 10/- each	4,950,000.00	4,950,000.00

Name of Shareholders holding 5 or more % of Share	2013 - 14		2012 - 13	
	No of Shares	% of Holding	No of Shares	% of Holding
Smt. Alka Kothari	35000	7.07	35000	7.07
M/s SK Growth Fund Pvt. Ltd.	71875	14.52	71875	14.52
Sri Ashok V. Kothari	100975	20.40	47075	9.51
Sri Jagmohan Kothari	0	0.00	53900	10.89
Sri Siddharth Kothari	45000	9.09	45000	9.09
Mrs. Deepika Maheswari	45800	9.25	45800	9.25
Smt. Kashi Devi Kothari	72400	14.63	120400	24.32
	371050	74.96	419050	84.65

<b>B) <u>RESERVES &amp; SURPLUS</u></b>		
General Reserve as per Last Account	1,456,832.00	1,456,832.00
<u>Profit &amp; Loss Account</u>		
Balance brought forward from last year	1,929,727.93	2,598,030.16
Profit (Loss) for the year	(132,691.88)	(668,302.23)
Surplus	1,797,036.05	1,929,727.93
	3,253,868.05	3,386,559.93

<b>C) <u>LONG TERM PROVISIONS</u></b>		
Provisions for Sub-standard, Doubtful and Loss Assets	777,258.00	807,258.00

<b>D) <u>SHORT TERM BORROWINGS</u></b>		
Unsecured Loan from Director, Deepika Maheswari	80,000.00	

<b>E) <u>OTHER CURRENT LIABILITIES</u></b>		
Liability for Expenses	63,427.00	11,177.00
Income-tax Payable	-	6,389.00
Interest Payable	-	1,592.00
	63,427.00	19,158.00

**F) FIXED ASSETS** AS PER SEPARATE SHEET ATTACHED



**For ARG FINANCE LIMITED**

*anuraj*  
**Director**

**For ARG FINANCE LIMITED**

*Uopal K Singh*  
**Director**

**A R C FINANCE LIMITED**

( ACCOUNTING YEAR :: 2013 - 14 )

**SCHEDULE : F**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRICIATION			NET BLOCK		
	Balance as on 31.03.13	Addition	Deduction	Balance as on 31.03.14	Addition	Deduction	Balance as on 31.03.14	Balance as on 31.03.13	
Office Equipments	50,118.00	-	-	50,118.00	21,002.55	-	22,960.55	27,157.45	29,115.45
Furniture & Fixtures	457,608.92	-	-	457,608.92	190,267.00	-	216,638.00	240,970.92	267,341.92
Computers	96,577.00	-	-	96,577.00	93,960.00	-	96,577.00	-	2,617.00
Vehicles	2,235,654.00	-	-	2,235,654.00	1,498,484.00	-	1,586,039.00	649,615.00	737,170.00
Airconditioner	90,066.00	-	-	90,066.00	24,707.00	-	28,985.00	61,081.00	65,359.00
<b>TOTAL :-</b>	<b>2,930,023.92</b>	<b>-</b>	<b>-</b>	<b>2,930,023.92</b>	<b>1,828,420.55</b>	<b>-</b>	<b>1,951,199.55</b>	<b>978,824.37</b>	<b>1,101,603.37</b>



**For ARC FINANCE LIMITED**

*Authy*

**Director**

**For ARC FINANCE LIMITED**

*Gopal Kossingh*

**Director**



G) NON CURRENT INVESTMENT  
OTHER THAN TRADE INVESTMENT

As on 31.03.14

As on 31.03.13

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

Sub-Total (a) :- 6,401,177.96 6,401,177.96

(b) <u>MUTUAL FUND</u>	<u>Face Value</u>	<u>As on 31.03.14</u>		<u>As on 31.03.13</u>	
		<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
ICICI Pru Income Plan Gr	10	-	-	9,432.684	301,840.71
ICICI Pru Flexi Income Gr	10	767.706	171,905.73	-	-

