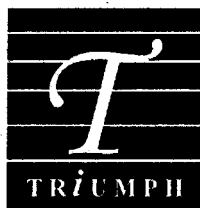


ANNUAL REPORT 2004-2005

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Triumph International Finance India Limited

BOARD OF DIRECTORS

Jatin Sarvaiya - Managing Director

Dharmesh Doshi

A.R. Kapadia

BANKERS

Oriental Bank of Commerce

The Madhavpura Merchantile Co-op. Bank Limited

ICICI Bank Limited

UTI Bank Limited

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AUDITORS

M/s. Pravin P. Shah & Co.

Chartered Accountant

REGISTERED AND CORPORATE OFFICE

Oxford Centre, 10 Shroff Lane,
Colaba Causeway, Colaba,
Mumbai - 400 005.

REGISTRAR AND SHARE TRANSFER AGENT

Intime Spectrum Registry Ltd.

C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (West)
Mumbai - 400 078.

DIRECTORS REPORT 2004-05

To the Members,

TRIUMPH INTERNATIONAL FINANCE INDIA LIMITED

The directors herewith submit their report on the business and operations; along with audited financial statements for the year ended March 31, 2005.

FINANCIAL RESULTS

(Rs. in mn)

	Year ended	
	31st March, 2005	31st March, 2004
Income from Operations	6	11
Total Expenditure	114	591
Profit / (Loss) Before Depreciation and Tax	(108)	(580)
Less Depreciation	1	1
Profit / (Loss) Before Taxation	(109)	(581)
Less Provision for taxation	-	-
Profit / (Loss) After Tax	(109)	(581)
Paid up Equity Share Capital	75	75
Dividend (Equity Shares)	Nil	Nil
Tax on Dividend	Nil	Nil
Reserves	-	-

DIVIDEND

Your Directors do not recommend any dividend for the current year.

REVIEW OF OPERATIONS

The company has not carried out any major business during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Securities and Exchange Board of India have, vide order dated May 16, 2002, cancelled the registration of the company as a Stock Broker. The company has filed an appeal before the Honorable Security Appellate Tribunal (SAT) against this order. The appeal is pending before SAT. The directors are hopeful that the company will overcome its problems in due course of time and hence the company has prepared the accounts on the going concern basis.

National Stock Exchange of India Limited and National Securities Clearing Corporation Limited have declared the company as defaulter with effect from May 3, 2002 due to failure of the company to resolve the investor complaints filed against the company.

SUBSIDIARY COMPANIES

As required under the provisions of Section 212 of the Companies Act, 1956, the audited Accounts alongwith the Directors' report and Auditors' Report of the subsidiary companies are appended and form part of the Annual Report. The statement pursuant to Section 212 of the Companies Act, 1956 is attached and forms part of this report.

MANAGEMENT PERCEPTION TO AUDITORS QUALIFICATIONS

The Auditors in clause 4 (vi), (xiii) & (xiv) of their report have made a comment on the going concern assumption. The company has made an application against the SEBI Order before the Security Appellate Tribunal and the case is yet to be decided. Management is hopeful to recover all the recoverability of the amount from the debtor. The company is any way into the consultancy and share trading business hence the concept of going concern exist.

The Auditors in Clause 4 (vii) of their report have made a comment on the receivables from Classic Credit Limited (CCL). The company is in the process of negotiation with CCL and hence of the opinion that the positive settlement will take place between the company and CCL, though the exact time period is not determinable at present. The management is sure to recover the amount and securities dues from CCL.

The Auditors in Clause 4 (viii) of their report have made a comment on the receivables from Total Debtors other than Classic Credit Limited (CCL). Some of the debtors have not paid as the company has to pay amount to their group companies. Eventually amount recoverable and payable will be adjusted against each other. The Company is making all the effort to recover amount from the remaining debtors and is confident that the amount will be recovered from them in due course.

