



ARC FINANCE LIMITED

Date: 24/09/2019

To,
The Bombay Stock Exchange Limited,
PJ Towers, Dalal Street
Mumbai- 400 001

To,
**The Calcutta Stock Exchange
Limited**
7, Lyons Range,
Kolkata- 700 001

Sub: Regulation 34 of SEBI (LODR) Regulations, 2015

Ref.: Script Code: BSE-540135; CSE: 011278

With reference to above mentioned subject, please find herewith attached copy of Annual Report of the Company for the year ended 31st March, 2019.

Kindly take the same on your record.

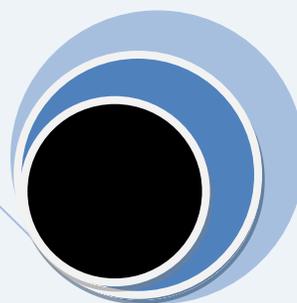
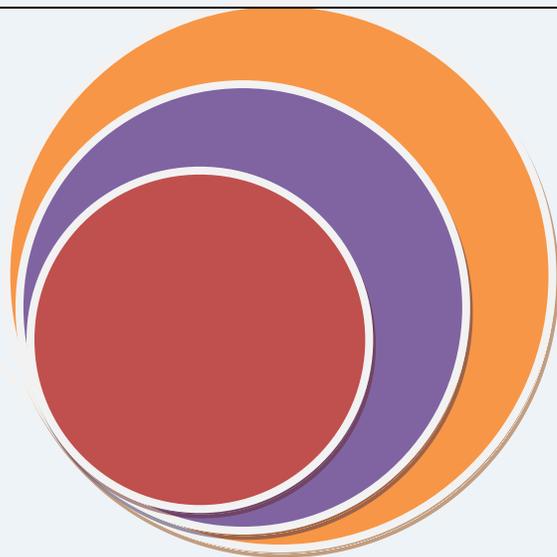
Thanking you.
Yours Faithfully,
For ARC Finance

Khushboo Guptas

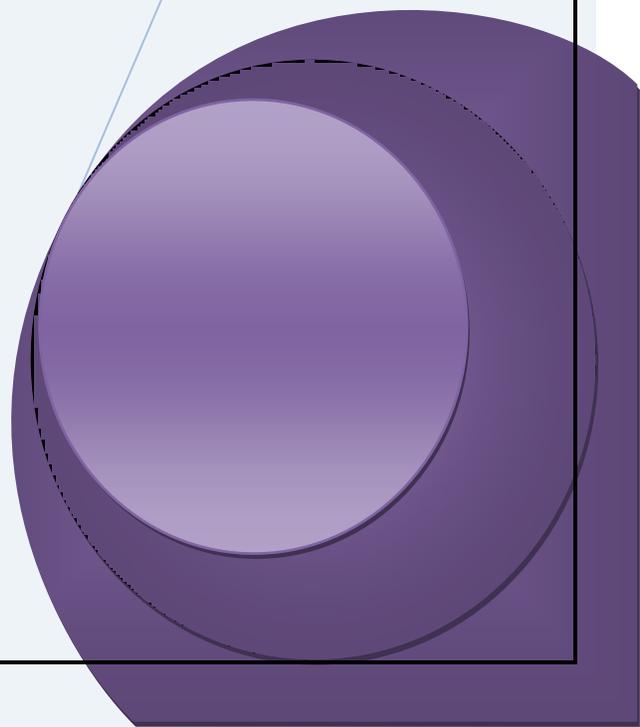


KHUSHBOO GUPTAS
Company Secretary
Membership No.: A45609

***ARC FINANCE
LIMITED***



**37TH ANNUAL REPORT
2018-19**



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dinesh Agarwal	- Non- Independent & Executive Director (DIN: 08394760)
Mr. Virendra Kr Soni	- Non- Independent & Executive Director (DIN: 08554333)
Mr. Asis Banerjee	- Independent Director & Non Executive (DIN: 05273668)
Mr. Gopal Kumar Singh	- Independent Director & Non Executive (DIN: 06739896)
Mrs. Aparna Sharma	- Independent Director & Non Executive (DIN: 07006877)

CHIEF FINANCIAL OFFICER - Mr. Dinesh Agarwal

COMPANY SECRETARY - Ms. Khushboo Gupta

REGISTERED OFFICE

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

AUDITORS

For SANJEEV NAVIN & ASSOCIATES
Chartered Accountants
FRN No. 326800E
1/58B, Ashok Nagar, Regent Park
Kolkata-700 040
Mob: 9820738404
Email: casditya22@gmail.com

BANKERS

Indusind Bank Ltd.

CORPORATE IDENTITY NUMBER: L51909WB1982PLC035283

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Asis Banerjee	-	Chairman
Mr. Gopal Kumar Singh	-	Member
Mr. Dinesh 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 BSE Limited, CSE 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 37th Annual General Meeting of the Shareholders of **M/s ARC Finance Limited** will be held on Saturday, 28th day of September, 2019 at 10:00 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, 2019, 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 reappoint M/s. SANJEEV NAVIN & ASSOCIATES, Chartered Accountants, as Statutory Auditor of the Company for the F.Y 2018-19 to hold the office from the conclusion of this Annual General Meeting until the conclusion of the fifth Annual General Meeting (AGM) of the company .

“**RESOLVED THAT** pursuant to the provision of section 139 and other applicable provision, if any of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and auditors) Rules, 2014 as may be applicable M/s. SANJEEV NAVIN & ASSOCIATES, Chartered Accountants (ICAI Firm Registration no. 328800E), be appointed as statutory auditors of the company to hold office from the conclusion of this Meeting until the conclusion of the fifth Annual General Meeting (AGM) of the company subject to ratification of the appointment at every AGM at a remuneration (including term of payment) to be fixed by the board of Direction of the company, plus service tax and such other tax(es), as may be applicable & reimbursement of all out-of-pocket expenses in connection with the audit of the accounts 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.”

SPECIAL BUSINESS:

Item No.3 – Regularization of Director

To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution for Regularization of Additional Directors:

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment for the time being in force), **Mr. Dinesh Agarwal (DIN: 08394760)**, who was appointed as an Additional Director of the Company with effect from **April 17th, 2019**, and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of Director

of the Company, be and is hereby appointed as a Non - Independent Executive Director of the Company for a period of 5 years .

Item No.4 – Regularization of Director

To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution for Regularization of Additional Directors:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment for the time being in force), **Mr. Virendra kr Soni (DIN: 08554333)**, who was appointed as an Additional Director of the Company with effect from **September 05th, 2019**, and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non – Independent Executive Director of the Company for a period of 5 years .

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution for Borrowing the money:

“**RESOLVED** that pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), 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, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 75 Crores (Both funded and non-funded) at any one point of time”

RESOLVED FURTHER THAT the Board of Director be and is hereby authorized to negotiate limits with the Bankers for availing the funded and non-funded bank limits (including guarantees facilities), determine the terms and conditions including fixing the rate

of interest, tenor etc. for each borrowing and for such purpose create and place fixed deposits as collateral execute loan agreement, Demand promissory Notes, Pledge/ Hypothecation agreement, and other documents and deeds, receipts, acknowledgements and discharge in connection with the borrowings of the Company within the funded and non-funded borrowing limits as prescribed above.

RESOLVED FURTHER THAT the authority be and is hereby granted to issue short term and long term debt instruments of the Company, including by way of issue of Debentures or such other instruments like commercial papers etc. in one or more tranches, such that the total outstanding borrowing by way of issue of such instruments outstanding at any one point of time shall not exceed aforesaid limit.

RESOLVED FURTHER THAT Board of Directors of the company be and is hereby authorized to do all such acts deeds and things as may be necessary in this regard including but not limited to the delegation of powers to any director or committee of directors or any others person as it may deem fit subject to the provision of the Companies Act, 2013.”

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution for increasing the Loan and investment limits:

“RESOLVED THAT pursuant to provision of Section 186 and other applicable provision of the Companies Act, 2013, if any, and in supersession of the earlier resolution passed with regard to Loan and investment activity of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to

1. Make loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;
2. give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by anybody corporate; and

3. Acquire by way of subscription, purchase or otherwise the securities of any other body corporate, in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs. 80 Crores,

RESOLVED FURTHER THAT Board of Directors of the company be and is hereby authorized to do all such acts deeds and things as may be necessary in this regard including but not limited to the delegation of powers to any director or committee of directors or any others person as it may deem fit subject to the provision of the Companies Act, 2013.

Date: 05.09.2019
Place: Kolkata

For and on behalf of the Board
ARC Finance Limited

Sd/-
Asis Banerjee
Chairman

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 21st September, 2019 to 28th September, 2019 (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 dematerialized 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.

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.

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.)

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.

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.

7. 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.
8. 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.
9. 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.
10. Electronic copy of the Annual Report for 2018-2019 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 2018-2019 is being sent in the permitted mode.
11. Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for 2018-19 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.

12. 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 20.09.2019, 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 Wednesday 25th day of September, 2019 and will end at 5.00 p.m. on Friday 27th day of September, 2019. 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, (CP NO. 16313) 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:

- 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 Corporate.

- 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 20.09.2019. 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 Wednesday 25th day of September, 2019 and will end at 5.00 p.m. on Friday 27th day of September, 2019. 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 37th 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
13. 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 20.09.2019.
14. 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.

15. 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.

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

**Place: Kolkata
Date: 05.09.2019**

**Sd/-
Asis Banerjee
Chairman**

EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3; 4 5 & 6 of the accompanying Notice:

ITEM No. 3:

Appointment of Non Independent Director:

The Board of Directors based on the recommendation of Nomination and Remuneration Committee had appointed Mr. Dinesh Agarwal (DIN: 08394760) Additional Director w.e.f 17th April, 2019. In the opinion of the Board, Mr. Dinesh Agarwal fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Non-Independent Executive Director. Copy of draft Letter of Appointment of Mr. Dinesh Agarwal as a Non Independent Executive Director setting out terms and conditions would be available for inspection without any fee for the members at the corporate office of the company during 11.00 A.M. to 1.00 P.M. on all working days.

