

# **ARTHEON FINANCE LIMITED**



**27<sup>TH</sup> ANNUAL REPORT  
2010-2011**

# ARTHEON FINANCE LIMITED

## BOARD OF DIRECTORS.

MR. S.K. JIWARAJKA	--- DIRECTOR
MR. TUSHAR JIWARAJKA	--- DIRECTOR
MR. M.L. TULSYAN	--- DIRECTOR ( Upto 31/03/2011)
MR. DEBA PRASAD ROY	--- DIRECTOR

## AUDITORS

M/S. V.PAREKH & ASSOCIATES

## BANKERS

CANARA BANK

## REGISTERED OFFICE

201, SUMER KENDRA,  
PANDURANG BUDHKAR MARG,  
WORLI, MUMBAI -400018



**ARTHEON FINANCE LTD.**  
201, Sumer Kendra, Pandurang Budhkar Marg,  
Worli, Mumbai - 400 018. INDIA.  
Tel : +91-22-4096 3300  
Fax : +91-22-24950415  
Website: www.artheonventures.com

## **ARTHEON FINANCE LIMITED**

### **NOTICE**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of the Company will be held

At: 201, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai 400018.

On: Friday, 30<sup>th</sup> September, 2011 at 11.00 A.M.

to transact the following business:

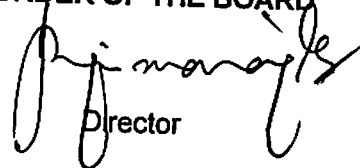
#### **ORDINARY BUSINESS**

1. To receive, consider & adopt the audited Balance Sheet as at 31.03.2011 and the Profit & Loss Account for the year ended on that date and the Directors' & Auditors' Reports thereon.
2. To appoint a Director in place of Shri Sushil Kumar Jiwrajka who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

#### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 30<sup>th</sup> September, 2011 to Friday, 30<sup>th</sup> September, 2011.
3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

BY ORDER OF THE BOARD

  
Director

**REGISTERED OFFICE:**  
201, Sumer Kendra,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400018

Dated: August 29, 2011.

## **DIRECTORS' REPORT TO THE MEMBERS –**

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March 2011.

### **Financial Results**

The financial results of the Company for the year ended March 31, 2011 are summarized below:

	<b>Current year 2010-2011 (Rs. in Lacs)</b>	<b>Previous Year 2009-2010 (Rs. in Lacs)</b>
Income from operations and other income	12.17	57.55
Profit before Depreciation & Tax	(18.82)	26.51
Less: Depreciation	6.45	6.58
Profit/ (Loss) before Tax	(25.26)	19.92
Less: Provision for Taxation & Deferred Tax	(15.75)	2.85
Net Profit/ (Loss) after Tax	(41.02)	17.07
Add: Balance brought forward from last year	316.44	299.37
Amount available for Appropriation	275.41	316.44
Less: Transfer to General Reserve	-----	-----
Balance carried to Balance Sheet	275.41	316.44

### **Economic Scenario**

The year gone by was a difficult period for Capital Market as there was marked slowdown in the global economic activity. The financial crisis which commenced in US spread its tentacles to Euro region taking a toll on the weaker nations of the region like Greece, Ireland, Portugal etc. The oil prices were also firm in view of the ongoing turmoil in West Asia dampening the prospects of early global recovery. It is predicted that the situation will remain so as no tangible hard decisions are being taken by the respective Governments. The continuing loose monetary policy of Federal Reserve and European Central Bank virtually had no impact in reviving the economy. On the contrary, India and China posted good economic growth as measured by gross domestic product. Our economy grew by 8.50% for 2010-2011, although there was slowdown in growth during the last quarter of the financial year. Farm output which was hitherto lagging behind bounced back, saving the day.

The current year 2011-2012 is no way better and is witnessing series of rate hikes by Reserve Bank of India to tame the rising inflation. There is already slowdown in various facets of the economy like manufacturing, construction, infrastructure, capital goods etc. There is an increasing trend in non-performing assets which has lead to Bank's being extra cautious in lending. The uncertainty in global capital markets has lead many foreign institutional investors leave the Indian shores for safety. As there is no aggressive buying by domestic institutions, retail/HNI investors, the equity market continues its downward journey

## **Review of Operations**

In the backdrop of sluggish Capital Market, your Company's operations got affected resulting in loss. Income for the year ended 31<sup>st</sup> March 2011 was Rs 12.17 lacs as against the previous year's Rs 57.55 lacs, a decline of 21%. The Company had a loss of Rs 41.02 lacs during the period under review as against profit after tax of Rs 17.07 lacs in the previous year.

## **Dividend**

As the Company has incurred loss, no dividend is declared by your Company for the period under review.

## **Deposits**

The Company has not accepted any deposits from the public or otherwise as on 31st March 2011.