In Clause 4 (ix) of their report Auditors have made a comment in respect of amount of Rs 34.42 lacs paid by M. Jiggar & Co. to TRO & 12.77 lacs paid by Triumph Forex Services Ltd. to Madhavpura Merchantile Bank (MMCB). The Company has received letter dated 30.06.2004 from the M. Jiggar & Co. informing that they have made payment of Rs. 34.32 lacs to the TRO. Accordingly, the debtors account is credited and Income Tax payment is debited by that amount. The company had requested the TRO for the confirmation of above transaction but has not received the same further the company has written a letter to MNCB and requested them to adjust the credit of Rs. 12.77 Lacs lying in the deposit A/c of Triumph Forex Services Ltd., Wholly own subsidiary company, against the loan amount. However the bank has not made the adjustment but assured that same will be done at the time of final settlement.

The Auditors in Clause 4(x) of their report have made a comment about Rs. 3.56 crores paid to Panther Investrade Limited (PIL), the company was to recover from the ICICI limited as a refund of earnest money for acquiring property ICICI Bank paid the entire amount to the Bank of India as per the Instruction of the DRT Order the company is in the process of negotiation with PIL and of the opinion that the company will recover the amount from PIL.

The Auditors in Clause 4(xi) of their report have made a comment about Rs. 4 crores advance given to Ex-director. The company had paid the advance money as per the option agreement to acquire the 51% stake in Triumph Securities Limited which was the member of the Stock Exchange, Mumbai. The company has not exercised the option and have called back the amount. Notwithstanding the financial and legal matters involving the said Ex-Director, the Management is hopeful of recovering the advances.

The Auditors have made a comment about managerial remuneration in Clause 4(xii) of their report. The company is of the opinion that the with the approval of the shareholder in the General Meeting, permission of the Central Government is not required and accordingly Special Resolution for the approval of the said remuneration was passed at the eighteenth Annual General Meeting of the Company.

DIRECTORS

The Board proposes the re-appointment of Mr. A. R. Kapadia, who retire by rotation at forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review;
- 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;
- that the Directors have prepared the accounts for the financial year ended 31st March, 2005 on a 'going concern' basis.

FIXED DEPOSITS

Your company did not accept any fixed deposits during the year under review. No deposits were outstanding as on 31st March 2005.

HUMAN RESOURCES AND INFORMATION TECHNOLOGY

The company has and continues to take various steps to improve the quality of its human resources. The Company has and continues to invest in technology and people to integrate its IT systems in business processes and to provide enhanced Service Quality.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGOING

The Company is advised that as it is not engaged in manufacturing activity there is no specific disclosure to be made as required under The Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 of the Conservation of Energy and Technology Absorption and other related particulars.

The foreign exchange earning during the year was Nil and the outgo was Rs. NIL (Previous year Earning was Rs. Nil and Outgo Rs. Nil).

PARTICULARS REGARDING EMPLOYEES

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended no employee of the company was in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- per month if employed for the part of the year.

AUDITORS

The auditors of the Company M/s. Pravin P. Shah & Co. Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint the auditors for the current year to hold office until the next Annual General Meeting and fix their remuneration.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the stock Exchange Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance is made part of the Annual Report.

ACKNOWLEDGEMENTS

Your directors wish to place on record its sincere appreciation for the support and co-operation by its Bankers, Clients, Shareholders and other business constituents Company.

For and on behalf of the Board of Director's

Jatin Sarvaiya
Managing Director

Mumbai
June 28, 2005

Report on Corporate Governance

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

1. Company's Philosophy

The Company's philosophy on Corporate Governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, clients, lenders and ensuring high degree of regulatory compliance's.

2. Board of Director

a) The present Board comprises of 3 members consisting of 1 Executive Director and 2 non executive director, of which one non-executive director is independent director. Name and category of each director is given below.