Sub-Total (b) :- 767.706 171,905.73 9,432.684 301,840.71

(c) <u>UNQUOTED SHARE</u>	<u>Face Value</u>	<u>As on 31.03.14</u>		<u>As on 31.03.13</u>	
		<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
S. K. Growth Fund Pvt. Ltd.	10	30,000	200,000.00	30,000	200,000.00

At Cost Sub-Total (c) :- 200,000.00 200,000.00

Grand Total (a+b+c) : 6,773,083.69 6,903,018.67

Aggregate Market Value of Quoted Investments

QUOTED SHARE	1,157,531	1,390,839
MUTUAL FUND	184,771	350,042

H) TRADE RECEIVABLES

Stock on Hire Purchase Finance (Value at Hire Receivable)

(Secured against vehicle financed)

Considered Good

Considered Doubtful

Other Unsecured Debtors

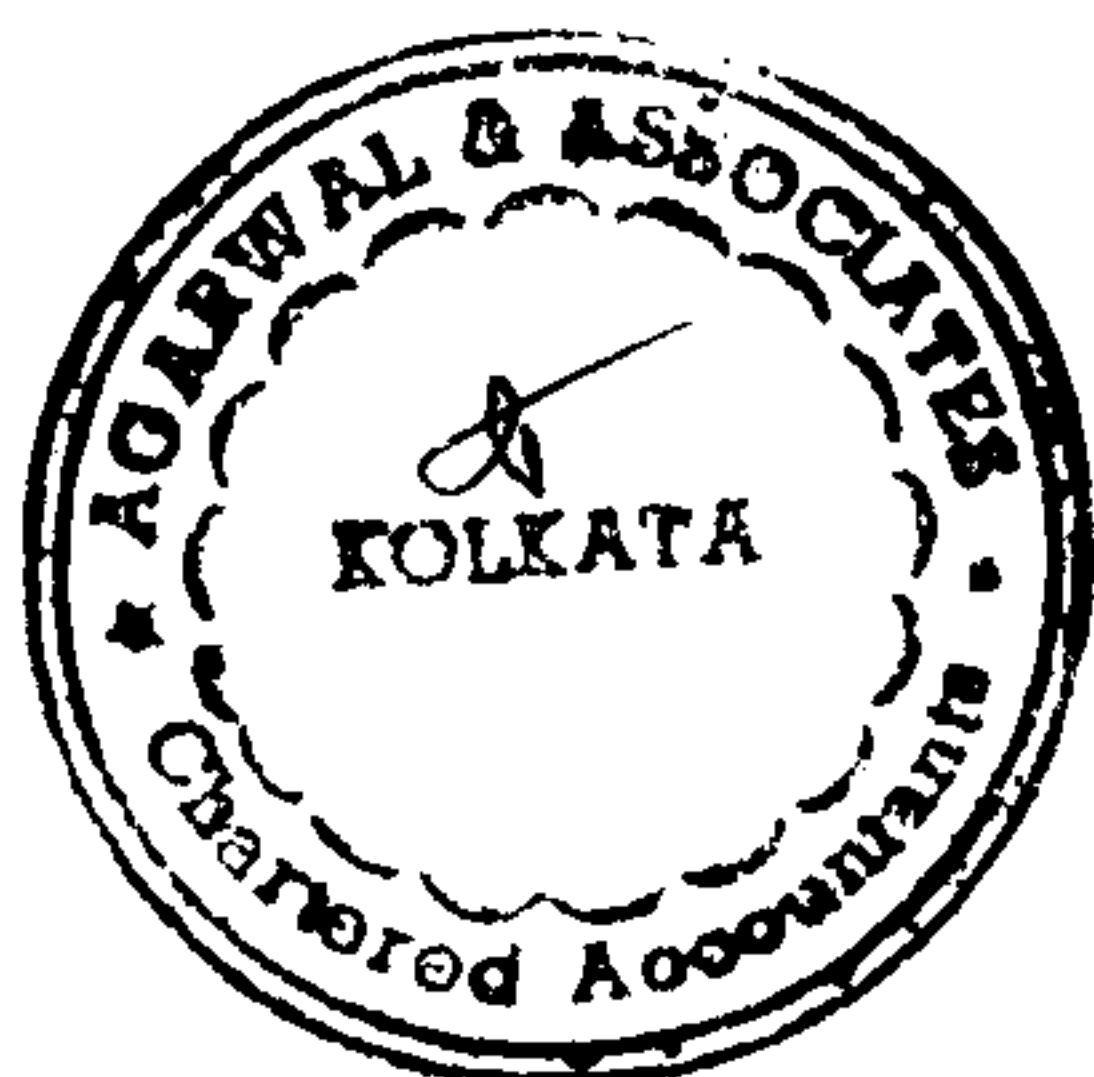
-	-
777,258.00	807,258.00
-	104.25
777,258.00	807,362.25