## **Director**

Shri Sushil Kumar Jiwarajka, Director of the Company would retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. M. L. Tulsyan, director of the company resigned as a director of the company with effect from April 1, 2011.

## **Directors Responsibility Statement**

The Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have 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 or loss of the Company for that year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts on a going concern basis.

## Particulars under Section 217(l) (e) of the Companies Act, 1956.

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption etc. is not given in view of the activities of the Company.

During the year, the foreign exchange earnings were Rs. NIL and outgo was Rs. NIL

## Particulars of Employees

The Company does not have any employees whose particulars are required to be given under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

## Compliance Certificate

A Compliance Certificate from a secretary in whole-time practice under section 383A of the Companies Act, 1956 in respect of the financial year ended on March 31, 2011 is attached hereto.

## Listing

The equity shares of the company are listed on the Bombay Stock Exchange Limited. The Company has paid the Annual Listing fees to the Stock Exchange for the year 2011-2012.

## Auditors

M/s V. Parekh & Associates, Chartered Accountants, Mumbai would retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

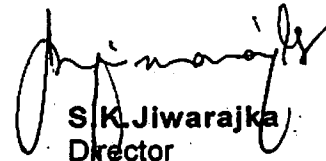
You are requested to appoint Auditors and to fix their remuneration.

## Acknowledgement

Your Directors convey their gratitude to the Company's valued Clients, Bankers and Shareholders for their continued support. The Directors also record their appreciation of the Company's employees at all levels for their dedication, commitment and hard work.

For and on behalf of the Board of Directors

  
Tushar Jiwrajka  
Director

  
S.K. Jiwrajka  
Director

Place: Mumbai  
Date: 29<sup>th</sup> August 2011.

**SHIV HARI JALAN  
B.COM., F.C.A., A.C.S.  
COMPANY SECRETARY**

104, MAHAVIR BUILDING, 44/46, POPATWADI LANE, KALBADEVI, MUMBAI-2.  
Telephone: 2075834, Tele Fax: 2075835, Mobile: 9869035834, Residence: 8845111.

**COMPLIANCE CERTIFICATE**

U/S 383 A of the companies Act, 1956 & Rule 3 of the companies  
(compliance certificate) Rules, 2001.

Registration No.: 11-033922

Nominal capital: Rs. 900 Lacs

To,

The Members,

**ARTHEON FINANCE LIMITED**

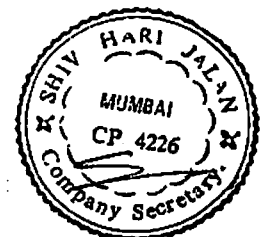
201, Sumer Kendra,

Pandurang Budhkar Marg,

Worli, Mumbai - 400018.

I have examined the registers, records, books and papers of ARTHEON FINANCE LIMITED (Registration No.: 11-033922) (the company) as required to be maintained under the companies Act, 1956. (THE ACT) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in the respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has not filed any forms & returns during the year under scrutiny with the Registrar of companies, Regional Director, Central Government, Company law Board or other authorities.
3. The company is a Public Limited company and hence comments are not required.
4. The board of Directors duly met *Five* times on 26.04.2010, 30.07.2010, 06.09.2010, 26.10.2010 & 29.01.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Minutes Book maintained for the purpose.
5. The company closed its Register of members from 29.09.2010 to 30.09.2010.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 30.09.2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loan to its Directors and/or persons firms or companies referred in Section 295 of the Act.



9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company was not required to make any entries in the register maintained under Section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and Members in earlier year pursuant to section 314 of the Act.
12. The company has not issued any duplicate share certificates during the financial year under review.
13. The company has:
  - (i) Not made any allotment of securities or approved any transfer/transmission during the financial year under review.
  - (ii) Not deposited any amount in a separate bank Account as no dividend was declared during the financial year.
  - (iii) Not posted Warrants for Dividends to any members of the company as no dividend was declared during the financial year.
  - (iv) No Transaction Necessitating to transfer the amounts in unpaid dividend account, applications money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - (v) Duly complied with the requirements of section 217 of the Act.
14. The board of Directors of the company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year under certification.
15. The company has not appointed any Managing Director/ Whole-time Director/Manager during the financial year
16. The company has not appointed any sole-selling Agent during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board /Regional Director/ Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provision of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has not redeemed any preference shares / debentures, during the financial year.
22. There was no transaction necessitating to keep in abeyance rights to dividend / rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited or accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act read with companies (Acceptance of Deposit) Rules 1975, during the financial year under review form public.
24. The company has not made any borrowings during the financial year ended 31.03.2011.

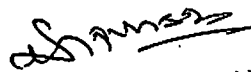




25. The company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the object of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the year under scrutiny.
31. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year under certification.
33. The company has not constituted its Provident Fund u/s.418 of the companies Act, 1956 and hence provisions of section 418 of the Act do not apply to the company.

