

AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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Limited Review Report

The Board of Directors
ARC Finance Limited
31/41, Biboba Bhava Road
Kolkata 700048


We have reviewed the accompanying statement of "Unaudited Financial Results" ("the Statement") of **ARC Finance Limited** ("the Company") for the quarter ended 30th September, 2011 which has been initialed by us for identification. This Statement is the responsibility of the Company's management and has been approved by the Directors of the Company in the Board Meeting held on 31st October, 2011. Our responsibility is to issue a report on these financial statements based on our review

1. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
2. Attention is drawn to our comments :
 - (a) Provision for deferred tax as required in terms of Accounting Standard 22 (AS-22) which is recognized in the audited annual accounts of the company has neither been ascertained nor accounted for while preparing the unaudited financial results of the period under review:
 - (b) Diminution in value of investments has not been determined.
3. Based on our review conducted as above and the representation received with respect to the promoters and promoter group shareholding which has been taken as per the said representation provided to us by the management, we report that, subject to certain reconciliations/ confirmations/ adjustments which are carried out at the year end (the impact of which has not been ascertained) and subject to our comments in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date Oct 31, 2011
Place : Kolkata



For AGARWAL & ASSOCIATES.
Chartered Accountants


R. K. AGARWAL
Partner
Membership No. 052130

ARC FINANCE LIMITED

Unaudited Financial Results for the quarter ended 30.09.2011

Rs in Lacs

| Particulars | Qtr ended 30.09.11 | Qtr ended 30.09.10 | ½ Yr ended 30.09.11 | ½ Yr ended 30.09.10 | Yr.ended 31.03.11 (audited) |
|--|-----------------------|-----------------------|------------------------|------------------------|-----------------------------------|
| Income from Operations | 0.18 | 0.00 | 0.50 | 0.00 | -- |
| Other Income | 0.08 | 0.01 | 0.08 | 0.01 | 0.44 |
| Profit on sale of Investment (nett) | 0.36 | 5.72 | 0.57 | 5.75 | 6.52 |
| Staff Cost | 1.03 | 1.40 | 2.36 | 2.81 | 6.08 |
| Operating Expenditure | 1.02 | 2.54 | 2.06 | 3.79 | 8.49 |
| Provision for Depreciation | 0.43 | 0.36 | 0.97 | 0.72 | 1.52 |
| Provision for sub-standard & doubtful assets | -- | -- | -- | -- | 2.20 |
| Net Profit / (Loss) | -1.86 | 1.43 | -4.24 | -1.56 | -11.33 |
| Paid up equity capital | 49.50 | 49.50 | 49.50 | 49.50 | 49.50 |
| Reserves excluding revaluation reserves | | | | | 47.00 |

a) The above results were taken on record by the board of directors at their meeting held on 31st October 2011.

b) Provision for taxation if any will be made at the time of audit.

c) During the quarter no investor complaint was received.

Dated : 31st October 2011

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A.V KOTHARI
DIRECTOR

