35TH ANNUAL REPORT

2016-2017

ARC FINANCE LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPLIANCE OFFICER - Mrs. Sapna Agarwal

COMPANY SECRETARY - Mr. Pawan Dalmia

REGISTERED OFFICE

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

AUDITORS

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

BANKERS

HDFC Bank Ltd.

CORPORATE IDENTITY NUMBER : L51909WB1982PLC035283

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

REGISTRAR & SHARE TRANSFER AGENTS

M/s. ABS CONSULTANT PVT. LTD,
99 Stephen House, 6th Floor,
4, B.B.D Bagh (E),
Kolkata- 700001, W.B
Phone Nos. :(033) 2230-1043, 2243-0153,
Email Id: absconsultant@vsnl.net

LISTED AT : The CSE Limited, BSE Limited and UPSE Limited

DEMAT ISIN NUMBER IN NSDL & CDSL: INE202R01018

WEBSITE : www.arcfinance.in

INVESTOR E-MAIL ID: arcfinancelimited@gmail.com

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Shareholders of **M/s ARC Finance Limited** will be held on Friday,15th day of September, 2017 at 9.30 A.M. at 18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, Room No.3, Kolkata-700001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Pradip Kumar Agarwal [DIN: 01286415] who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. SANJEEV NAVIN & ASSOCIATES, Chartered Accountants in place of M/s. SHAH RAVI & CO, Chartered Accountants, as Statutory Auditor of the Company for the F.Y 2017-18 to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next fifth Annual General Meeting:

   "RESOLVED THAT pursuant to Section 139 and all other applicable provisions, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee of the Board, M/s. SANJEEV NAVIN & ASSOCIATES Chartered Accountants (ICAI Firm Registration no. 326800E) be and is hereby appointed as the Statutory Auditor of the Company for the financial year 2017-18 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next fifth Annual General Meeting of the Company."

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

For and on behalf of the Board
ARC Finance Limited
Sd/-
Asis Banerjee
Chairman

Date: 12.08.2017
Place: Kolkata

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 9th September, 2017 to 15th September, 2017 (Both days inclusive).

3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.

4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.

5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

   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 2016-2017 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 2016-2017 is being sent in the permitted mode.

11. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2016-2017 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 08.09.2017, 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 Tuesday 12th of 2017 and will end at 5.00 p.m. on Thursday 14th of September, 2017. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. Akhil Agarwal, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

Procedure for remote e-voting

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

(Log on to the e-voting website: www.evotingindia.com during the voting period.

a. Click on "Shareholders" tab

b. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith "ARC FINANCE LIMITED" from the drop down menu and click on "SUBMIT".

c. Now Enter your User ID (as mentioned in the Attendance Slip) :

i. For CDSL: 16 digits beneficiary ID,

ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.

d. Next enter the Image Verification as displayed and Click on Login.

e. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

f. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:

g. After entering these details appropriately, click on "SUBMIT" tab.

h. Members holding shares in physical form will then reach directly the Company selection

screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

i. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

j. For Members holding shares in physical form, the details in Attendance Slip can be used only for e-voting on the resolutions contained in this Notice.

k. Click on the relevant EVSN "ARC FINANCE LIMITED" for which you choose to vote.

l. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

m. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

p. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

q. If Demat account holder has forgotten the changed password then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.

r. For Non – Individual Shareholders and Custodians:

s. ● Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on tohttps://www.evotingindia.com and register themselves as Corporates.

● A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.

● After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

● The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

● A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

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

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

III.The voting rights shall be as per the number of equity share held by the Member(s) as on 08.09.2017. 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 at 9.00 a.m. on Tuesday 12th of, 2017 and will end at 5.00 p.m. on Thursday 14th of September, 2017. 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 35th 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 08.09.2017.

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

Sd/-
Asis Banerjee
Chairman

Place: Kolkata
Date: 12.08.2017

BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 35th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

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

The performance during the period ended 31st March, 2017 has been as under:

(Rs. In Lakhs)

Particular	2016-2017	2015-2016
Total Income	777.81	349.51
Total Expenditure	758.51	307.45
Profit Before Tax	19.30	42.06
Provision for Tax & Deferred Tax	5.59	14.31
Profit after Tax	13.70	27.75

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:

Pursuant to regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), No Dividend was declared for the current financial year due to insufficient profit.

5. CHANGE IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at 31st March, 2017 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 7 (Seven) times on 30.05.2016, 21.07.2016, 09.08.2016, 11.11.2016, 22.12.2016, 13.02.2017 and 28.03.2017 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

7. DIRECTORS AND KEY MANANGERIAL PERSONNEL:

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same. Subsection (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Further, according to Sub-section (11) of Section 149, no independent director shall be eligible for appointment for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

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.