Name & Designation of the Director	Category
Mr. Jatin Sarvaiya (Managing Director)	Executive Director and Promoter
Mr. Dharmesh Doshi	Non Executive Director and Promoter
Mr. A. R. Kapadia	Non Executive Independent Director

b) Attendance of each director at the Board meetings and the last Annual General Meeting (AGM)

Name of the Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
1. Mr. Jatin Sarvaiya	5	5	Present
2. Mr. Dharmesh Doshi	5	Nil	Absent
3. Mr. A. R. Kapadia	5	5	Present

c) Number of other Directorship and Chairmanship/ Membership of Committee of each director

Name of the Director	No. of other directorship in other companies (excl. private/foreign Companies)	No. of Chairmanship /membership in other Board Committees
1. Mr. Jatin Sarvaiya	3	-
2. Mr. Dharmesh Doshi	4	-
3. Mr. A. R. Kapadia	-	-

d) Number of Board Meetings held and the dates of the Board Meetings

The maximum time gap between any two meetings was not more than three months. Five Board meetings were held during the financial year 2003-2004 on the following dates

30th April 2004, 30th June 2004, 30th July 2004, 26th October 2004
28th January 2005

3. Audit Committee

a) Terms of Reference

The terms of reference stipulated by the Board to the Audit Committee and, as contained under Clause 49 of the Listing Agreement are as follows:

A. Power of Audit Committee

- to investigate any activity within its terms of reference.
- to seek information from any employee
- to obtain outside legal or other professional advice
- to secure attendance of outsiders with relevant expertise, it considers necessary

B. Role of Audit Committee

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor fixation of audit fee and also approval for payment of any other services.
- Reviewing with the management the annual financial statements before submission to the Board.
- Reviewing with the Management, external and internal auditors, the adequacy of internal control systems.

- Discussion with internal auditors and significant findings and follow up thereon.
- Discussion with the external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial & risk management policies.

b) Composition

The Audit committee has been constituted in the year 2000-2001 with the following Directors

Mr. A. R. Kapadia	Chairman
Mr. Dharmesh Doshi	Member
Mr. Jatin Sarvaiya	Member

During the financial year 2004-05, 3 meetings of the Audit Committee were held on 29th April 2004, 25th June 2004, 28th January 2005

Name of the Director	Meetings Held	Meetings Attended
1. Mr. Jatin Sarvaiya	3	3
2. Mr. Dharmesh Doshi	3	Nil
3. Mr. A. R. Kapadia	3	3

3. Remuneration Committee

- The company has not set up any Remuneration Committee till date. No remuneration paid to the directors for the year ended 31st March 2005.
- Details of pecuniary relationship/transactions of Non executive Directors vis-à-vis the company - None

4. Shareholders' /Investors Grievance Committee

The Company has set up Share transfer cum Investor Grievance Redressal Committee to which look after share transfer, split, transmission and demat request etc. of all the securities issued by the company. In addition to above, the committee is authorised to look into shareholders complaints like delay in transfer, no receipt of securities, balance sheet, dividend etc.

Composition

Mr. A. R. Kapadia	Chairman
Mr. Jatin Sarvaiya	Member
Mr. Dharmesh Doshi	Member

Compliance Officer Mr. Jatin Sarvaiya, Managing Director

During the year under review, this committee had 13 meetings. All the complaints relating to transfer, transmission, demat and remat and change of address and others received during the year has been solved and no complaint is pending as on date.

No. of Complaints received	- 62
No. of Complaints solved	- 62
No. of Complaints not solved	- NIL
No. of pending transfers	- NIL

5. General Body Meetings

Previous Annual General Meeting

The previous three Annual General Meetings were held as under

Year	Location	Date	Time
2003-2004	Orchid, MVRDC, World Trade Centre I, Cuffe Parade, Mumbai	30.09.2004	10.00
2002-2003	Orchid, MVRDC, World Trade Centre I, Cuffe Parade, Mumbai	30.09.2003	10.00
2001-2002	Sunflower II, MVRDC, World Trade Centre I, Cuffe Parade, Mumbai	28.09.2002	10.00

Whether special Resolutions :

- Were put through postal ballot last year
Details of Voting pattern
Person who conducted the postal ballot
No.
N.A.
N.A.
- Are proposed to be conducted through postal
Procedure for Postal Ballot
No
N.A.

6. Disclosure

Related party transaction statement given with the notes to the accounts (Notes No. 29 Schedule P) attached with the Balance Sheet and Profit and Loss Account of the Company.