Place: Mumbai

Date: 29.08.2011

  
SHIV HARI JALAN  
COMPANY SECRETARY  
C.P.NO. : 4226



**ARTHEON FINANCE LIMITED**

**Annexure "A"**

Registers as maintained by the company.

1. Register of Members u/s. 150(1).
2. Register of Transfers.
3. Copies of Annual Return prepared u/s. 163(1)
4. Minutes of proceedings of meetings of Board of Directors and of general meeting u/s.193 (1).
5. Books of Accounts u/s. 209(1).
6. Register of contracts, companies and firms in which directors are interested u/s 301(1).
7. Register of Directors, Manager and Secretary u/s. 303(1).
8. Register of Directors shareholding u/s. 307(1).
9. Register of inter-corporate deposits / investments, etc. u/s. 372A (5) & (6).

**Annexure "B"**

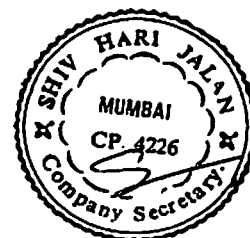
Forms and Returns as filed by company with the Registrar of the companies, Regional Director, Central Government or other authorities during the financial year ending on 31.03.2011:

Sr. No.	Form No./ return	Filed under section	For	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1.	Annual Return Form 20B	159	2009-10	23.11.10	Yes	N/A
2.	Balance sheet(with required annexures and schedules) Form 23ac/aca	220	2009-10	18.10.10	Yes	N/A
3.	CCOM Form 66	383A	2009-10	15.10.10	Yes	N/A

Place: Mumbai

Date: 29.08.2011

  
**SHIV HARI JALAN**  
**COMPANY SECRETARY**  
C.P.NO. : 4226



AUDITORS' REPORT

TO,  
THE MEMBERS OF  
ARTHEON FINANCE LIMITED,  
MUMBAI.

We have audited the attached Balance Sheet of "Artheon Finance Limited" as at 31<sup>st</sup> March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matter specified in Paragraph 4 and 5 of the said order:
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
  - c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts.
  - d. In our opinion, the attached Balance Sheet and Profit & Loss Account and the cash flow Statement dealt with by this report complying with the Accounting Standards referred in Sub-section 3(c) of Section 211 of the Companies Act, 1956.
  - e. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us the said Accounts read together with the notes thereon subject to Note 1(III) (ii) regarding non-provision of gratuity give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.



**ARTHEON FINANCE LIMITED (2010-11)**

- i) In the case of Balance Sheet, of the state of the affairs of the Company as at 31<sup>st</sup> March, 2011 and
- ii) In the case of the Profit & Loss Account of the Loss of the Company for the year ended on that date.
- iii) In the case of the cash Flow Statement of the Cash Flow for the year ended or that date.

MUMBAI,  
DATED :29<sup>TH</sup> AUGUST, 2011



FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS

*Rasesh V. Parekh*  
RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615  
FIRM REG. NO.107488W

**ARTHEON FINANCE LIMITED**  
**ACCOUNTING YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

**ANNEXURE TO THE AUDITORS REPORT :**  
**REFERRED TO IN PARAGRAPH 1. OF OUR REPORT OF EVEN DATE:**

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situations of the Fixed Assets.  
b) These assets have been physically verified by the management at reasonable intervals, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
c) As per records of the Company and as explained to us, the Company has not disposed off any substantial or major portion of fixed assets. However during the current year, the company has discarded some fixed assets.
- 2) According to the information and explanation given to us, and having regard to the Company's Business the question of reporting on Clause 4 (ii)(a), 4(b) and 4(ii)(c)(relating to inventory) of the Companies (Auditor's Report) order 2003 as Amended by Companies (Auditor's Report) (Amendment) order 2004 (herein after referred to as the said order ) does not arise.
- 3) a) As per information and explanation given to us, the company has not granted/taken unsecured/secured loan to/from the company covered in the register maintained under section 301 of the Companies Act, 1956. Hence sub clauses (a) to (g) of clause 3 of the order are not applicable to the Company.
- 4) In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the Company and nature of its business for the purchases and sale of Shares and securities, fixed assets and for the sale of services.
- 5) In our opinion and according to the information and explanations given to us, the company has not entered into any contract, arrangements or transaction aggregating during the year to Rs.5,00,000/- (Rs. Five Lakhs Only) or more in respect of each party being company, firm or other parties listed in the register maintained under section 301 of the Companies Act 1956, other than the subsidiary company as referred in Para 3(a) above.
- 6) The Company has not accepted any deposits from the public during the year to which the directive issued by the Reserve Bank Of India and provision of section 58A and Section 58AA and the rules framed there under are applicable.
- 7) In our opinion, the company does not have any formal internal audit system commensurate with its size and the nature of its business.