The Board considered that his association would be of immense benefit to the Company and is desirable to avail services of Mr. Dinesh Agarwal as a Non Independent Executive Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dinesh Agarwal as a Non Independent Executive Director, for the approval by the shareholders of the Company.

Mr. Dinesh Agarwal may be deemed to be concerned or interested in the resolution relating to his appointment.

The Board recommends this Resolution for your approval.

ITEM No. 4:

Appointment of Non Independent Director:

The Board of Directors based on the recommendation of Nomination and Remuneration Committee had appointed Mr. Virendra kr. Soni (DIN: 08554333) Additional Director w.e.f 05th September, 2019. In the opinion of the Board, Mr. Virendra kr. Soni fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Non-Independent Executive Director. Copy of draft Letter of Appointment of Mr. Virendra kr. Soni as a Non Independent Executive Director setting out terms and conditions would be available for inspection without any fee for the members at the corporate office of the company during 1.00 P.M. to 03:00 P.M. on all working days.

The Board considered that his association would be of immense benefit to the Company and is desirable to avail services of Mr. Virendra kr. Soni as a Non Independent Executive Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Virendra kr. Soni as a Non Independent Executive Director, for the approval by the shareholders of the Company.

Mr. Virendra kr. Soni may be deemed to be concerned or interested in the resolution relating to his appointment.

The Board recommends this Resolution for your approval.

For Item No. 5:

Section 180 (1) (c) of the Companies Act, 2013 permits the Company to borrow money along with the money already borrowed by the Company, except the temporary loans obtained from the Companies banker in ordinary course of business, beyond the paid –up capital and free reserve of the Company, only if the same is approved by the Members of the Company.

Hence, members of the Company are requested to give their approval to borrow the money along with the money already borrowed by the Company in excess of its paid –up capital and free reserve i.e. Up to Rs. 75 Crores.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution except to the extent of their shareholding, if any, in the Company.

For Item No. 6:

Section 186 of the Companies Act, 2013 permits the Company to invest the surplus funds of the Company in shares and securities of the any other body corporate in excess of the 60% of the aggregate of the paid-up share capital and free reserves and securities premium account of the Company or 100% of its free reserves and securities premium account of the Company, whichever is more, if the same is approved by the members of the Company.

Hence, members of the Company are requested to give their approval to invest the surplus funds of the Company in excess of the Hundred per cent of its free reserves and securities premium account of the Company.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution except to the extent of their shareholding, if any, in the Company.

ANNEXURE: NOTE NO. 3 & 4

PARTICULARS OF MANAGING DIRECTOR SEEKING APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING AS PER THE REQUIREMENT OF REGULATION 27(2) THE LISTING AGREEMENT

Appointment of Non Independent Director:

Name	Mr Dinesh Agarwal	Mr Viredra kr Soni
Date of Birth	05/07/1965	15/01/1977
Nationality	Indian	Indian
Designation	Non Independent Executive Director	Non-Independent Executive Director
Expertise	He is a XII passed and has vast experience in the field of Marketing & finance.	He is a XII passed and specialise in Accounting & Taxation
Date of Appointment	17/04/2019	05/09/2019
Shares held in the Company	NIL	NIL
Names of the Companies in which Directorship held	NIL	NIL
Membership of Committees of the Board	NIL	NIL
Disclosure of relationships between Directors inter-se and other Key Managerial Personnel	None	None
Terms and conditions of appointment / re-appointment	For 5 years	For 5 years
Number of Board Meetings attended during the year (2018-19)	NA	NA

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

**Place: Kolkata
Date: 05.09.2019**

**Sd/-
Asis Banerjee
Chairman**

BOARD'S REPORT**To****The Members,**

The Directors have pleasure in presenting before you the 37th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

1. FINANCIAL PERFORMANCE OF THE COMPANY

The performance during the period ended 31st March, 2019 has been as under:

<i>Particular</i>	<i>2018-19</i>	<i>2017-18</i>
Total Income	462.86	609.22
Total Expenditure	522.23	588.72
Profit/(Loss) Before Tax	(59.36)	20.50
Provision for Tax	---	5.57
Profit after Tax	(59.36)	14.94
Transfer to Statutory Reserves	---	---
Profit available for appropriation	---	14.94
Provision for Proposed Dividend	---	---
Provision for Dividend Tax	---	---
Balance Carried to Balance Sheet	(59.36)	14.94

(Rs. In Lakhs)

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.

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:

With a view to conserve resources for working capital requirements and rising capital expenditure, directors considered it prudent not to recommend any dividend for the year under review.

5. CHANGE IN SHARE CAPITAL:

The paid-up Equity Share Capital of the Company as at 31st March, 2019 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 **5 (Five)** times on 24.05.2018, 14.08.2018, 04.09.2018, 10.11.2018 and 08.02.2019 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:

- **Mr. Pradip Kumar Agarwal** was resigned & **Mr. Ramawtar Gupta** was appointed as director of the company w.e.f. 04th September, 2018.
- **Mr. Pawan Dalmia** resigned as the Company Secretary and Compliance Officer w.e.f. 08th February, 2019 due to pre-occupied schedule and **Ms. Khushboo Gupta** was appointed as the Company Secretary and Compliance Officer.
- **Mr. Ramawtar Gupta** (DIN: **06365578**), resigned as Non-Independent Executive director of the company due to occupancy of other business and **Mr. Dinesh Agarwal** (DIN: **08394760**), was appointed as Non-Independent Executive director of the company w.e.f. 17th April, 2019.
- **Mr. Virendra Kumar Soni** (DIN: **08554333**) was appointed as a Non-Independent Executive director of the company w.e.f. 05th September, 2019.

Apart from above, 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.

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 fulfil 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 independent 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 Office 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

2.1.4 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. 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:

Your Company has adopted an Ombuds process as a channel for receiving and redressing complaints from employees and Directors, as per the provisions of Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. Under this policy, your Company encourages its employees to report any fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, 37th Annual Report 2018-19 if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. Mechanism followed under Ombuds process is appropriately communicated within the Company across all levels and has been displayed on the Company's intranet and website at www.arcfinance.com

12. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3) (c) OF THE COMPANIES ACT, 2013

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 2018-19. 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. 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 Akhil Agarwal, Practicing Company Secretary to undertake the Secretarial Audit of the Company. Report of the Secretarial Audit in **Form MR-3** for the financial year ended March 31, 2019 is enclosed as **Annexure A** to the Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

16. 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 B**)

17. STATUTORY AUDITORS:

“RESOLVED THAT pursuant to the provision of section 139 and other applicable provision, if any of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and auditors) Rules, 2014 as may be applicable **M/s. SANJEEV NAVIN & ASSOCIATES**, Chartered Accountants (ICAI Firm Registration no. **326800E**), be appointed as statutory auditors of the company to hold office from the conclusion of this Meeting until the conclusion of the fifth Annual General Meeting (AGM) of the company subject to ratification of the appointment at every AGM at a remuneration (including term of payment) to be fixed by the board of Direction of the company, plus service tax and such other tax(es), as may be applicable & reimbursement of all out-of-pocket expenses in connection with the audit of the accounts 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.”

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, 2019 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 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

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. INTERNAL FINANCIAL CONTROLS AND AUDIT

Adequacy of Internal Financial Controls:

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures 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 disclosures.

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 IndusInd 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 Cr. or more, or turnover of Rs. 1000 Cr. or more, or a net profit of Rs. 5 Cr. 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 08.02.2019 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 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 Asis Banerjee, 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 Ltd. and BSE Ltd.

30. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to The Bombay Stock Exchange Limited where the Company's Shares are listed but The CSE Limited are paid due to not received any invoice from that Stock Exchange.

31. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Corporate Governance refers to a set of systems, procedures and practices which ensure that the company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability and independence. 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. 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

During the year under review the company has complied with the rules, regulations, guidelines, standards etc. Mentioned below:

- The Secretarial standards w.r.t. Meetings of Board of directors (SS-1) and General Meeting (SS-2) issued by The Institute of company Secretaries of India.
- The Securities and Exchange Board of India (Listing obligations and Disclosures Requirement) regulations, 2015.

34. 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

35. 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.

36. CEO/ CFO CERTIFICATION

The Chief Executive Officer and Chief Financial Officer Certification as required under Regulation 17(8) read with Part B of Schedule II of the SEBI(LODR) Regulation, 2015 have been appended to this report in **Annexure-"C"**.

37. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The Disclosure pertaining to remuneration and other details as required under the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 forms part of the Directors Report and marked as **Annexure-"D"**.

During the period under review, No employee of the Company drew remuneration in excess of the limits specified under the provisions of section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no disclosure is required to be made in the Annual Report.

38. 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

39. 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, NSDL, CDSL, HDFC Bank and Indusind Bank etc. for their continued support for the growth of the Company.

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

**Place: Kolkata
Date: 05.09.2019**

**Asis Banerjee
Chairman**

ANNEXURE "A" TO BOARD'S REPORT

FORM MR -3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
ARC Finance Limited
18, Rabindra Sarani, Poddar Court,
Gate No. 4, 4th Floor, Room No.3,
Kolkata-700001

I 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). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has , during the audit period covering the financial year ended on **March 31, 2019** complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- (**Not Applicable to the Company during the Audit Period**).
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-*(as the company has not issued any shares during the financial year under review; the said regulations was not applicable to the Company);*
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993- *(as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review, the said regulation are not applicable to the company);*

- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – *(The equity shares of the company are neither delisted nor proposed to be delisted. Hence the provision of said regulation are not applicable to the company);*
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – *(The Company has not bought back or propose to buy-back any of its securities during the year under review, the said regulation are not applicable to the company ;)*
- g) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- *(as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review, the said regulation was not applicable to the company);*

I have also examined compliance with the applicable clauses of the following:-

- Secretarial Standards with respect to Meeting of Board of Director(SS-1), General Meeting (SS-2) and Dividend (SS-3) issued by The Institute of Company Secretaries of India related to Board meetings, General Meeting and Dividend;
- The Listing Regulations Issued by the SEBI i.e. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Further based on my 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 course and conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with proper Board-processes and compliance mechanism in place to the extent, in the manner as required under the various provisions of Companies Act, 2013, SEBI Act, 1992 and all other laws and applicable provisions there under mentioned above, subject to the following observations;

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Proper notice is given to all Directors to schedule the Board meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations

and guidelines except granting of Loans and scale of operation over purchase and sale of shares, inventory and for expenses incurred.