I) CASH & CASH EQUIVALENT

Balance with Banks in Current A/c

Income-tax Seizure

82,188.99	2,840.64
-	73,003.00
82,188.99	75,843.64



For ARG FINANCE LIMITED

anathy  
Director

For ARG FINANCE LIMITED

Unopal ka singh  
Director



J)	<u>SHORT TERM LOANS &amp; ADVANCES</u>	
	Advances to Staff	18,391.00
	Advance against Exp (P. K. Jain)	2,500.00
	Advance against Expenses (V. K. Tiwary)	-
		20,891.00
K)	<u>OTHER CURRENT ASSETS</u>	
	Interest Receivable	13,198.00
	Commission Receivable	450,000.00
	Income-tax Advances & T.D.S.	50,000.00
		254,257.00
		254,257.00

**Notes to Profit & Loss Account for the year ended 31.03.14**

L)	<u>Revenue from Operations</u>	
	H P Interest	30,000.00
	Lease Rent	72,000.00
		102,000.00
M)	<u>Other Income</u>	
	Profit on sale of Investments	70,065.02
	Dividend	22,650.00
	Interest	19,198.00
	Commission Income	500,000.00
	Share Difference	-
		104.25
		111,151.57
N)	<u>Employee Benefit Expenses</u>	
	Salary (Including Leave Salary)	136,845.00
	Transport allowance	10,800.00
	Children Benefit	3,600.00
	House Rent Allowance	27,000.00
	Staff Welfare	6,020.00
	Bonus & Exgratia	-
		20,000.00
		563,355.00



**For ARG FINANCE LIMITED**

*anvithy*

**Director**

**For ARG FINANCE LIMITED**

*Gopal ke Singh*

**Director**

O) ADMINISTRATIVE & GENERAL EXPENSES

Office Rent	-	42,000.00
Insurance	12,472.00	16,068.00
General Charges	2,500.00	-
Rates & Taxes	24,672.80	21,147.80
Advertisement	4,330.00	2,648.00
Audit Fees	8,427.00	8,427.00
Bank Charges	200.00	313.00
Motor Car Expenses	40,933.00	60,802.00
Telephone Charges	11,262.00	22,549.00
Depository Charges	1,561.10	1,062.00
Professional Charges	62,750.00	24,750.00
Office Expenses	-	3,123.00
Office Maintenance	19,229.00	12,236.00
Travelling & Conveyance	-	400.00
Postage & Telegraph	900.00	60.00
Printing & Stationary	-	227.00
Penalty & Fine	34,233.00	-
	<u>223,469.90</u>	<u>215,812.80</u>



**For ARG FINANCE LIMITED**

*anathy*  
**Director**

**For ARG FINANCE LIMITED**

*Govind K. Singh*  
**Director**

## ARC FINANCE LIMITED

P. NOTES ON ACCOUNTS  
ANNEXED TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH, 2014.

### P) Significant Accounting Policies

1) **Basis of Accounting**

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

2) **Investments**

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

3) **Fixed Assets**

- a) Fixed Assets are stated at historical cost less Accumulated depreciation in the financial statements.
- b) Additions & Disposals during the accounting period have been disclosed. Gross book values at the beginning and end of the accounting period have been disclosed in the financial statements.
- c) There has been no revaluation of fixed assets during the accounting year.