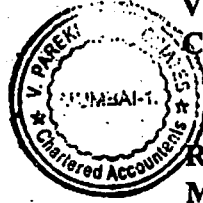
**ARTHEON FINANCE LIMITED ( 2010-11 )**

- 8) The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act 1956 in respect of services and other activities carried out by the Company. Accordingly, clause 4(iii) of the Order is not applicable.
- 9) a) According to the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident fund, Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and any company is regular in depositing undisputed statutory dues including Income-tax and any other statutory dues applicable to it, with the appropriate authorities during the year.
- b) According to the records of the Company, there is no disputed amount payable on account of Sales Tax, Income Tax, Custom Duty, Wealth Tax or Excise duty outstanding at the end of the financial year.
- 10) As at the end of the financial year, the Company does not have accumulated losses. However, the Company has incurred cash loss during the current financial year.
- 11) The company has neither taken any loans from financial institution and bank or issued any debentures, Accordingly, clause 4(xi) of the order is not applicable.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and/ or other security. Accordingly, clause 4(xi) of the order is not applicable.
- 13) The company is not a chit fund, Nidhi, Mutual benefit Fund or a Society. Accordingly, clause 4(xi) of the order is not applicable.
- 14) As per information and explanation given to us and records produced before us the Company has maintained proper records of transaction and contract in respect of trading in shares Debentures and other securities and that timely entries have been made and those shares and securities are held by the company in its own name.
- 15) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank of financial institution during the year.
- 16) The company has not raised any terms loans during the year.
- 17) As per records maintained and information given to us, the company has not raised funds either on short term or long-term basis during the year.
- 18) As informed to us, the company has not made any preferential allotment of shares during the year.
- 19) The Company has not issued any debenture during the year.



- 20) The company has not raised any money by public issues during the year.
- 21) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

MUMBAI,  
DATED :29<sup>TH</sup> AUGUST, 2011



FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS

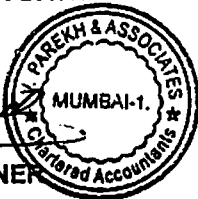
*Rajesh V. Parekh*  
RAJESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615  
FIRM REG. NO.107488W

**ARTHEON FINANCE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

	SCHEDULE	RUPEES	AS AT 31.3.2011	AS AT 31.3.2010
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUND</b>				
a) Capital	A	14,000,000		14,000,000
b) Reserves & Surplus	B	47,541,614		51,643,959
Total Shareholders Funds			61,541,614	65,643,959
<b>LOAN FUNDS</b>				
Unsecured Loans	C	-		370,460
<b>TOTAL</b>			<b>61,541,614</b>	<b>66,014,420</b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	D	7,554,490		7,554,490
Less : Depreciation		3,593,696		2,948,508
Net Block			3,960,794	4,605,982
<b>INVESTMENTS</b>				
	E		55,249,238	54,099,774
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
a) Cash & Bank Balances	F	223,215		3,966,832
b) Loans & Advances	G	3,470,567		7,400,952
		3,693,783		11,367,783
Less : Current Liabilities and Provisions	H	1,362,200		4,059,119
Net Current Assets			2,331,582	7,308,664
<b>TOTAL</b>			<b>61,541,614</b>	<b>66,014,420</b>
<b>NOTES ON ACCOUNTS</b>				
	M			

AS PER OUR REPORT OF EVEN DATE  
FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS

**RASESH V. PAREKH** PARTNER  
MEMBERSHIP NO. 38615  
FIRM REG. NO.107488W  
MUMBAI,  
DATED : 29TH AUGUST, 2011



FOR ARTHEON FINANCE LIMITED

*T. Jwarajka*

DIRECTOR

*P. Jwarajka*

DIRECTOR

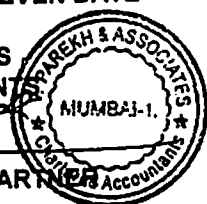


**ARTHEON FINANCE LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	SCHEDULE	AS AT 31.3.2011	AS AT 31.3.2010
<b>INCOME</b>			
Professional Fees	I	325,769	4,950,447
Other Income		892,214	804,324
<b>TOTAL INCOME</b>		<b>1,217,983</b>	<b>5,754,771</b>
<b>EXPENDITURE</b>			
Administrative Expenses and Other Expenses	J	1,296,326	1,456,071
Payment & Provision to Employees	K	1,795,173	1,528,804
Interest	L	8,035	119,091
Depreciation	D	645,188	658,340
<b>TOTAL EXPENDITURE</b>		<b>3,744,723</b>	<b>3,762,306</b>
Profit/(Loss) for the year before tax		(2,526,739)	1,992,465
Less : Provision for Taxation :		-	-
For Current Year		-	285,408
Net Short Provision for Earlier Year		1,575,606	-
Profit/(Loss) after tax		(4,102,345)	1,707,057
Balance brought forward		31,643,959	29,936,904
Balance carried to Balance Sheet		<b>27,541,614</b>	<b>31,643,959</b>
Earning per share :			
Profit available to shareholders		(4,102,345)	1,707,057
No. of equity shares outstanding of Rs. 10/- each		1,400,000	1,400,000
Profit per share		(2.93)	1.22
Notes on Accounts	M		