I further Inform/report that during the year under review, the following events or actions had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

I further report that:

- During the audit period, there were no instances of:
 - (i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity.
 - (ii) Redemption/buy-back of securities.
 - (iii) Merger/ amalgamation/ reconstruction etc.
 - (iv) Foreign technical collaborations

Note: This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

For Akhil Agarwal
Practicing Company Secretary
CP No.: 16313

Akhil Agarwal
Proprietor
ACS No. 35073

Place: Kolkata
Date: 26/08/2019

“ANNEXURE-1”

To,
The Members,
ARC Finance Limited
18, Rabindra Sarani, Poddar Court,
Gate No. 4, 4th Floor, Room No.3,
Kolkata-700001

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

1. Maintenance of Secretarial records 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 contents of the Secretarial records. The verification was done on the 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 of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Akhil Agarwal
Practicing Company Secretary
CP No.: 16313

Akhil Agarwal
Proprietor
ACS No. 35073

Place: Kolkata
Date: 26/08/2019

ANNEXURE "B" TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i	CIN	:	L51909WB1982PLC035283
ii	Registration Date	:	23-Sep-1982
iii	Name of the Company	:	ARC FINANCE LTD
iv	Category of the Company	:	Public company
v	(a) Address of the Registered office	:	18, Rabindra Sarani Poddar Court, Gate No. 4, 4th Floor, Room No - 3, Kolkata - 700001.
	(b) Contact details	:	Email : arcfinancelimited@gmail.com
vi	Whether listed company	:	YES
vii	Name and Address and Contact detail of Registrar & Transfer Agents, if any	:	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

II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Financial Service	997155	61.90%
2.	Trade	996115	38.10%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Nil				

Note: Section 2(87) is for Subsidiary company, Section 2(6) is for Associate Company

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6,071,875	-	6,071,875	12.02%	6,071,875	-	6,071,875	12.02%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total A1:-	6,071,875	-	6,071,875	12.02%	6,071,875	-	6,071,875	12.02%	-
(2) Foreign									
a) NRI - Individual/	105	-	105	0.00%	105	-	105.00	0.00	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total A2:-	105	-	105	0.00	105	-	105.00	0.00	-
Total shareholding of Promoter (A) = A1+A2	6,071,980	-	6,071,980	12.02%	6,071,980	-	6,071,980	12.02%	-
B. Public Shareholding									

1. Institution										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
Sub-total B1:-	-	-	-	-	-	-	-	-	-	-
2. Non-Institution										
a) Bodies Corp.		-	-	-	-	-	-	-	-	-
i) Indian	40,359,580	-	40,359,580	79.93%	40,359,580	-	40,359,580	79.93%	0.00%	
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals				-				-	-	
i) Individual shareholders holding [nominal share capital upto Rs. 2 lakh	314,042	-	314,042	0.62%	314,042	-	314,042	0.62%	0.00%	
ii) Individual shareholders holding nominal share	3,749,398	-	3,749,398	7.43%	3,749,398	-	3,749,398	7.43%	0.00%	

capital in excess of Rs 2 lakh									
c) Others (specify)	-	-	-	-	-	-	-	-	0.00%
Sub-total (B)(2):-	44,423,020	-	44,423,020	87.98%	44,423,020	-	44,423,020	87.98%	0.00%
Total Public Shareholding (B)	44,423,020	-	44,423,020	87.98%	44,423,020	-	44,423,020	87.98%	0.00%
				-					
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Total of share held by Custodian (C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	50,495,000	-	50,495,000	100%	50,495,000	-	50,495,000	100%	0.00%

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year [As on 1-April-2018]			No. of Shares held at the end of the year [As on 31-March-2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	S K Growth Fund Pvt. Ltd.	71,875	0.14%		71,875	0.14%		
2	Vaibhavlaxmi Vanijya Private Limited	6,000,000	11.88%		6,000,000	11.88%		
	Total	6,071,875	12.02%		6,071,875	12.02%		

iii Change in Promoters' Shareholding

S r. N o.	Shareholder's Name	Shareholding				Date	Increase / Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares held at the beginning of the year [As on 1-April-2018]	% of total Shares of the company	No. of Shares held at the end of the year [As on 31-March-2019]	% of total Shares of the company				No. of Shares	% of total Shares of the company
		-	-	-	-	-	-	-	-	-
	Total									

Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDR's and

iv ADR's)

S r. N o.	Shareholder's Name	Shareholding				Date	Increase / Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares held at the beginning of the year [As on 1-April-2018]	% of total Shares of the company	No. of Shares held at the end of the year [As on 31-March-2019]	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	DEVESHWAR REALTY PRIVATE LIMITED	250000	4.95%	2500000	4.95%					
2	SUBHLABH TRADEVIN PRIVATE LIMITED	250000	4.95%	2500000	4.95%					
3	NATRAJ FINANCIAL MANAGEMENT PRIVATE LIMITED	250000	4.95%	2500000	4.95%					
4	DHANSAKTI SUPPLIERS PRIVATE LIMITED	250000	4.95%	2500000	4.95%					

5	SUNFLOWER INVESTMENT MANAGEMENT PRIVATE LIMITED	2500000	4.95%	2500000	4.95%				
6	INDIVAR REALTORS PRIVATE LIMITED	2420000	4.79%	2420000	4.79%				
7	MAADHAWA REALPRO PRIVATE LIMITED	2380000	4.71%	2380000	4.71%				
8	FASTFLOW FINANCIAL ADVISORY PRIVATE LIMITED	2000000	3.96%	2000000	3.96%				
9	AASTHA VANIJYA PRIVATE LIMITED	2000000	3.96%	2000000	3.96%				
10	ARROWSPACE ADVISORS PRIVATE LIMITED	2000000	3.96%	2000000	3.96%				
	Total	23,300,000	46.14%	23,300,000	46.14%				

v *Shareholding of Directors and Key Managerial Personnel*

S r. N o.	Shareholder's Name	Shareholding				Date	Increase / Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares held at the beginning of the year [As on 1-April-2018]	% of total Shares of the company	No. of Shares held at the end of the year [As on 31-March-2019]	% of total Shares of the company				No. of Shares	% of total Shares of the company
	NIL	-	-	-	-					

v. **INDEBTEDNESS**

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

Sl. No.	Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i	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					

i.	Addition	-	-	-	-
ii.	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

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

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amt
1	Gross salary				
	(a) Salary as per provisions contained in Sec 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	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
Total		-	-	-	-
Ceiling as per the Act (Being 10% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)					

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to other directors:

Particulars of Remuneration				Total Amount
Independent Directors				
Fee for attending board committee meetings	-	-	-	-
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (1)				-
Other Non-Executive Directors				
Fee for attending board committee meetings	-	-	-	-
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (2)				-

Total				-
Total Managerial Remuneration				-
Overall Ceiling as per the Act (Being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)				-

Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd

Particulars of Remuneration	Key Managerial Personnel			
	CEO	Company Secretary	CFO	Total
Gross salary	-	90,000.00	-	90,000.00
(a) Salary as per provisions contained in Sec 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	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
- as % of profit	-	-	-	-
- others, specify...	-	-	-	-
Others, please specify	-	-	-	-
Total	-	90,000.00	-	90,000.00

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Against the Company		None
Against the Directors		None
Against other Officers in Default under the Companies Act, 2013:		None

Annexure-“C” TO BOARD’S REPORT

CFO CERTIFICATE

I, Dinesh Agarwal, Chief Finance Officer of ARC Finance Ltd to the best of my knowledge and belief certify that:

1. I have reviewed the balance sheet and profit and loss account, and all its schedules and notes to accounts, as well as the cash flow statement.
2. Based on my knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made.
3. Based on my knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company’s affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations.
4. To the best of my knowledge, information and belief, no transactions entered into by the company during the year are fraudulent, illegal or volatile of the Company’s Code of Conduct.
5. I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
6. I have disclosed, based on my most recent evaluation, wherever applicable, to the Company’s Auditors and the Audit Committee of the Company’s Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be to rectify the deficiencies;

I have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company’s internal control over the financial reporting during the year;
- b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
- c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control system over financial reporting.

FOR AND ON BEHALF OF THE BOARD,
ARC FINANCE LTD

Sd/-

Dinesh Agarwal
Chief Financial Officer

Place: Kolkata
Date: 30/08/2019

Annexure- "D" to the Board's Report

[Details under Section 197(12) of the Companies Act, 2013 Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the year 2018-19

(Explanation: (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

Sl.No	Name of Employee	Designation	Ratio of Remuneration of each Director to median employee	% increase in Remuneration
1	Pawan Dalmia*	Company Secretary		NIL
2	Khushboo Gupta*	Company Secretary		NIL

* Pawan Dalmia was resigned & Khushboo Gupta was appointed to the post of company secretary of the office w.e.f. 08th February, 2019

1. No remuneration is paid to Non Executive Director.
2. The Company has 8 permanent employees including Executive Directors.
3. Relationship between average increase in remuneration and Company's performance: The remuneration/policy of the Company Employees is based on the philosophy to reward and drive performance culture. Every year the salary increases are decided to provide reward on the basis of market opportunity determined by benchmarking the rewards with similar profile organizations. Variable component is an important criterion which is dependent of individual performance rating, business performance and market competitiveness of the Company.
4. Comparison of the remuneration of the key managerial personnel against the performance of the Company: As per the policy increases are dependent on actual performance rating as well as the business performance and increase in scope of work entrusted.
5. The average percentage increased in remuneration of employees other than Directors during the year is NIL
6. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year – NA
7. The remuneration is paid as per the remuneration policy of the Company.