Securities and Exchange Board of India on May 17, 2002 have cancelled the registration of the company as a Stock Broker. The company has filed an appeal before the Security Appellate Tribunal (SAT) against this order.

The company is a member of the National Stock Exchange of India Limited (NSE). NSE has declared the company as defaulter, with effect from May 3, 2002, due to failure of the company to resolve the investor complaints.

Department had compounded the all offence against the company except two, for which compounding application with CLB is pending. Accordingly complaint filed **except two** in the court of additional chief metropolitan, Mumbai against the Company, its Directors, Ex-Directors and Ex-Company Secretary of the company, will be withdrawn by the DCA on the next hearing of the case.

Company Law Board, Delhi passed an order granting permission to Investigate affairs of the company on 27.09.2004 Company challenged this order before the High Court Mumbai, on the ground that Section 237 is not applicable to the company as business affairs of the company have already been closed due to the order passed by the SEBI. However the High Court dismiss the company's appeal. Later on Company approached to the Division Bench of High Court Mumbai on the same ground, however Division bench also turned down the company's appeal. Now company has decided to challenge this order before the Supreme Court.

7. Means of Communication

Half yearly report sent to each Household of Share Holders - No. Result publish in newspapers

Quarterly Results - do

News papers normally publish in - Free Press Journal (English) Navshakti (Marathi/Regional)

Whether it also displays Official News releases - N.A.

Any website, where displayed - No

The presentations made to Institutional Investors or to the analyst - No.

Whether Management Discussion - Yes
Analysis is a part of Annual Report or not

8. General Information to Shareholders

(a) Annual General Meeting

Date and time 30.09.2005 at 10.00 a.m.
Venue Tulip, World Trade, Centre I, First Floor, Cuffe Parade, Mumbai - 05

(b) Financial Calendar (Provisional)

a.	Results for the first quarter ending 30th June, 2005	On or before July 30, 2005
b.	Results for the second quarter ending 30th September, 2005	On or before October, 2005
c.	Results for the third quarter ending 31st December, 2005	On or before January, 2006
d.	Results for the forth quarter ending 31st March, 2006	On or before April 2006
e.	Annual General Meeting for year ending March, 2006	On or before September 30, 2006

(c) Dates of Book Closure 23.09.2005 to 29.09.2005 (both days Inclusive)

(d) Dividend

Board does not recommend any dividend

(e) Listing on Stock Exchange

The Stock Exchange, Mumbai
Phiroz Jijibhoy Towers,
Dalal Street, Mumbai 400001.

(f) Market Price Data and Share Performance of the Company in comparison to BSE Sensex

High Low Prices of the Equity Shares

Month and Year	High (Rs.)	Low (Rs.)	BSE SENSEX	
			High	Low
Apr-04	2.08	01.01	5979	5599
May-04	1.32	00.97	5772	4227
Jun-04	1.15	00.70	5012	4613
Jul-04	0.67	0.67	5200	4723
Aug-04	0.80	00.80	5269	5022
Sep-04	3.50	0.65	5638	5178
Oct-04	3.91	2.76	5803	5558
Nov-04	4.40	2.71	6248	5649
Dec-04	7.07	2.71	6617	6176
Jan-05	7.00	3.65	6696	6069
Feb-05	5.45	3.21	6721	6508
Mar-05	4.85	2.53	6954	6321

(g) Stock Code

Stock Exchange

Script Code

Mumbai Stock Exchange

Demat - 532131

Physical- 32131

ISIN Number for NSDL

INE382B01012

CDSL

INE382B01012

(h) Registrar and Transfer Agent

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mill Compound,
LBS, Marg, Bhandup (West),
Mumbai 400 078.

(i) Share Transfer System :

Share Transfer requests for transfer in physical form are registered and returned within maximum of 30 days provided all documents are valid and complete in all respect. Demat request by Physical Shareholders received by Share Transfer Agent M/s Intime Spectrum Registry Ltd. Mumbai are registered within 21 days from the date of receipt.