AS PER OUR REPORT OF EVEN DATE  
FOR AND ON BEHALF OF  
**V. PAREKH & ASSOCIATES**  
CHARTERED ACCOUNTANTS

*R. Parekh & V. Parekh*



**RASESH V. PAREKH** PARTNER  
MEMBERSHIP NO. 38615  
FIRM REG. NO.107488W  
MUMBAI,  
DATED : 29TH AUGUST, 2011

FOR ARTHEON FINANCE LIMITED

*T. J. J. J.*

DIRECTOR

*J. J. J.*

DIRECTOR

**ARTHEON FINANCE LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011**

	AS AT 31.3.2011	AS AT 31.3.2010
<b>SCHEDULE : A : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
5,000,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
400,000 Redeemable Preference Shares of Rs. 100/- each	40,000,000	40,000,000
	<b>90,000,000</b>	<b>90,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
1,400,000 Equity Shares of Rs. 10/- each fully paid up. (of the above 1,000,000 Equity Shares were allotted as fully paid Bonus Shares by way of capitalisation of General Reserves)	14,000,000	14,000,000
	<b>14,000,000</b>	<b>14,000,000</b>
<b>SCHEDULE : B : RESERVES &amp; SURPLUS</b>		
<b>GENERAL RESERVE</b>	20,000,000	20,000,000
Balance as per last Balance Sheet	27,541,614	31,643,959
Balance of Profit & Loss Account	<b>47,541,614</b>	<b>51,643,959</b>
<b>SCHEDULE : C : UNSECURED LOANS</b>		
HDFC Bank Limited - Car Loan	-	370,460
	-	<b>370,460</b>
<b>SCHEDULE : F : CASH &amp; BANK BALANCES</b>		
Cash on Hand	11,107	23,810
Balance with Scheduled Banks in Current Account	212,109	3,943,022
	<b>223,215</b>	<b>3,966,832</b>
<b>SCHEDULE : G : LOANS &amp; ADVANCES</b>		
(Unsecured Not Considered Good)	1,757,354	1,762,842
Loan to Others	1,226,284	1,276,673
(Unsecured Considered Good)	425,065	4,299,573
Advances Recoverable in Cash or Kind or for value to be received	61,864	61,864
Advance payment of Taxes		
Deposits		
	<b>3,470,567</b>	<b>7,400,952</b>
<b>SCHEDULE : H : CURRENT LIABILITIES &amp; PROVISIONS</b>		
Provision for Taxation	-	1,826,516
Provision for Fringe Benefit Tax	-	492,300
Sundry Creditors	155,096	726,742
Provision for Employee Benefit	1,207,104	1,013,561
	<b>1,362,200</b>	<b>4,059,119</b>



**ARTHEON FINANCE LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011**

	AS AT 31.3.2011	AS AT 31.3.2010
<b>SCHEDULE : I : OTHER INCOME</b>		
Brokerage	-	20,203
Dividend- Equity Shares	239,971	145,161
Profit on sale of Shares (Long Term)	186,991	437,575
Profit on sale of Shares (Short Term)	51,963	-
Profit / Loss on Derivatives (F&O)	-	201,385
Interest on Income Tax Refund	123,494	-
Foreign Exchange Gain/Loss	993	-
Sundry Balance W/Back	288,803	-
	<b>892,214</b>	<b>804,324</b>
<b>SCHEDULE : J : ADMINISTRATIVE EXPENSES &amp; OTHER EXPENSES</b>		
Advertisement & Business Promotion Expenses	96,247	78,906
Payment to Auditors:		
Audit Fees	33,090	33,090
Tax Audit Fees	16,545	16,545
Bank Charges	2,175	1,527
Depository Participant Charges	2,152	4,617
Filing & Registration Fees	1,740	620
Insurance Premium	13,912	5,233
Listing Fees	11,030	11,030
Membership & Subscription Charges	-	33,108
Postage, Courier & Telephone Expenses	22,186	103,665
Printing & Stationery	2,900	2,992
Professional & Legal Fees	635,157	666,238
Miscellaneous Expenses	201,861	273,374
Vehicle Expenses	218,623	188,312
Repairs & Maintenance & Upgradation	1,821	17,774
Profession Tax	7,500	7,500
Share Transaction, Service Tax & Stamp Charges	3,729	4,376
Travelling & Conveyance	25,659	7,163
	<b>1,296,326</b>	<b>1,456,071</b>
<b>SCHEDULE : K : PAYMENTS AND PROVISIONS TO EMPLOYEES</b>		
Salaries & Allowances	1,663,007	1,341,454
Staff Welfare	11,338	88,926
Contribution to ESIC, PF, Other Funds	120,828	98,424
	<b>1,795,173</b>	<b>1,528,804</b>
<b>SCHEDULE : L : INTEREST</b>		
Other interest	8,035	119,091
	<b>8,035</b>	<b>119,091</b>