DECLARATION ON CODE OF CONDUCT

**To,
The Members of
ARC FINANCE LTD**

In accordance with Regulation 17(8), 26(3) of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel including myself have affirmed compliance to their respective Codes of Conduct, as applicable for the Financial Year ended 31st March, 2019. By Order of the Board

**FOR AND ON BEHALF OF THE BOARD,
ARC FINANCE LTD**

**Place: Kolkata
Date: 30/08/2019**

**Sd/-
Dinesh Agarwal
Chief Financial Officer**

REPORT ON CORPORATE GOVERNANCE FOR F.Y. 2018-19

Pursuant to Regulations 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015



Your Company's Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good governance practices stem from the culture and mindset of the organization and here, we are committed to meet the aspirations of all our stakeholders and believes in adopting best corporate practices for ethical conduct of business.

The detailed report on Corporate Governance for the financial year ended March 31, 2019, as per the disclosure requirements prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Company's Philosophy on Corporate Governance is a combination of voluntary practices and compliance with laws and regulations leading to delegation of operational powers to experienced staff members, effective control, oversight mechanism, strategies and policies which are constantly reviewed and strengthened to be in alignment with market realities and overall management of the organization.

In ensuring that the desired levels of Corporate Governance practices are imbibed in the organization and with a focus on its own fiduciary & trusteeship role, the Board of Directors of the Company seeks to evolve, strengthen and adopt structures and policies which would align and direct the actions of the organization towards creating wealth and shareholder value.

2. BOARD OF DIRECTORS :

An active, informed and independent Board is necessary to ensure highest standard of corporate governance. The Board lays down business strategy, sets strategic goals and seeks accountability for their fulfilment.

a. COMPOSITION OF BOARD OF DIRECTORS

The Company has maintained an optimum Combination of Executive and Non-executive Directors including one woman directors. The Chairman of the Board is the Managing Director (Executive Category). As of March 31, 2019, the Board of Directors (the 'Board') consisted of four directors of which two are Independent Directors.

The Board considers the recommendations of the Nomination & Remuneration Committee and takes appropriate decisions in regard to continuance of and induction of new skill-sets at the Board level to ensure the availability of these experienced professionals to guide the Company in an ever-evolving business environment.

None of the Director on the Company's Board is holding office of Director in more than twenty Companies and Independent Director in more than seven listed companies. Further, none of the Director is a Member of more than ten Committees and Chairman of more than five Committees across all the Companies in which he acts as Director.

b. NUMBER OF BOARD MEETINGS AND DATES ON WHICH HELD:

During the year the Board of Directors met (5) times. The following are the dates of Board meeting: 24.05.2018, 14.08.2018, 04.09.2018, 10.11.2018 and 08.02.2019

(Maximum time gap between any two consecutive meetings did not exceed 120 days)

c. THE COMPOSITIONS OF THE BOARD, ATTENDANCE AT THE BOARD MEETINGS HELD DURING THE FY 2018 - 2019 UNDER REVIEW AND AT THE LAST ANNUAL GENERAL MEETING, NUMBER OF DIRECTORSHIP IN OTHER COMPANIES, MEMBERSHIPS/CHAIRMANSHIPS OF THE COMMITTEES AND THEIR SHAREHOLDING AS ON MARCH 31, 2019 IN THE COMPANY ARE AS FOLLOWS:-

Name of Director	Category	No. of Board Meetings held during the year	No. of Board Meetings attended during the year	Attendance at last AGM (27.09.2018)	*Directorships (including this entity)	**Committee Position (including this entity)	
						Chairperson	Member
Mr. Ramawtar Gupta	ED	6	6	√	---	---	2
Mr. Gopal Kumar Singh	NED	6	6	√	2	---	2
Mr. Asis Banerjee	NED	6	6	√	3	2	2
Mrs. Aparna Sharma	NED	6	6	√	2	---	2

3. AUDIT COMMITTEE:

Board has constituted a set of committees with specific terms of reference/mandate, as to effectively focus on the issues falling under their jurisdiction. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before the Board meeting for noting.

During the year 4(Four) meeting of the board was held.

Composition, name of members and Chairperson as on March 31, 2019

Name	Designation	Category	No. of Meetings attended
Asis Banerjee	Chairman	NED(1)	4
Gopal Kumar Singh	Member	NED(1)	4
Aparna Sharma	Member	NED(1)	4
Ramawtar Gupta	Member	ED	2

The Company Secretary acts as Secretary to the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on , 27th day of September, 2018 at 9.30 A.M. at 18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, Room No.3, Kolkata-700001.

Terms of Reference

The terms of reference of Audit Committee are wide enough, covering the matters specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013, which inter alia includes the following:

- a. oversee the Company's financial reporting process and disclosure of its financial information;
- b. recommend appointment, remuneration and terms of appointment of auditors of the Company;
- c. approve payment to statutory auditors for any other services rendered by them;
- d. review with the management, the annual financial statements before submission to the Board for approval, focusing particularly on:
 - i) matters to be included in Directors Responsibility Statements to be included in Board's report ;
 - ii) any changes in accounting policies and practices;
 - iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) significant adjustments resulting from the audit findings;
 - v) compliance with listing and other legal requirements relating to financial statement;
 - vi) disclosure of related party transactions;
 - vii) Qualification in draft audit report.
- e. review with the management, the quarterly financial statement before submission to the board for their approval;
- f. recommend appointment, remuneration and terms of appointment of internal auditors, tax auditors, secretarial auditor and any matters of resignation or dismissal;

- g.** discuss with the statutory auditors before the audit commences, the nature and scope of the audit as well as post audit discussion to ascertain areas of concern;
- h.** review the internal audit program, ensuring co-ordination between the internal and statutory auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal auditor to undertake specific audit projects, having informed the management of their intentions;
- i.** consider the major findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- j.** consider any material breaches or exposure; breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- k.** discuss significant findings with internal auditors and initiate follow-up action thereon;
- l.** 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;
- m.** review performance of statutory and internal auditors and adequacy of internal control systems;
- n.** approve transaction with related parties and subsequent modification to terms of contract/transaction;
- o.** scrutinize inter-corporate loans and investments;
- p.** valuation of any of the undertakings or assets as and when necessary ;
- q.** evaluate adequacy of internal financial control and risk management system;
- r.** review with management , the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue , and making recommendation to the Board for taking steps in relation thereto;
- s.** approve appointment of CFO (i.e. the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background of the candidate;
- t.** review functioning of the Whistle Blower Policy;

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

The composition and terms of reference of the Audit Committee are in accordance with section 177 of the Companies Act, 2013, requirements prescribed in Non- Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is constituted in compliance with the requirements of SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

As on March 31, 2019, the Nomination and Remuneration Committee comprised of the following:

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. Ramawatar Gupta	Member	Executive Director	1

The Board terms of reference and functions of the Nomination and Remuneration Committee are as follows:

- I. review & recommend to the Board on the structure and composition of the Board of Directors of the Company;
- II. formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board of directors a policy relating to, remuneration of directors, key managerial personnel and other employees of the Company;
- III. formulation of the criteria for evaluation of performance of independent directors and the board of directors;
- IV. devising a policy on diversity of Board of directors;
- V. formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in Senior Management and recommend the same to the Board;
- VI. review and implement succession and development plans for Managing Director, Executive Directors and Senior Management;
- VII. to supervise and monitor the process of issuance/ grant/ vesting/ cancellation of ESOPs and such other instruments as may be decided to be granted to the employees of the Company/ Subsidiary Company, from time to time, as per the provisions of the applicable laws, more particularly in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Meetings and Attendance

During the financial year 2018-19, 1 (One) meeting of Nomination and Remuneration Committee were held on 09th November, 2018

5. REMUNERATION OF DIRECTORS:

- a. There is no pecuniary relationship or transaction of Non - Executive Director with the Company for the FY 2018-19.
- b. The details of remuneration/sitting fee paid to Directors during the financial year are given in Form MGT 9, the Extract of Annual Return, as available on the website of the company.
- c. The remuneration policy is in consonance with the existing industry practice and also with the provisions of the Companies Act, 2013. The Board of Directors has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees. The Company's remuneration policy is driven by the success and performance of the individual employee and the performance of the Company. The remuneration policy has been disclosed on the website of the Company

6. STAKEHOLDER RELATIONSHIP COMMITTEE

Stakeholder Relationship Committee ensures quick redressal of security holder and investors' complaints/grievances pertaining to transfers, no receipt of annual reports, dividend payments, issue of duplicate certificates, transmission of securities and other miscellaneous complaints;

In addition, the Committee also monitors other issues including status of Dematerialization/ Rematerialisation of shares issued by the Company. Oversee the performance and service standards of the Registrar and Share Transfer Agent, and recommends measures to improve level of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints.

The composition and terms of reference of the SR Committee are in accordance with section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on March 31st 2019, the Committee comprises of:

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

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

During the year under review no complaint was received. There were no instruments for transfer pending as on March 31, 2019.

7. GENERAL BODY MEETINGS:

During the preceding three years annual general meeting were held:

Date	AGM/EGM	Venue	No of Special Resolutions
27.09.2018	36 th Annual General Meeting	18, Rabindra Sarani, Poddar Court, Gate No.4, 4 th Floor, Room no.3, Kolkata-700001	3
15.09.2017	35 th Annual General Meeting	--DO--	-
28.09.2016	34 th Annual General Meeting	--DO--	-

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

8. MEANS OF COMMUNICATION:

- The Company's corporate website, www.arcfinance.in provides comprehensive Information to the Shareholders.
- The quarterly and yearly financial results are submitted to the Stock Exchange in accordance with the Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and are also made available on the Company's website, www.arcfinance.in. The Unaudited/Audited Financial results for the quarter and year end are published in Financial Express, English edition & Sukhabar, Bengali edition.
- The Company's Shareholding Pattern is filed on a quarterly basis with the Stock Exchanges and also displayed on the Company's website www.arcfinance.in.