(j) Distribution of Shareholding (As on 31.3.2005)

No of shares From To		Number of Shareholder	Number of Shares	% of Capital
1	5000	7923	357692	4.77
5001	10000	162	135754	1.81
10001	20000	113	173021	2.31
20001	30000	31	78814	1.05
30001	40000	19	69179	0.92
40001	50000	10	45535	0.61
50001	100000	16	124988	1.67
100001	And above	35	6515017	86.87
		8309	7500000	100

(k) Category of Shareholding As on 31.3.2005

	Category	No. of shares held	Percentage of shareholding
1	Promoters - Indian Promoters	2,220,090	29.60
2.	Non-Promoters Holding		
a.	Mutual Funds and UTI	Nil	Nil
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions /Non-government Institutions)	2,182,803	29.10
c.	FII's	Nil	Nil
d.	NRI's/OCBs	265,743	3.54
e.	Private Corporate Bodies	12,46,106	16.61
f.	Indian Public	15,81,321	21.10
	Clearing Member	3937	0.05
		75,00,000	100

(l) Dematerialisation of Shares (As on 31.03.05)

97.25% of the paid up shares Capital has been dematerialised as on 31.03.05. The details of which are as follows.

Particulars	No of Shares %	
No. of Shares held in Physical Mode :	206351	2.75%
No. of Shares held in Demat Mode :	7293649	97.25%
TOTAL	75,00,000	100%

(m) Address for Correspondence Share Department

Triumph International
Finance India Limited Oxford
Centre, 10 Shroff Lane,
Colaba Causeway, Colaba,
Mumbai - 400 005.

(n) Details of Directors seeking re-appointment at the annual General Meeting

(In pursuance of clause 49 of the listing agreement.)

Name	Mr A R Kapadia
Qualification	B Com
Experience	Mr Kapadia a professional Non Executive Director is having a vast experience in the field of finance and trading.
Other Directorship	Zain Exim Pvt. Ltd. Vert Finance & Investment Pvt. Ltd. Forum Finvest Pvt. Ltd.
Chairman/Member of the Committee	-

For Triumph International Finance India Limited

Jatin Sarvaiya
Managing Director

Place : Mumbai
Date : 28th June, 2005

CERTIFICATE

To The Members of Triumph International Finance Limited

We have examined the compliance of conditions of Corporate Governance by Triumph International Finance Limited, for the year ended March 31, 2005, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange, Mumbai.

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

The Company has only 3 Directors, including Managing Director, during the year. The Company has no whole time Company Secretary during the year ended 31st March 2005. Therefore, the Company was not able to comply with the requirements relating to Composition of Board of Directors and Audit Committee.

Subject to above, in our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the Listing Agreement.

On the basis of the certificate obtained from the Registrar and Share Transfer Agent of the Company and as per the records maintained by Shareholders Grievance Committee of the Company, no investor grievance(s) is/are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For & on behalf of
Pravin P. Shah & Company
Chartered Accountants