**ARTHEON FINANCE LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011**

**SCHEDULES "E" INVESTMENT**

Face Value per Share	Name of the Company	As At march 31,2011		As At march 31,2010	
		No. of Shares	Amount ( In Rs.)	No. of Shares	Amount ( In Rs.)
<b>Quoted - Equity Shares Fully Paid Up</b>					
10	Venus Remedies Limited	20052	8,852,458	20052	8,852,458
5	Asian Electronics limited	47000	9,060,941	47000	9,060,941
10	Asian Hotels (North) Limited	2614	1,306,088	2614	1,306,088
10	Asian Hotels (East) Limited	2614	1,306,088	2614	1,306,088
10	Asian Hotels (West) Limited	2614	1,306,088	2614	1,306,088
10	Kingfisher Airlines Limited	25000	7,004,812	25000	7,004,812
10	Dewan Housing Finance Corporation Limited	4500	981,357	7500	1,643,234
10	GTL Infrastructure Limited	90000	7,266,371	90000	7,266,371
10	KS.Oils Limited	58000	4,934,182	58000	4,934,182
5	Parsvnath Developer Limited	17460	5,016,662	8730	5,016,662
10	Shardul Securities Limited	12000	5,832,850	12000	5,832,850
	<b>Total</b>		<b>52,867,897</b>		<b>53,529,774</b>
<b>Unquoted - Fully Paid Up</b>					
10	Dhandapani Spinning Mills Limited	10000	300,000	10000	300,000
10	Artheon Energy Private Limited	250000	250,000	250000	250,000
10	Integrated Documentation Consultant Private Limi	2000	20,000	2000	20,000
	<b>Total</b>		<b>570000</b>		<b>570000</b>
<b>TOTAL VALUE</b>			<b>53,437,897</b>		<b>54,099,774</b>
<b>Cost of Quoted Investment ( Equity Shares)</b>			<b>52,867,897</b>		<b>53,529,774</b>
<b>Cost of Un-Quoted Investment ( Equity Shares)</b>			<b>570,000</b>		<b>570,000</b>
<b>Canara Bank Robeco Mutual Fund</b>			<b>1,811,341</b>		<b>-</b>
<b>Market Value of Quoted Investments ( Equity Shares )</b>			<b>15,517,722</b>		<b>22,648,483</b>



ARTHEON FINANCE LIMITED (2010-11 )

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.

SCHEDULE ' M ' :

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting:

The financial statement is prepared under the historical cost convention and accounted on accrual basis.

ii) The presentation of financial statement is in conformity with the generally accepted accounting principles.

iii) Revenue Recognition

In respect of other heads of income, the company follows the practice of accounting for such income on accrual basis. Delayed payment charges are accrued on the basis of certainty of collection.

iv) Retirement and other employees benefits

i) Contributions are made towards Provident Fund, which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required under the statute/ rules.

ii) Gratuity liability and provision for Leave Encashment has been provided for on the basis of actuarial valuations made at the year end.

v) Fixed Assets

Fixed Assets are carried at cost of acquisition less accumulated depreciation.

vi) Depreciation on Fixed Assets

In respect of leased assets, purchased/installed after March 31, 1989, 95% of the cost of the assets is being written off as depreciation on straight-line method basis spread during the leased period.

In respect of all other assets, depreciation is provided on straight line method at the rate and in the manner prescribed in Schedule XIV to the Companies Act 1956.

vii) Investment

Investment made by the Company other than those with a maturity of less than one year, are intended to be held for a long-term, hence diminution in the value of quoted investments are not considered to be of a permanent nature. On an assessment of the non-performing investments (quoted and unquoted) and keeping in mind the relevant provisioning norms applicable to the company as a NBFC and the guidelines adopted by the management, no provision has been determined during the year ended 31 March 2011.

viii) Taxes on Income :

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the relevant tax regulation.



**ARTHEON FINANCE LIMITED ( 2010-11)**

2) Remuneration to Auditors

	2010-11	2009-10
As Audit Fees	33090.00	33090.00
As Tax Audit Fees	16545.00	16545.00
<b>TOTAL</b>	<b><u>49635.00</u></b>	<b><u>49635.00</u></b>

3) In the opinion of the Board, Current Assets, Loans & Advances are approximately of the same value as stated in the Balance Sheet, if realized in the ordinary course of business.