9. GENERAL SHAREHOLDERS INFORMATION:

- CIN : L51909WB1982PLC035283
- Annual General Meeting Date and Time : 27th September, 2018, 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, 2018.
- Dates of Book Closure : 21st Sept.2018 to 27th Sept. 2018 (Both Days Inclusive)

The Company has not declared any dividend for the Financial Year ended 31st March, 2018.

- Financial Calendar

Financial Year 2018-19
(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

- 1) Bombay Stock Exchange Limited (BSE)
- 2) The Calcutta Stock Exchange Limited (CSE)
7, Lyons Range, Dalhousie, Murgighata,
B B D Bagh, Kolkata-700001, West Bengal

The Company has paid the listing fees to BSE Stock Exchanges for the year 2018-19.

➤ Market Price Data:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2018	4.14	3.57	16,931
May, 2018	4.18	3.57	87,673
June, 2018	4.25	3.99	1,125
July, 2018	4.20	4.15	366
August, 2018	4.00	3.80	1,097
September, 2018	3.61	2.37	10,535
October, 2018	2.26	1.46	15,324
November, 2018	1.46	1.05	6,605
December, 2018	1.10	0.89	7,063
January, 2019	1.19	1.09	2,811
February, 2019	1.14	1.14	591
March, 2019	1.14	1.00	378

➤ 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, 2019 is given below:

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	796	84.05	53753	0.11
501-1000	30	3.17	27514	0.05
1001-2000	13	1.37	21086	0.04
2001-3000	6	0.63	16089	0.03
3001 -4000	5	0.53	18301	0.04
4001-5000	2	0.21	9105	0.02
5001-10000	17	1.80	148696	0.29
10001 and above	78	8.24	50200456	99.42
Total	947	100.00	50495000	100.00

➤ **Categories of Shareholders as on March 31, 2019**

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	60,71,875	12.02
2	Public - Bodies Corporate	4,44,23,125	87.98
3	Public - Indian public	NIL	NIL
4	Public - Others	NIL	NIL
	TOTAL	5,04,95,000	100%

➤ **Dematerialisation of shares and liquidity**

Status of Dematerialisation	No. of Shares	% of total shares
Share held in Dematerialised form – NSDL	3,328,031	93.06 %
Share held in Dematerialised form – CDSL	46,989,117	6.59 %
Share held in Physical form	177,852	0.35 %
Total	5,04,95,000	100.00%

Shares held in dematerialised and physical form as on 31st March, 2019.

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

CERTIFICATE OF CORPORATE GOVERNANCE REPORT

To,
The Members of
ARC FINANCE LIMITED
18, Rabindra Sarani, Poddar Court,
Gate NO. 4, 4th Floor, Room No. 3,
Kolkata-700001

I have reviewed the implementation of Corporate Governance procedures by ARC Finance Limited during the year ended 31st March, 2019, with the relevant records and documents maintained by the Company, furnished to me for my review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my review and according to the information and explanations given to me, the company has complied with the conditions of Corporate Governance as stipulated in Regulation 27(2) of LODR with the Stock Exchanges in all material respects. There were no Investors grievances pending for a period exceeding one month against the Company as per the records maintained by the Stake Holders Relationship Committee.

For Akhil Agarwal
Practicing Company Secretary
CP No.: 16313

Akhil Agarwal
Proprietor
ACS No. 35073

Place: Kolkata
Date: 05.09.2019

MANAGEMENT DISCUSSION ANALYSIS REPORT

ECONOMIC SCENARIO:

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2019.

After growing at a robust 6.7% in FY 2017-18, the Indian economy achieve broad-based growth in the first three quarters of FY 2018-19, with industrial growth accelerating to 7.9%, services although services decelerated. Agriculture also posted strong growth of four per cent. The last quarter of FY 2018-19, however, has witnessed a slowdown in the growth of consumption indicators as well as a hiatus in business investment activity, as the nation awaits election results. Accordingly, Q4FY2019 is expected to see the weakest growth since mid-2017 and could come in at levels that are almost on par with China's growth.

The World Bank (April, 2019) expects India's GDP to accelerate moderately to 7.5% in FY 2019-20 due to sustained strengthening of investments, particularly by the private sector, an improvement in export performance and resilient consumption.

INDUSTRY DEVELOPMENT:

NBFCs play an important role in the Indian financial system, complementing banks by leveraging their nimble operations and tailor-made products. Their role in promoting financial inclusion and catering to the needs of small businesses and specialised segments gives an additional dimension to their existence. NBFCs accounted for 23% of total loans and 18% of total credit in India as on 31st March, 2018. They have shown strong growth in recent years, buoyed by access to equity capital and liquidity in the system. However, post the liquidity squeeze and headwinds in the industry, NBFCs have faced increased cost of borrowing and some have had funding challenges.

OPPORTUNITIES

The opportunities ahead are immense and Company is fully geared to make the most of them. The company has concentrated on its goals of consolidating and cutting cost wherever possible. Various organization development initiatives were undertaken during the year. These are expected to help create a robust organization based on strong values, uniform and systematic business processes and people empowerment.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Committees (IC). While maintaining the highest governance norms, the Company has appointed external independent persons, who have done work in this area and have requisite experience in handling such matters, as Chairpersons of each of the Committees. During the year, one complaint with allegations of sexual harassment was received by the Company and the same was investigated and resolved as per the provisions of the Act. In order to build awareness in this area, the Company has been conducting programmes in the organisation on a continuous basis.

RISK AND INTERNAL ADEQUACY:

During the year, your Company started monitoring and reporting Controls through Livewire - a comprehensive analytics tool that tracks compliance with internal controls framework established by the management. The controls dash board allows the management to perform a thematic analysis of its control health across different processes and activities, time periods and responsibility centers.

This will enable the management to pro-actively protect value through implementation of a robust control environment.

TECHNOLOGY ABSORPTION

Your Company maintains strong and healthy interactions with Unilever through a well-coordinated management exchange programme, which includes setting out governing guidelines pertaining to identifying areas of research, agreeing timelines, resource requirements; scientific research based on hypothesis testing and experimentation which leads to new /improved / alternative technologies; supporting the development of launch-ready product formulation based on research and implementation of the launch ready product formulations in markets. Your Company continuously imports technology from Unilever under the Technical Collaboration Agreement and the same is fully absorbed. The benefits derived by your Company through technology absorption and R&D have been detailed earlier in this report. Your Company also receives continuous support and guidance from Unilever to drive functional excellence in marketing, supply management, media buying and IT, among others, which help your Company to build capabilities, remain competitive and further step-up its overall business performance. Unilever is committed to ensuring that the support in terms of new products, innovations, technologies and services is commensurate with the needs of your Company and enables it to win in the marketplace.

HUMAN RESOURCES

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. With the philosophy of inclusive growth, the Company has redefined its performance management system. The new system focuses on progression of individual employees together with organizational goals. Under the new system increased thrust will be on job rotation and multi-skilling.

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.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by

regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes.

CAUTIONARY STATEMENT

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in Government regulations, tax regimes, economic developments within India and other countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company is not under any obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

Sustained strong performance by any company is directly linked to an organization's philosophy and levels of Corporate Governance. Keeping this important reality in view, your Company has always placed major thrust on managing its affairs with diligence, transparency, responsibility and accountability.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
ARC Finance Limited
18, Rabindra Sarani, Poddar Court,
Gate No.4, 4th Floor, Room No.3,
Kolkata-700001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ARC Finance Limited** having CIN L51909WB1982PLC035283 and having registered office at **18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, Room No.3, Kolkata-700001**. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), BSE as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTORS	DIN
1	ASIS BANERJEE	05273668
2	GOPAL KUMAR SINGH	06739896
3	APARNA SHARMA	07006877
4	DINESH AGARWAL	08394760

I further hereby inform that, ensuring the eligibility for the appointment / continuity of Director on the Board is the responsibility of the Company. Our responsibility is to issue this certificate based on verification of documents and information available in the public domain. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Akhil Agarwal
Practicing Company Secretary
CP No.: 16313

Sd/-
Akhil Agarwal
Proprietor
ACS No. 35073

Place: Kolkata
Date: 26/08/2019

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. ARC FINANCE LIMITED

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. ARC FINANCE LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and **Loss** and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the Annexure 'A' statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(a) 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

(b) 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 aforesaid standalone 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(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 its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For SANJEEV NAVIN & ASSOCIATES
Chartered Accountants
(FRN: 326800E)**

**(ADITYA NATH MISHRA)
(Partner)
(M No.: 303977)**

**Place of Signature: Kolkata
Date: 30/05/2019**

“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ARC FINANCE LTD

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 M/s ARC FINANCE LTD (“the company”), as of 31st March, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

In terms of our report attached.