Parag Doshi
Partner
Membership No. 41727

Place : Mumbai
Date : 28th June 2005

AUDITORS' REPORT

To the Members of
TRIUMPH INTERNATIONAL FINANCE INDIA LIMITED
Mumbai

- 1 We have audited the attached Balance Sheet of TRIUMPH INTERNATIONAL FINANCE INDIA LIMITED, as at 31st March, 2005 and also the Profit and Loss for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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.
- 2 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(s). An audit includes examining, on a 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.
- 3 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the two directors, as on 31st March, 2005, and taken on record by the Board of Directors, we report that they are not disqualified as on 31st March 2005 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. However, as regards the third Director, Mr. Dharmesh Doshi, in absence of the written representation from him, we are unable to comment whether or not he is disqualified under 274(1)(g) as on 31st March, 2005;
 - (vi) We draw your attention to Note 1(b), 3 and 4 in Schedule 'P' to the Balance Sheet regarding preparation of accounts on "Going Concern Basis" and that the Securities and Exchange Board of India has cancelled the registration of the Company as a stock-broker and that National Stock Exchange has declared the Company to be a defaulter and that the Company's ability to continue as a going concern is dependent on vacation of order of cancellation of registration by Securities Appellate Tribunal and recovery of debts. In view of the cancellation of registration and declaration of the Company to be a defaulter, no sizable recovery from debts and sizable accumulated losses, we are unable to comment about the ability of the Company to continue as a going concern and preparation of the accounts on "Going Concern Assumption" and the consequential effect thereof on the loss for the year and assets and liabilities and the reserves stated in the Balance Sheet;
 - (vii) We draw your attention to Note 7 in Schedule 'P' to the Balance Sheet about amount of Rs. 202 crores and delivery of shares (worth Rs. 74.73 crores at the market value as on 15.06.2005) receivable from Classic Credit Limited ("CCL"). Based on the evidence made available to us, we are unable to express an opinion on the recoverability of this amount and the likelihood of the receipt of delivery of those shares from CCL and the consequential effect thereof on the loss for the year and on the asset, liabilities and the reserves, stated in the Balance Sheet
 - (viii) We draw your attention to the fact that total Debtors other than Classic Credit Limited are Rs. 7.19 crores. In absence of other details about them, we are unable to express an opinion about the recoverability of the amount and the consequential effect thereof on the loss for the year and on the asset, liabilities and the reserves, stated in the Balance Sheet
 - (ix) We draw your attention to Note 16 in Schedule 'P' to the Balance Sheet about Rs. 34.32 lacs paid by M. Jiggar & Co. to the TRO and Note No. 32 about Rs. 12.77 lacs paid by Triumph Forex Services Ltd. to The Madhavpura Mercantile Co. op. Bank Ltd. In absence of any information from TRO accepting or The Madhavpura Mercantile Co. op. Bank Ltd. confirming the payment, we are unable to express an opinion about the receipt of the same by the Income Tax Department and Madhavpura Mercantile Co. op and consequential effect thereof on the loss for the year and on the asset, liabilities and reserve stated in the Balance Sheet.
 - (x) We draw your attention to Note 17 in Schedule 'P' to the Balance Sheet about Rs. 3.56 crores paid to Panther Investrade Limited. In view of the fact that DRT matters are pending against Panther Investrade Limited and since other information about them is not made available to us, we are unable to express an opinion about the recoverability of this amount and consequential effect thereof on the loss for the year and on the asset, liabilities and reserve stated in the Balance Sheet.
 - (xi) We draw your attention to Note 20 in Schedule 'P' to the Balance Sheet about Rs. 4 crores advance given to an Ex-director. Based on the available evidence we are unable to express an opinion about the recoverability of this amount and the consequential effect thereof on the loss for the year and on the asset, liabilities and the reserves, stated in the Balance Sheet
 - (xii) We draw your attention to Note 30 in Schedule 'P' to the Balance Sheet regarding Managerial Remuneration
 - (xiii) Except for the matters referred to in para (vi) to (xii) above in respect of which the amount involved is significant and in respect of which we are unable to express an opinion about recoverability of amount, delivery of shares, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the Notes to Accounts appearing in the Schedule 'P', give the information required by the Companies Act, 1956, in the manner so required.
 - (xiv) In view of our inability to comment upon ability of the Company to continue as a going concern stated in para (vi) above, recoverability of amount from CCL and other Debtors / advances / other amount stated in para (vii) to (xi) above, Managerial Remuneration in para (xii) above and the fact that the accounts are prepared on "Going concern assumption", we are unable to comment whether the said accounts, read with the Notes to Accounts appearing in the Schedule 'P', give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005;
 - (b) in case of the Profit and Loss Account, of the loss for the year ended on that date ; and
 - (c) in case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