4) Loans & advances include Rs 10,36,500/- due from a Associate Companies ( Previous year Rs. 14,11,500/-)

5) As the company is not manufacturing any item, the additional information pursuant to Schedule VI, II 4-C and 4-D to the Companies Act, 1956, has not been furnished except as under :

**Expenditure in foreign currency:**

Particulars	2010-2011	2009-2010
Foreign Travel Expenses	NIL	NIL

6) **Related Parties Disclosure :**

As per the Accounting Standard-18 on "related party disclosure", issued by the "Institute of Chartered Accountants of India, the related parties of the Company are as follows:

I) Associated Companies/Firms.

- a) Artheon Battery Company Pvt Ltd.
- b) Artheon Energy Pvt Ltd.
- c) Artheon Electronics Ltd.
- d) Integrated Documentation Consultants Pvt Ltd.
- e) Essjay Ericsson Private Limited

II) Key Managerial Person: Shri. S. K. Jiwrajka  
Shri. M. L. Tulsyan

III) The nature of volume of transaction the company during the year with the related parties were as follows :

- a) Associated Companies / Firms: Rs 375000/- ( Refund of Loan)
- b) Payment of Professional fees of Rs 5,46,960/-, (PY Rs. 5,43,960/-)



**ARTHEON FINANCE LIMITED ( 2010-11)**

**7) Deferred Tax:**

The break up of deferred tax assets and deferred tax liabilities is as given below :

	Amount (Rs) 31.03.2011	Amount (Rs) 31.03.2010
<b><u>Deferred tax Asset</u></b>		
Arising on account of timing differences in :-		
Brought forward unabsorbed losses	2481031	1657905
On Account of Expenses	327995	313190
<b>Total (A)</b>	<b>2854027</b>	<b>1971095</b>
<b><u>Deferred Tax Liability</u></b>		
Arising on account of timing differences in :-		
Depreciation	285634	317744
<b>Total (B)</b>	<b>285634</b>	<b>317744</b>
<b>Deferred Tax Asset / (Liability)</b>	<b>2568393</b>	<b>1653351</b>

**8) Segment :-**

Primary Segment Information for the year ended 31<sup>st</sup> March, 2011.

	Fund Based (RS.)	Non-Fund Based(Rs.)	Total (RS.)
<b>REVENUE</b>			
External Revenue	4,78,924	6,15,565	10,94,489
Internal Revenue	0	0	0
<b>Total Revenue</b>	<b>4,78,924</b>	<b>6,15,565</b>	<b>10,94,489</b>
Add. Interest Income	0	1,23,494	1,23,494
<b>Total Enterprise Revenue</b>	<b>4,78,924</b>	<b>7,39,059</b>	<b>12,17,983</b>
<b>Result</b>			
<b>Segment Results</b>			12,17,983
Unallocated Expenditure			30,91,499
Interest Expenses			8,035
Depreciation			6,45,188
<b>Profit/(Loss) before Taxation</b>			<b>(25,26,739)</b>

**9) Particulars of earning per share :**

Calculation of Weighted Average Number of equity Shares of Rs. 10/- Each		31.03.2011	31.03.2010
1	No. Of Equity Shares at the beginning of the year	1400000	1400000
2	Total No. Of Equity Shares outstanding at the end of the year	1400000	1400000
3	Weighted Average Number of Equity Shares of Rs. 10/- each outstanding during the year	1400000	1400000
4	Net profit after tax available for Equity Shareholder	(41,02,345)	1707057
5	Basis and Diluted Earning per share	(2.93)	1.22
6	Nominal value of shares	10/-	10/-



**ARTHEON FINANCE LIMITED ( 2010-11)**

**10) Gratuity**

The Company has an obligation towards gratuity, which is a defined benefit plan. Liability for gratuity to employees on the basis of actuarial valuation using projected Unit Credit method as on the balance sheet date is unfunded absorbed in the accounts.

**Compensated absences**

Liability for short term compensated absences is recognized based on the eligible leave to the credit of the employees as at the balance sheet date. Liability for long term compensated absences is determined on the basis of actuarial valuation using projected unit credit method as on the balance sheet date.

The following tables summaries the components of net benefit.

**1. Table showing change in benefit obligation:-**

Liability in the beginning of the year	527311
Interest Cost	39548
Current Service Cost	31472
Past Service Cost (Non-vested benefit )	0
Past Service Cost ( Vested benefit )	0
Settlement	0
Liability Transfer in	0
Liability Transfer out	0
Benefit Paid	0
Actuarial (Gain)/Loss on obligations	132039
Liability at the end of the year	730370

**2. Expenses recognized in the income statement :**

Current Service Cost	31472
Interest Cost	39548
Expected Return on Plan Assets	0
Past service cost(Non vested benefit ) recognized	0
Past service cost(Vested benefit ) recognized	0
Recognition of transition liability	0
Actuarial (Gain) or Loss	132039
Expense recognized in Profit & Loss account	203059

**3. Amount recognized in the Balance Sheet:**

Particulars	Gratuity
Liability at the end of the year	730370

- 11) No provision has been made for unsecured recoverable advances of Rs 17,57,354/-, efforts are being made to recover of the amount.
- 12) Previous year's figures have been re grouped wherever necessary so as to make them comparable with those of the current year.