For SANJEEV NAVIN & ASSOCIATES
Chartered Accountants

Sd/-

[ADITYA NATH MISHRA]

PARTNER

ICAI Membership No. 303977

Place : Kolkata

Date : The 30th Day of May, 2019

ARC FINANCE LTD					
Balance sheet as at 31st March 2019					
		Not e No.	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
I	ASSETS				
1	Non-current assets				
	(a) Property, Plant and Equipment	3	1,178,584	1,445,051	102,331
	(b) Other tax assets (net)	4	3,129,197	6,003,651	4,649,220
	Total non-current assets		4,307,781	7,448,702	4,751,551
2	Current assets				
	(a) Financial assets				
	(i) Investments	5	4,634,255	4,664,955	6,205,000
	(ii) Inventories	6	34,856,502	15,197,195	24,906,241
	(iii) Trade receivables	7	4,172,233	21,499,893	3,029,359
	(iv) Cash and cash equivalents	8	1,137,922	2,115,274	3,456,469
	(v) Other financial assets	9	554,360,463	511,295,504	507,218,028
	(b) Other tax assets (net)		4,800,040	1,400,540	1,400,540
	Total current assets		603,961,415	556,173,361	546,215,637
	Total assets		608,269,196	563,622,063	550,967,188
II	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity share capital	10	504,950,000	504,950,000	504,950,000
	(b) Other equity	11	218,653	6,146,170	4,587,178
	Total equity		505,168,653	511,096,170	509,537,178
2	LIABILITIES				
2	a Non-current liabilities				

2	(a) Deferred tax liabilities (Net)	12	7,787	183,816	155,874
	(b) Provisions	13	1,386,002	1,219,129	1,284,610
	Total non-current liabilities		1,393,789	1,402,945	1,440,484
b	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	14	77,913,890	10,042,164	-
	(ii) Trade payables	15	21,903,779	39,951,967	38,742,090
	(iii) Other financial liabilities	16	1,889,085	1,128,817	1,247,436
	Total current liabilities		101,706,754	51,122,948	39,989,526
	Total equity and liabilities		608,269,196	563,622,063	550,967,188

The notes are an integral part of these financial statements

As per our report of even date attached
For **SANJEEV NAVIN &
ASSOCIATES**
(Chartered Accountants)

Aditya Nath Mishra
Partner
Mem no.303977

Palce : Kolkata
Date : 30th May, 2019

For and on behalf of the Board of Directors
of **ARC FINANCE LTD**

Sd/-
ASIS BANERJEE
Director
DIN-05273668

Sd/-
SAPNA AGARWAL
CFO(KMP)
PAN-BIHPA2073D

Sd/-
GOPAL SINGH
Director
DIN-06739896

Sd/-
KHUSHBOO GUPTA
Company
Secretary
PAN-AMZPG5407G

ARC FINANCE LTD				
Statement of profit and loss for the year ended 31st March 2019				
		Note	Year ended 31st March 2019	Year ended 31st March 2018
	Revenue from operations	17	46,268,142	59,993,367
	Other income	18	18,089	325,276
I	Total income		46,286,231	60,318,643
	Expenses			
	(a) Purchases of stock-in-trade	19	67,535,810	44,824,788
	(b) Changes in inventories of stock-in-trade	20	(19,659,307)	9,709,046
	(c) Employee benefits expense	21	1,987,083	2,225,189
	(d) Finance costs	22	1,041,097	89,480
	(e) Depreciation expense	23	266,467	228,448
	(f) Other expenses	24	1,051,754	1,191,539
II	Total expenses		52,222,904	58,268,490
III	Profit before tax (I - II)		(5,936,673)	2,050,153
IV	Tax expense			
	Current tax	25	-	528,700
	Deferred tax		(176,029)	27,942
	Taxes relating to previous year		-	-
V	Profit for the year		(5,760,644)	1,493,511
VI	Other comprehensive income for the year		-	-
VII	Total comprehensive income for the year (V + VI)		(5,760,644)	1,493,511
VIII	Earnings per equity share of Rs. 10 each:			
	Basic / Diluted	28	(0.11)	0.03

The notes are an integral part of these financial statements

As per our report of even date attached
For **SANJEEV NAVIN & ASSOCIATES**
(Chartered Accountants)

Aditya Nath Mishra
Partner
Mem no.303977

Place : Kolkata
Date : 30th May, 2019

For and on behalf of the Board of Directors
of **ARC FINANCE LTD**

Sd/-
ASIS BANERJEE
Director
DIN-05273668

Sd/-
SAPNA AGARWAL
CFO(KMP)
PAN-BIHPA2073D

Sd/-
GOPAL SINGH
Director
DIN-006739896

Sd/-
KHUSHBOO GUPTA
Company Secretary
PAN-AMZPG5407G

ARC FINANCE LTD		
Statement of cash flows for the year ended 31st March 2019		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Cash flows from operating activities		
Profit for the year (before tax)	(5,936,673)	2,050,153
Adjustments for:		
Depreciation expense	266,467	228,448
Finance costs	-	-
Dividend Received	-	-
	(5,670,206)	2,278,601
Movements in working capital:		
Decrease/(Increase) in current Loans & Advances	(43,590,004)	(5,960,607)
Decrease/(Increase) in current trade receivable	17,327,660	(18,470,534)
Decrease/(Increase) in Inventories	(19,659,307)	9,709,046
Increase in secured & unsecured loans	68,631,994	10,042,164
(Increase) in current liabilities	(18,048,189)	1,091,258
Cash generated from operations	(1,008,052)	(1,310,072)
Less: Income tax paid	-	-
Net cash generated from operating activities (A)	(1,008,052)	(1,310,072)
Cash flows from investing activities		
Purchase of investments	-	-
Sale of investments	30,700	1,540,045
Purchase of motor car	-	(1,571,168)
Net cash generated from investing activities (B)	30,700	(31,123)
Cash flows from financing activities		
Loans taken	-	-
Finance costs	-	-
Net cash used in financing activities (C)	-	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(977,352)	(1,341,195)
Cash and cash equivalents at the beginning of the year (Note 8)	2,115,274	3,456,469
Cash and cash equivalents at the end of the year (Note 8)	1,137,922	2,115,274
Notes:		
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".		

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **SANJEEV NAVIN & ASSOCIATES**
(Chartered Accountants)

For and on behalf of the Board of Directors
of **ARC FINANCE LTD**

Aditya Nath Mishra
Partner
Mem no.303977

Sd/-
ASIS BANERJEE
Director
DIN-05273668

Sd/-
GOPAL SINGH
Director
DIN-006739896

Sd/-
SAPNA AGARWAL
CFO(KMP)
PAN-BIHPA2073D

Sd/-
**KHUSHBOO
GUPTA**
Company Secretary
PAN-AMZPG5407G

Place : Kolkata

Date : 30th May, 2019

Statement of changes in equity for the year ended 31st March, 2019

a	Equity share capital	As at 31st March, 2019		As at 31st March, 2018	
		No. of shares	Amount	No. of shares	Amount
	Balance at the beginning and end of the reporting year	57,885,000	578,850,000	57,885,000	578,850,000

Particulars	Reserves and surplus		Items of OCI		Total other equity
	Statutory reserve	Retained earnings	Equity instrument through OCI	Effective portion of cash flow hedge	
b Other equity					
Balance as at 1st April 2017	2,687,645	11,731,316			14,418,961
Profit for the year		1,493,511			1,493,511
Transfer to statutory reserve fund	298,702	(298,702)			
Contingent provision against standard assets		65,481			
Other comprehensive income	-	-			-
Total comprehensive income for the year	298,702	1,260,290	-	-	1,558,992
Balance as at 31 March 2018	2,986,347	12,991,606	-	-	15,977,953

Profit for the year		(5,760,644)			(5,760,644)
Transfer to statutory reserve fund	-	(298,702)			
Contingent provision against standard assets		65,481			
Other comprehensive income		-			-
Total comprehensive income for the year	-	(5,993,865)	-	-	(5,993,865)
Balance as at 31 March 2019	2,986,347	6,997,741	-	-	9,984,088

As per our report of even date attached
For **SANJEEV NAVIN & ASSOCIATES**
Directors
(Chartered Accountants)

For and on behalf of the Board of
of **ARC FINANCE LTD**

Aditya Nath Mishra
Partner
Mem no.303977

Sd/-
ASIS BANERJEE
Director
DIN-05273668

Sd/-
GOPAL SINGH
Director
DIN-006739896

Sd/-
SAPNA AGARWAL
CFO(KMP)
PAN-BIHPA2073D

Sd/-
KHUSHBOO GUPTA
Company Secretary
PAN-AMZPG5407G

Place : Kolkata
Date : 30th May, 2019

Note 1 – Significant Accounting Policies and Notes thereon

Corporate information

M/s ARC FINANCE LTD (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. **18, Rabindra Sarani, Poddar Court, Gate No. 4, 4th Floor, Room No - 3, Kolkata – 700001.** Being a Public Limited Company its shares are listed on CSE stock exchanges. The company's Principal Business in Investment like Loans & Advance and Investments.

Note 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

a. Statement of compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act..

For the year ended 31st March, 2019, the financial statements of the Company have been prepared in compliance with the Indian Accounting Standards (Ind AS) noticed under Section 133 of Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016.

b. Basis of preparation of financial statements

The Company has prepared the Financial Statements which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements).

These financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest INR", except otherwise indicated.

c. Use of estimates and judgements

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

d. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

e. Revenue Recognition

Revenue is recognized based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

Interest Income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

f. Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). At cost or Net Realizable value whichever is lower.

g. Cash Flow Statement

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowing in balance sheet.

h. Tangible fixed assets

Fixed assets are stated at cost, less depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Particular	Estimated life in Years
HYUNDAI CAR	6
MOBILE	5
FURNITURE & FIXTURE	1

i. Depreciation

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher. However Management has not estimated the useful lives of assets and rate is used as per the Companies Act, 2013.

j. Borrowing

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. In the current year, the custom duty paid on acquisition of Fixed asset has been capitalized as the duty paid is not refundable.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

l. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

m. Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

n. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

o. Cash flow statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

p. Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

	As at 31st March, 2019	As at 31st March, 2018
(a) Contingent Liabilities Security given by the company in respect of loans taken by other companies	Nil	Nil
(b) Commitments	Nil	Nil

q. Earning and Expenditure in Foreign Currency

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Earnings	Nil	Nil
Expenditures	Nil	Nil

r. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has no dealing with any party registered under the Micro, Small and Medium Enterprises Development Act, 2006.

s. Cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

The bank balances in India include both rupee accounts. On a standalone basis, balance in current and deposit accounts stood at 10,85,522/-, as at March 31, 2019.

t. Related party transaction

As per the Ind AS 24, the disclosures of transactions with the related parties are given below :-