4) **Depreciation :**

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

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

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

6) **Congingent Liabilities**

- a) Contingent Liabilities have been accounted for according to the guidelines prescribed by the ICAI. However, any gain of such nature has not been recognised.
- b) Cash Flow Statement is prepared under Indirect Method.

7) **Taxes on Income**

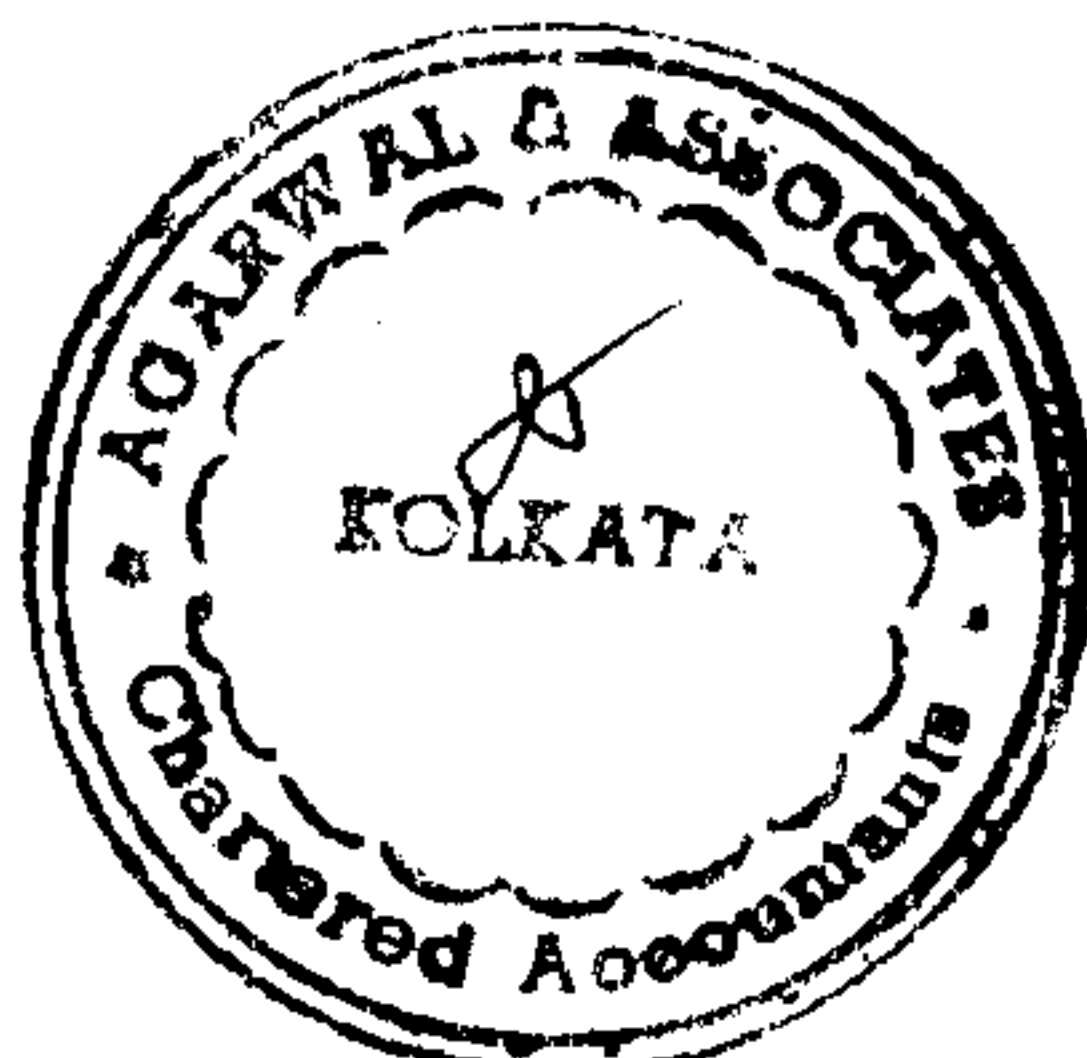
Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversa

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

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

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

contd...