FOR PRAVIN P. SHAH & COMPANY
CHARTERED ACCOUNTANTS

(PARAG P. DOSHI)
PARTNER

Membership Number : 41727

Place : Mumbai
Date : 28th June 2005

ANNEXURE, GIVING DETAILS AS REQUIRED BY THE COMPANY'S (AUDITOR'S REPORT) ORDER, 2003 ("CARO") ISSUED BY THE CENTRAL GOVERNMENT OF INDIA IN TERMS OF SECTION 227 (4A) OF THE COMPANIES ACT, 1956 AND REFERRED TO IN PARA (3) OF OUR REPORT OF THE EVEN DATE ON THE ACCOUNTS OF TRIUMPH INTERNATIONAL FINANCE INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2005.**Annexure to the Auditors' Report**

The Annexure Referred To In Paragraph 3 Of Our Report To The Members Of TRIUMPH INTERNATIONAL FINANCE INDIA LIMITED on the financial ('the Company') For The Year Ended March 31, 2005.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) According to the information and explanations given to us, all the Fixed Assets have been physically verified by the management at the year end, which in our opinion is reasonable having regard to the size of the Company and the nature of the Fixed Assets. We have been informed by the management that the Fixed Assets namely, Plant & Machinery, Factory Building at Ankleshwar, Oil Fired Boiler, Electrical Installations, Laboratory Equipments and other Fixed Assets namely Office Premises at Baroda and Vehicles which are not in possession of the Company have been written off and further that no other material discrepancies were noticed on such physical verification.
(c) During the year, the Company has not disposed off any substantial part of fixed assets. However Fixed Assets having written down value of Rs.14 lacs have been written off during the year.
- (ii) (a) The inventories of securities in physical form have been physically verified at the end of the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion, and according to the information and explanations given to us, the Company is maintaining proper records of inventory. In our opinion, and according to the information and explanation given to us material discrepancies noticed on physical verification of Inventory, as compared with the books records, were not material.
- (iii) (a) There were 1 parties covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company has granted interest free unsecured loan in the past. During the year further loan of Rs.2,500/- was given to one party covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.6500/- and the year end balance of loans was Rs. 6,500/-.
(b) In our opinion, the other terms and conditions on which loans have been granted to Company listed in the register maintained under section 301 of the Companies Act, 1956 is not, prima facie, prejudicial to the interest of the Company.
(c) According to the information given to us the company was regular in repaying the principal amounts where stipulated.
(d) According to the information given to us, in respect of the above loans, there were no overdue amounts exceeding rupees one lakh.
(e) The Company has not taken loans, secured or unsecured, from parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub clause (f) and (g) of clause (iii) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase of equipment and other assets and for the sale of goods and services. During the year there was no purchase of inventory, fixed assets or sale of goods and services and therefore we have neither come across nor we have been informed of any weakness in internal controls.
- (v) (a) According to the information and explanations given to us, in our opinion the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion, and according to the information and explanations given to us, no transactions of purchase of goods and materials, and sale of goods, material and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000 (Rupees Five Lakhs only) or more in respect of each party, have been entered into.
- (vi) During the year the company has not accepted any deposits from the public to as defined in the directives issued by the Reserve Bank of India read with the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. Hence in our opinion, the clause (vi) of the Order is not applicable to the Company.
- (vii) The Company did not have an internal audit system during the year under audit.
- (viii) According to the information and explanations given to us, the Company did not have any manufacturing activity during the period under audit, and hence, the maintenance of Cost records under section 209(1)(d) of the Companies Act, 1956 does not arise.
- (ix) (a) According to the information and explanation given to us, during the year the company was regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it, with the appropriate authorities. According to the information and explanations given to us, as on 31.3.2005 Service tax payable Rs.10.22 lakhs was in arrears, for a period of more than six months from the date it became payable. According to the information and explanations given to us, as on 31.3.2005 no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, for a period of more than six months from the date they became payable.
(b) According to the information and explanation given to us, there are no dues of sales tax, custom duty, wealth tax, excise duty and cess, as on 31.3.2005, which have not been deposited on account of any dispute. According to the information and explanation given to us, particulars of dues of income tax as on 31.03.05, which have not been deposited on account of any dispute, are as under :