Name	Relation	Amount	Interest
Pawan Dalmia	Company Secretary	80000	Remuneration
Khushboo Gupta	Company Secretary	10000	Remuneration

u. Event occurring after the date of balance sheet

Where material event occurring after the date of the balance sheet are considered up to the date of approval of accounts by the board of director

v. Recoverability of trade receivables

Required judgments are used in assessing the recoverability of overdue trade receivables and for determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate risk of non-payment.

w. The Company has reclassified/regrouped previous year figures where necessary to confirm to the current year's classification

**For SANJEEV NAVIN & ASSOCIATES
(CHARTERED ACCOUNTANTS)
ICAI FRN. 326800E**

For and on behalf of the Board of Directors

**ADITYA NATH MISHRA
Partner
Place: Kolkata
Date :30/05/2019**

Sd/-
**Asis Banerjee
(Director)
DIN-05273668**

Sd/-
**Gopal Singh
(Director)
DIN-06739896**

Sd/-
**Sapna Agarwal
(CFO)
PAN- BIHPA2073D**

Sd/-
**Khushboo Gupta
(Company Secretary)
PAN-AMZPG5407G**

ARC FINANCE LTD						
Notes to the financial statements for the year ended 31st March 2019						
3 - Property, plant and equipment						
Particulars	Furniture and fixtures	Air Conditioners	Computers	Vehicles	Office equipment	Total
Carrying amount						
Balance as at 1st April 2017	35,543	-	-	-	66,788	102,331
Balance as at 31st March 2018	10,594	-	-	1,384,589	49,868	1,445,051
Balance as at 31st March 2019	2,427	-	-	1,135,817	40,340	1,178,584
Cost or deemed cost (net block)						
Balance as at 1st April 2017	506,157	90,066	198,450	-	188,586	983,259
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31st March 2018	506,157	90,066	198,450	-	188,586	983,259
Additions	-	-	-	1,571,168	-	1,571,168
Disposals	-	-	-	-	-	-
Balance as at 31st March 2019	506,157	90,066	198,450	1,571,168	188,586	2,554,427
Depreciation						
Balance as at 1st April 2017	470,614	90,066	198,450	-	121,798	880,928
Depreciation expense	24,949	-	-	186,579	16,920	228,448
Disposals	-	-	-	-	-	-
Balance as at 31st March 2018	495,563	90,066	198,450	186,579	138,718	1,109,376
Depreciation expense	8,167	-	-	248,772	9,528	-
Disposals	-	-	-	-	-	-
Balance as at 31st March 2019	503,730	90,066	198,450	435,351	148,246	1,109,376
Carrying amount						
Balance as at 1st April 2017	35,543	-	-	-	66,788	102,331
Additions	-	-	-	1,571,168	-	1,571,168
Disposals	-	-	-	-	-	-
Depreciation expense	(24,949)	-	-	(186,579)	(16,920)	(228,448)

Balance as at 31st March 2018	10,594	-	-	1,384,589	49,868	1,445,051
Additions	-	-	-	-		-
Disposals	-	-	-	-		-
Depreciation expense	(8,167)	-	-	(248,772)	(9,528)	(266,467)
Balance as at 31st March 2019	2,427	-	-	1,135,817	40,340	1,178,584

4 - Tax Assets(Net)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Non-current			
Advance income tax (Net of provisions)	3,129,197	6,003,651	4,649,220
	3,129,197	6,003,651	4,649,220
Current			
Advance income tax (Net of provisions)	4,800,040	1,400,540	1,400,540
	4,800,040	1,400,540	1,400,540
Total	7,929,237	7,404,191	6,049,760

5 - Current investments

Particulars	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
In equity shares of other companies						
Unquoted						
(Carried at fair value through profit or loss)						
Sungold Merchandise Private Limited	700	350,000	700	350,000	1,200	600,000
Pushpmala Suppliers Private Limited	796	398,200	796	398,200	1,395	697,500
Starrose Dealer Private Limited	160	80,000	160	80,000	500	250,000
Orissa Lamps Limited	1,000	10,000	1,000	10,000	-	-
Dace Exim Private Limited	-	-	-	-	250	50,000
S K Growth Fund Private Limited	4,000	200,000	4,000	200,000	10,000	500,000
Deveshwar Realty Private Limited	6,500	3,596,055	7,254	3,626,755	8,215	4,107,500

	Total		4,634,255		4,664,955		6,205,000
Aggregate amount of quoted investments		-		-			-
Market value of quoted investments		-		-			-
Aggregate amount of unquoted investments		4,634,255		4,664,955			6,205,000
Aggregate amount of impairment in value of investments		-		-			-

6 - Inventories

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Inventories (lower of cost and net realisable value)			
Stock-in-trade	34,856,502	15,197,195	24,906,241
Total	34,856,502	15,197,195	24,906,241

7 - Trade receivables

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Unsecured, considered good	4,172,233	21,499,893	3,029,359
	4,172,233	21,499,893	3,029,359

8 - Cash and cash equivalents

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Cash on hand	52,400	1,862	110,936
<u>Balances with banks:</u>			
- current accounts	1,085,522	2,113,412	3,345,533
	1,137,922	2,115,274	3,456,469
Margin money deposits*	-	-	-
	1,137,922	2,115,274	3,456,469

* Bank balance is under Lien against unpaid Income taxes due.

9 - Other Financial Assets

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Current			
Unsecured, considered good unless otherwise stated)			
Loans given	554,360,463	511,295,504	507,218,028
Total	554,360,463	511,295,504	507,218,028

ARC FINANCE LTD							
Notes to the financial statements for the year ended 31st March 2019							
10 - Equity share capital							
Particulars	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017		
	Numbers	Amount	Numbers	Amount	Numbers	Amount	
Authorised:							
Equity shares of Rs.10/- each	51,000,000	510,000,000	51,000,000	510,000,000	51,000,000	510,000,000	
		510,000,000		510,000,000		510,000,000	
Issued, subscribed and fully paid up:							
Equity shares of Rs.10/- each	50,495,000	504,950,000	50,495,000	504,950,000	50,495,000	504,950,000	
		504,950,000		504,950,000		504,950,000	
(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:							
	31 March 2019		31 March 2018		01 April 2017		
	No of shares	Amount	No of shares	Amount	No of shares	Amount	
Equity shares:							
At the beginning and end of the year	50,495,000	504,950,000	50,495,000	504,950,000	50,495,000	504,950,000	
(b) Rights and terms attached to equity shares							
	The Company has issued one class of equity shares with voting rights having a par value of Rs. 10/- per share. Each member is entitled to vote and present in person, by a constituted attorney, or by proxy shall have one vote and upon a poll every member entitled to vote and present in person, by a constituted attorney, or by proxy shall have one vote for every ordinary share held by him.						
	On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the members in proportion to the paid-up capital.						
(c) Shareholders holding more than 5% equity shares in the company							
Particulars	31 March 2019		31 March 2018		01 April 2017		
	No.	%	No.	%	No.	%	
Nil	-	0.00%	-	0.00%	-	0.00%	

11. Other equity excluding non-controlling interests

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Statutory Reserve (As per RBI Act for NBFC)			
Balance at the beginning of the year	2,986,347	2,687,645	2,413,490
Transfer from surplus	-	298,702	274,155
Balance at the beginning and end of the year	2,986,347	2,986,347	2,687,645
Retained earnings:			
Balance at the beginning of the year	3,159,823	1,899,533	888,069
Profit for the year	(5,760,644)	1,493,511	1,370,774
Transfer to statutory reserve fund	-	(298,702)	(274,155)
Contingent provision against standard assets	(166,873)	65,481	(85,155)
Balance as at the end of the year	(2,767,694)	3,159,823	1,899,533
Total	218,653	6,146,170	4,587,178

12 - Deferred tax asset (net)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Deferred tax liabilities	7,787	183,816	155,874
	7,787	183,816	155,874

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	Balance as on 1st April, 2018	Recognised in statement of profit and loss	Recognised in other comprehensive Income	Balance as on 31st March, 2019
<u>Deferred tax liabilities:</u>				
Timing difference in case of depreciable assets	7,787	176,029	-	183,816
Net deferred tax liabilities	7,787	176,029	-	183,816

13 - Provisions

	As at 31st March 2019	As at 31st March 2018	(Rs. in lakhs)
	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Non-current			
Contingent provision against standard assets	1,386,002	1,219,129	1,284,610
Total	1,386,002	1,219,129	1,284,610
Provision against standard assets			
Particulars	As at 31st March 2019	As at 31st March 2018	
Opening balance	1,219,129	1,284,610	
Fresh provision done	-	(65,481)	
Excess provision reversed	166,873	-	
Closing balance	1,386,002	1,219,129	

14 - Financial liabilities		(Rs. in lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017	
Current Borrowings				
Unsecured				
Working capital demand loan (WCDL)	77,913,890	10,042,164	-	
Total	77,913,890	10,042,164	-	
Note: WCDL carries interest rate 9% p.a.				
15 - Trade payables				
Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017	
Outstanding due of Micro and Small Enterprises	-	-	-	
Outstanding due of Creditors other than Micro and Small Enterprises	21,903,779	39,951,967	38,742,090	
	21,903,779	39,951,967	38,742,090	
16 - Other financial liabilities				
Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017	
Due to statutory authorities	44,227	40,285	199,923	
Others payables	1,844,858	1,088,532	1,047,513	
	1,889,085	1,128,817	1,247,436	
ARC FINANCE LTD				
Notes to the financial statements for the year ended 31st March 2019				
17 - Revenue from operations				
	Year ended 31st March 2019	Year ended 31st March 2018		
Sale of shares	11,599,999	17,747,640		
Sale of textile goods	-	5,112,500		
Interest on loans	34,668,143	37,133,227		
	46,268,142	59,993,367		
18 - Other income				
	Year ended 31st March	Year ended 31st March		