**For ARC FINANCE LIMITED**

*anurag*  
**Director**

**For ARC FINANCE LIMITED**

*Uopal Singh*  
**Director**

contd.....

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

	Standard	Sub-standard	Doubtful Assets	Loss Assets	Total
Stock on Hire purchase finance	-	-	-	777,258	777258

V) Stock on Hire of Rs.777,258/- has become Non-Performing Assets and so no interest has been accrued on such SOH given.

VI) Related Parties with Transactions with them

KEY MANAGEMENT

MR. ASHOK VARDHAN KOTHARI DIRECTOR

PERSONNEL

MR. SIDDHARTH KOTHARI - DO - (UPTO 5th Feb 2014)

SMT. DEEPIKA MAHESWARI - DO -

SMT. KASHI DEVI KOTHARI - DO -

ASSOCIATE

S.K. INVESTMENT

A partnership Firm in which Director is partner

S. K. GROWTH FUND PVT. LTD.

Company under the same group.

Directors' Relative

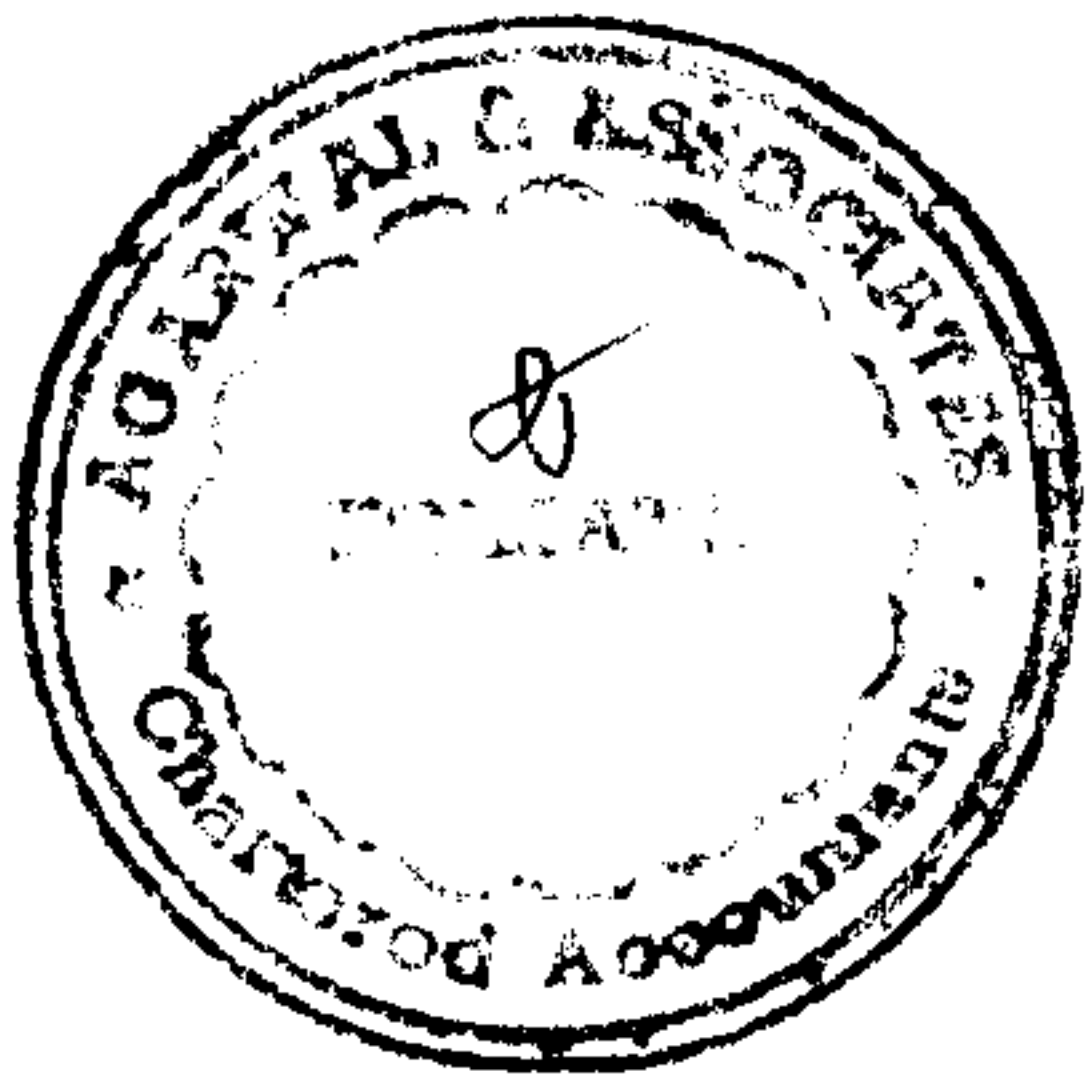
SMT. ALKA KOTHARI

Wife of Director, Ashok Vardhan Kothari

<u>Nature of Transaction</u>	<u>Nature of Relations</u>	<u>Cr. Year</u>	<u>Pr. Year</u>
Salary & Allowance	Directors Relative	0	158600
Rent Paid	Directors	0	42000
Loan Taken	- do -	380000	765000
Loan taken refunded	- do -	300000	765000
Interest paid on above loan	- do -	0	1592
Lease Rent Received	Associates	72000	72000

VII) Professional Charges include payment to Auditors as retainership & for certification for Rs 30,000/- (P.Y. 20000/-)

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



DIRECTORS

**For ARG FINANCE LIMITED**

*anathy*

**Director**

**For ARG FINANCE LIMITED**

*Chopal K Singh*

**Director**

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

RBI CERTIFICATE NO.- 0501915 dt.30.04.1998