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum before which the dispute is pending.
I.T.Act,1961	Income Tax demand	112.67	A.Y. 1997-98	Income Tax Appellatnet (ITAT)
I.T.Act,1961	Income Tax demand	364.44	A.Y.1998-99	ITAT
I.T.Act,1961	Income Tax demand	7117.27	A.Y.1999-00	ITAT
I.T.Act,1961	Income Tax demand	259.98	A.Y-2000-01	ITAT
I.T.Act,1961	Income Tax demand	68084.56	Block Period	ITAT
I.T.Act,1961	Income Tax demand	938.29	A.Y.2001-02	CIT (A)
I.T.Act,1961	Penalty	420.00	A.Y.2000-01	ITAT
I.T. Act, 1961	Income Tax Demand	140.91	A.Y.2000-01	CIT (A)

TR UMPH**ANNUAL REPORT 2004-2005**
Triumph International Finance India Limited

- (x) In our opinion, the accumulated losses of the company as at 31.3.05 were more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company has not borrowed from any Financial Institution or by issue of Debentures. In our opinion and according to the information and explanation given to us, the Company has defaulted in repayment of dues to banks. The details of the same are as under

Sr. No.	Name of the Bank	Principal / Interest	Amount (Rs. In lakhs)	Period of default
1.	The Madhavpura Mercantile Co-op. Bank Limited	1) Principal 2) Interest	477.38 1793.04	Since 04.04.2001
2	Global Trust Bank Limited	1) Principal 2) Interest 3) Bank Guarantee 4 Interest on Bank Gurantee	2949.43 3188.38 315.00 7.03	Since 21.03.2001 Since 29.01.2004

Note : All the above loans were overdraft facilities and were not having any fixed repayment schedules. Therefore, in case of the principle amount, the Period of default is calculated from the date the banks have demanded the payment. Period of default with respect to interest is not mentioned since provision for the same has been made on various dates.

- (xii) Based on our examination of the records and the information and explanation given to us, the Company has not granted loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information given to us the provisions of special statute applicable to chit fund /nidhi / mutual benefit fund / societies are not applicable to the Company. Therefore, the provisions of clause 4(xiii) of the CARO are not applicable to the company.
- (xiv) In our opinion and as per the information and explanation given to us, the Company has maintained proper records of transactions and contracts in respect dealing or trading in shares, securities, debentures and other investments and timely entries have generally been made therein. All the shares, securities, debentures and other Investments have been held by the Company in its own name, except to the extent of exemption granted under section 49 of the Companies Act, 1956
- (xv) In our opinion and according to information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by others from banks and financial institutions are not prejudicial to the interest of the company.
- (xvi) The company has not taken or utilised any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have not been used for long term investment.
- (xviii) According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued any debentures and hence, the question of creating security or charge thereof does not arise.
- (xx) The company has not raised any money by public issues during the year covered by our report.
- (xxi) According to the information and explanations given to us, certain clients and banks have lodged complaints against the Company with charges relating to cheating by the Company. The details of such complaints are as under :

Complaint by	Stage of Complaint	Charges Raised
European Investments Limited	Crime Branch, Mumbai has filed the charge sheet before the Addl. Chief Metropolitan Magistrate, 19th Esplanade Court, Mumbai	Non receipt of sale proceeds of Rs.83.22 crores
Economic Offence wing of CBI, Mumbai investigating preferential allotment of shares by Padmini Polymers Limited	The matter is still under investigation of EOW, CBI. No charge sheet is filed yet.	The Company and its Directors along with other 30 parties were alleged for commission of various offences relating to cheating and forgery under Indian Penal Code and P.C. Act'1988.
The Madhavpura Mercantile Co. Op. Bank Limited	CBI has filed the charge sheet before the High Court, Gujarat	Utilisation of loan of Rs.20 crores against sanction of Rs.5 crores

According to the information and explanation given to us, no other fraud on or by the Company has been noticed or reported during the year under audit

For PRAVIN P. SHAH & COMPANY
CHARTERED ACCOUNTANTS

(PARAG P. DOSHI)
PARTNER

Membership Number : 41727

Place : Mumbai

Date : 28th June 2005