		2019	2018
	Dividend Received	18,089	-
	Sundry Creditors Written Off	-	325,276
		18,089	325,276
19 - Purchases of stock-in-trade			
		Year ended 31st March 2019	Year ended 31st March 2018
	Textile goods	-	8,167,875
	Shares	48,408,249	37,260,498
	F & O Trading	19,127,561	(603,585)
		67,535,810	44,824,788
20 - Changes in inventories of stock-in-trade			
		Year ended 31st March 2018	Year ended 31st March 2017
	Closing stock:		
	Shares	34,856,502	15,197,195
	Opening stock:		
	Shares	15,197,195	24,906,241
		(19,659,307)	9,709,046
21 - Employee benefits expense			
		Year ended 31st March 2019	Year ended 31st March 2018
	Particulars		
	Salaries paid	1,842,083	2,075,189
	Bonus	145,000	150,000
	Staff welfare expenses	-	-
		1,987,083	2,225,189
22 - Finance costs			
		Year ended 31st March 2019	Year ended 31st March 2018
	Interest on loan	481,603	46,849
	Demat Charges	559,494	42,631
		1,041,097	89,480
23 - Depreciation expense			
		Year ended 31st March 2019	Year ended 31st March 2018
	Depreciation Expenses	266,467	228,448
		266,467	228,448

24 - Other expenses			
		Year ended 31st March 2019	Year ended 31st March 2018
	Advertisement expenses	28,236	29,860
	Payment to auditors:		
	Statutory audit fees	20,000	25,000
	Tax audit fees	12,000	12,000
	Travelling and conveyance expenses	65,825	30,187
	Donation	2,000	-
	Filing charges	4,800	-
	General expenses	18,463	98,459
	HDFC ERGO Car Insurance	40,483	-
	Interest on It	-	115,531
	Interest on TDS Paid	3,851	-
	Listing and depository fee	623,666	526,091
	Rent	60,000	60,000
	Website maintenance expenses	4,720	5,175
	Printing and stationery	15,903	33,246
	Postage and telegram expenses	17,452	7,512
	Professional and legal fees	91,880	204,200
	Registration Fees	5,900	-
	Telephone charges	3,631	10,468
	Business promotion expense	32,650	33,279
	Bank charges	294	531
		1,051,754	1,191,539
25 - Tax expense			
(A) Components of income tax expenses			
	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	Current tax:		
	In respect of the current period	-	528,700
	In respect of prior years	-	-
		-	528,700
	Tax expense for the year	-	528,700
(B) Reconciliation of effective tax rate			
	Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	Profit before tax	(5,936,673)	2,050,153
	At India's statutory income tax rate of 26.00% (Previous year 26.00%)	-	528,700
	Current tax of prior years	-	-

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Others	176,029	27,942
Tax expense recognised	176,029	556,642

26 - Segment reporting

There are no reportable segments for the company.

27 - Leases

The Company has not entered into any non-cancellable agreements.

28 - Earnings per share

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Profit attributable to equity share holders (A)	(371,159)	11,202,557
Weighted average number of equity shares for the purpose of basic earnings per share (B)	50,495,000	50,495,000
Basic earnings per share (A/B)	(0.01)	0.22
Diluted earnings per share	(0.01)	0.22

29 - Contingent liabilities

There are no contingent liabilities pending against the company as at year ended 31st March, 2018 and 31st March, 2017.

As per our report of even date attached

For **SANJEEV NAVIN & ASSOCIATES**
(Chartered Accountants)

For and on behalf of the Board of Directors
of **ARC FINANCE LTD**

Aditya Nath Mishra
Partner
Mem no.303977

Sd/-
ASIS BANERJEE
Director
DIN-05273668

Sd/-
GOPAL SINGH
Director
DIN-006739896

Sd/-
SAPNA AGARWAL
CFO(KMP)
PAN-BIHPA2073D

Sd/-
KHUSHBOO GUPTA
Company Secretary
PAN-AMZPG5407G

Place : Kolkata
Date : 30th May, 2019

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

37th ANNUAL GENERAL MEETING – SEPTEMBER 28, 2019

Members' Name and Address details	
--	--

Reg. Folio No.	
DP & Client No.	
No. of Shares Held	

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 37th Annual General Meeting of the Company at 18, Rabindra Sarani, Poddar Court, Gate No. 4, 4th Floor, Room no. 3, Kolkata, 700001 at 10:00 A.M.. on Saturday, the 28th September, 2019.

Member's Name: _____ Proxy's Name: _____

Member's/Proxy's Signature _____

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User id	Password
	Please use existing user id and password	

Note: Please refer to the instruction printed under the note to the Notice of the 37th Annual General Meeting. The E-voting period starts **Wednesday, 25-09-2019 at 9:00 am IST** and ends on **Friday 27-09-2019 at 5:00 pm IST**. The E-Voting portal shall be disabled by CDSL immediately after 5:00 pm IST on 27-09-2019.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the company, to be held on Saturday, the 28th day of September at 10:00 A.M. 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:

Sl. No.	Resolution(S)	I /we assent to the Resolution (FOR)	I /we dissent to the Resolution (AGAINST)
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2019		
2.	To Rectify M/s. SANJEEV NAVIN & ASSOCIATES having Firm Registration No 328800E as a Statutory Auditor of the Company from this Annual General Meeting upto the conclusion of Next Annual General Meeting.		
3.	To Approve Special Resolution for regularisation of Mr. DInesh Agarwal as an Executive Director and their remuneration.		
4.	To Approve Special Resolution for regularisation of Mr. Virendra Kr Soni as an Executive Director and their remuneration.		
5.	To Approve Special Resolution for Make Borrowing Upto 50 Cr.		
6.	To Approve Special Resolution for Provide loans, advances and investment upto 80 cr.		

* Applicable for investors holding shares in Electronic form.

Signed this ___ day of ____ 20__

Affix Revenue Stamps

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder
across Revenue Stamp

Note:

- 1) 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.
- 2) The proxy need not be a member of the company.

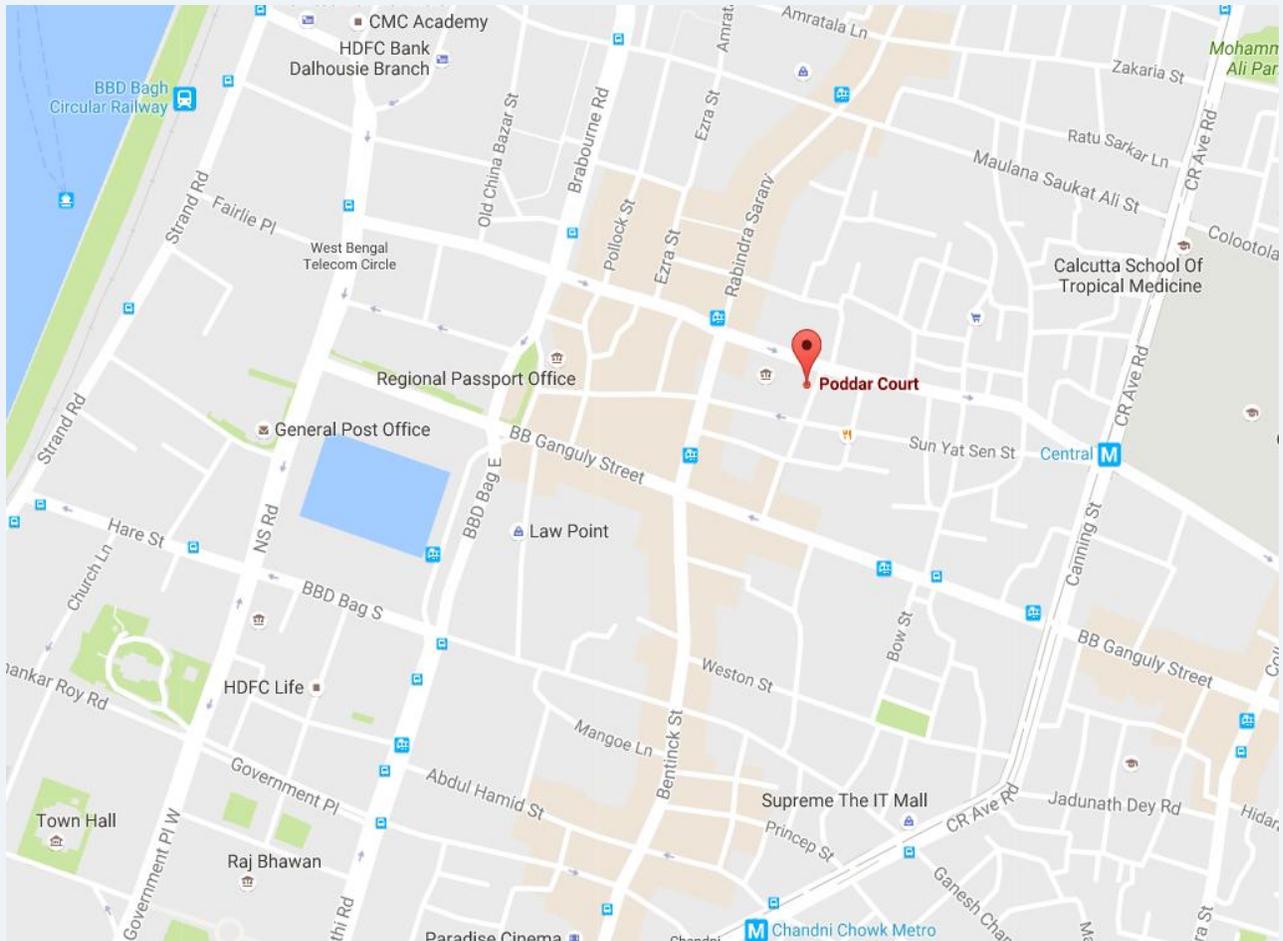
ELECTRONIC VOTING PARTICULARS

EVEN (Remote E -Voting Event Number)	USER ID	PASSWORD

Notes: 1) Each equity share of the Company carries one vote.

2) Please read the Instructions printed under the Note No. 12 to the Notice dated 05th September, 2019 of the 37th Annual General Meeting. The e-Voting period starts from 10.00 A.M. on 25.09.2019 and ends at 5.00 P.M. on 27.09.2019, 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