<u>Item Name</u>	<u>Item Code</u>	<u>As on 31-03-2014</u>	<u>As on 31-03-2013</u>
Capital Fund-Tier I			
( I ) Paid up Equity Capital	001	4,950,000	4,950,000
( ii ) Preference Shares to be compulsorily converted into equity	002	Nil	Nil
(iii) Free Reserves			
(a) General Reserve	003	1,456,832	1,456,832
(b) Share Premium	004	Nil	Nil
(c) Capital Reserve(Representing Surplus on sale of assets)	005	Nil	Nil
(d) Debenture Redemption Reserve	006	Nil	Nil
(e) Capital Redemption Reserve	007	Nil	Nil
(f) Credit Balance in P&L Account	008	1,797,036	1,929,728
(g) Other free Reserve	009	Nil	Nil
TOTAL(1 to 9)	010	8,203,868	8,336,560
(iv) Accumulated Loss	011	Nil	Nil
(v) Deferred Revenue Expenditure	012	Nil	Nil
(vi) Other intangible assets	013	Nil	Nil
(vii) Short provisioning against NPA/ diminution in value of investments	014	Nil	Nil
TOTAL L(11to 14)	015	Nil	Nil
(ix) Owned Fund (10-15)	016	8,203,868	8,336,560
(x) Investment in Shares of			
(a) Subsidiaries	017	Nil	Nil
(b) Companies in the same group	018	200000	200000
(c) Other NBFC'S	019	Nil	Nil
(xi) The book value of debenture,bonds Outstanding loans and advances, bills Purchased and discounted (HP and Lease) made to and deposit with			
(a) Subsidiaries	020	Nil	Nil
(b) Companies in the same group	021	Nil	Nil
(xii) TOTAL(17 to 21)	022	200,000	200,000
(xiii) Amount of item 22 in excess of 10% of item 16 above	023	Nil	Nil
(xiv) Net Owned Fund (16-23)	024	8,203,868	8,336,560

Place : Kolkata

Dated :

Signature of the Director with seal



**For ARC FINANCE LIMITED**

*anurthy*  
Director

**For ARC FINANCE LIMITED**

*Chopal ke singh*  
Director