**ARTHEON FINANCE LIMITED ( 2010-11)**

**13) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART (IV) OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

<b>1) Registration Details:</b>	
Registration No	: 11-33922of 1984
State Code	: 11
Balance Sheet Date	: 31.03.2011
<b>2) Capital raised during the year:</b>	
Public Issue	: Rs. NIL
Rights Issue	: Rs. NIL
Bonus Issue	: Rs. NIL
Private Placement	: Rs. NIL
<b>3) Position of Mobilisation and Deployment of Funds:</b>	
Total Liabilities	: Rs 6,15,41,614
Total Assets	: Rs 6,15,41,614
<b>4) Sources of Funds</b>	
Paid Up Capital	: Rs. 1,40,00,000
Reserves & Surplus	: Rs. 4,75,41,614
Secured Loans	: Rs. NIL
Unsecured Loans	: Rs. NIL
<b>5) Application of Funds</b>	
Net Fixed Assets	: Rs 39,60,794
Net Current Assets	: Rs. 23,31,582
Misc. Expenditure	: Rs. NIL
<b>6) Performance of Company :</b>	
Turnover (Gross Revenue)	: Rs. 12,17,983
Total Expenditure	: Rs. 37,44,723
Profit/(Loss) before Tax	: Rs. (25,26,739)
Profit/(Loss) after Tax	: Rs. (41,02,345)
Earnings Per Share	: (2.93)
Dividend Rate	: NIL
<b>7) Generic Names of Three Principal Products/Services of Company (As per Monetary Terms ) :</b>	
Item Code No.(ITC Code )	: NOT APPLICABLE
Product Description	: Broking
Product Description	: Professional Consultancy Services

**SIGNATURE TO SCHEDULE 'A' TO 'M'**

**AS PER OUR REPORT OF EVEN DATE FOR**

**V. PAREKH & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

*Rasesh V Parekh*

**RASESH V. PAREKH PARTNER**

**MEMBERSHIP NO.38615**

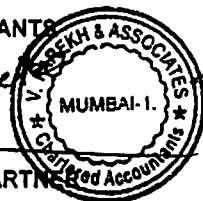
**FIRM REG. NO.107488W**

**MUMBAI,**

**DATED: 29<sup>TH</sup> AUGUST, 2011**

**FOR AND ON BEHALF OF THE BOARD**

**ARTHEON FINANCE LIMITED**



*T. Jivrajhe*

**DIRECTOR**

**DIRECTOR**

**ARTHEON FINANCE LIMITED**  
**CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT**

	2010-2011 Rs.	Rs.	2009-2010 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) before Tax and Extraordinary Item	(2,526,739)		1,992,465
Adjustments for :			
Depreciation	645,188		658,340
Interest / Bank Charges Paid	10,210		120,618
Provision for Taxation	(1,575,606)		(285,408)
Dividend Received	(239,971)		(145,161)
(Profit)/Loss on sale of Shares	(238,954)		(638,960)
	<b>(3,925,871)</b>		<b>1,701,893</b>
Operating Profit before working capital charges			
Adjustments for :			
(Increase)/Decrease in Trade and other receivable	3,930,384		(398,875)
Increase/(Decrease) in Current Liabilities	(2,696,921)		264,369
	<b>1,233,464</b>		<b>(134,505)</b>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>(2,692,407)</b>	<b>1,567,388</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Secured Loans/Unsecured Loan	(370,460)		(1,388,733)
(Additions) / Deductions to Investments	(1,149,464)		3,052,926
Dividend Received	239,971		145,161
Profit /(Loss) on Sale of Shares	238,954		638,960
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>(1,040,999)</b>	<b>2,448,315</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest & Bank Charges Paid	10,210		120,618
<b>NET CASH FROM FINANCING ACTIVITIES ( C)</b>		<b>(10,210)</b>	<b>(120,618)</b>
Net Increase /(Decrease) in cash and cash Equivalents (A+B+C)		<b>(3,743,617)</b>	<b>3,895,085</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Opening Balance in the beginning of the year	3,966,832		71,747
Closing Balance at the end of the year	223,215		3,966,832
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(3,743,617)</b>	<b>3,895,085</b>

For & on behalf of the Board of Directors

*T. Jwarajke*  
Director

*Rajmanjke*  
Director

Mumbai :

We have examined the attached Cash Flow Statement of Artheon Finance Limited for the year ended 31st March 2011.

The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Mumbai Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 26th August 2011 to members of our Company



FOR V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS

*Rasesh V. Parekh*

RASESH V. PAREKH PARTNER  
MEMBERSHIP NO- 038615  
FRIM REG. NO. 107488W

Mumbai

Dated: 29th August, 2011