

ARTHEON FINANCE LIMITED



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24TH ANNUAL REPORT 2007-2008

CERTIFIED TRUE COPY

For ARTHEON FINANCE LTD.

T. J. Inyang
DIRECTOR

ARTHEON FINANCE LIMITED

BOARD OF DIRECTORS.

<i>MR. S.K. JIWARAJKA</i>	<i>- DIRECTOR</i>
<i>MR. M.L. TULSYAN</i>	<i>- DIRECTOR</i>
<i>MR. TUSHAR JIWARAJKA</i>	<i>- DIRECTOR</i>
<i>MR. DEBA PRASAD ROY</i>	<i>- DIRECTOR</i>

AUDITORS

M/S. V.PAREKH & ASSOCIATES

BANKERS

CANARA BANK

**REGISTERED OFFICE
201, SUMER KENDRA,
PANDURANG BUDHKAR MARG,
WORLI. MUMBAI -400018**

ARTHEON FINANCE LIMITED
(Formerly SALORA FINANCE LIMITED)

NOTICE

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

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

On: Tuesday, 30th September, 2008 at 11.00 A.M.

to transact the following business:

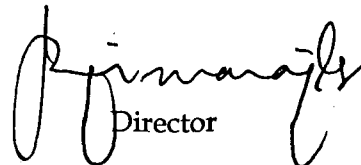
ORDINARY BUSINESS

1. To receive, consider & adopt the audited Balance Sheet as at 31.03.2008 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 Mr. Tushar Jiwarajka 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 Monday, 29th September, 2008 to Tuesday, 30th September, 2008 (both days inclusive).
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: 28th April, 2008.

DIRECTORS' REPORT TO THE MEMBERS -

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Accounts for the financial year ended 31st March 2008

Financial Results

The financial results of the Company for the year ended March 31, 2008 are summarized below:

	Current year 2007-2008 (Rs. in Lacs)	Previous Year 2006-2007 (Rs. in Lacs)
Income from operations and other income	96.72	264.87
Profit before Depreciation & Tax	24.20	191.50
Less: Depreciation	5.41	1.47
Profit/ (Loss) before Tax	18.79	190.03
Less: Provision for Taxation & Deferred Tax	1.27	13.17
Net Profit/ (Loss) after Tax	17.52	176.86
Add: Balance brought forward from last year	340.07	303.21
Amount available for Appropriation	357.59	480.07
Less: Transfer to General Reserve	---	140.00
Balance carried to Balance Sheet	357.59	340.07

Economic Scenario

The Indian Economy registered a growth of 8.70% for the year 2007-2008. The fourth quarter of the year witnessed deceleration in the Capital Goods & Realty sectors on the back of rising commodity prices. This has resulted in slowdown in the GDP growth for the current year and has also dented the growth forecasts for 2008-09. The runaway inflation has led to RBI pursuing tighter monetary policy affecting the bank interest rate and consumer spending.

Review of Operations

The Indian Capital Market was jolted in the Q4 of 2007-08 on account of sub-prime crisis in US as also severe fall in the other major emerging markets across the world. Foreign Institutional Investors sold equities excessively resulting in sharp correction in values of stock and the market headed towards crisis of confidence. The primary market also suffered excessively as the much fancied Reliance Power fell sharply to its public offering price. During the year under review, the Company's investment activity suffered on account of unprecedented fall in the stock market.

Income for the year ended 31st March, 2008 of Rs. 96.72 lacs as against the previous year's Rs. 264.87 lacs, registering a fall of 63.48%. Accordingly, Net Profit after tax has also fallen to Rs. 17.52 lacs from Rs. 176.86 lacs in the previous year.

The international financial sector continues to be hazy with major global investment banks continuing to write-off big losses on account of sub-prime and investment

activity. There is a distinct slowdown in the Indian economy with rising inflation and interest rates. The capital market is in a bear grip with unabated selling by Foreign Institutional Investors. Volumes in the bourses have dried up sharply with simultaneous decline in the value of securities. The global slowdown has started affecting India and the picture going forward is not better. As your Company is engaged in investment activity, non revival in the Capital Market will pose serious challenge to its current year's performance.

Change of Name

The name of the Company has been changed from 'SALORA FINANCE LIMITED' to 'ARTHEON FINANCE LIMITED' with effect from 30th October, 2007.

Dividend

In the absence of adequate profits no dividend is declared for the year 2007-2008.

Deposits

The Company has not accepted any deposits from the public or otherwise as on 31st March 2008.

Directors

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

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(1)(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. 10,54,317.45/-

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, 2008 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 2007-2008.

Auditors

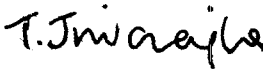
M/s V. Parekh & Associates, Chartered Accountants, Mumbai would retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

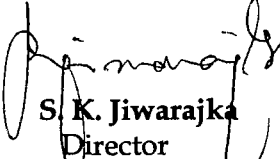
You are requested to appoint Auditors and to fix their remuneration.

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 Jiwarajka
Director


S. K. Jiwarajka
Director

Place: Mumbai

Date : 28th April, 2008.

POONAM VAZE & ASSOCIATES
COMPANY SECRETARIES

Office :

11-A/44, Mohan Society, Govind Nagar,
 Sodawala Lane, Borivali (West).
 Mumbai 400 092
 Tel.: 2673 4304, Telefax : 2673 4305
 E-mail : avipoonam04@yahoo.co.in

Registration No: L65990MH2003PLC033922

Authorised Capital: Rs.9,00,00,000/-

Compliance Certificate

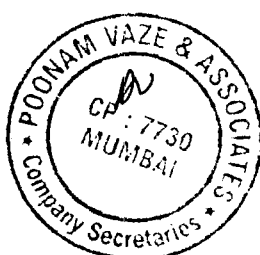
To,
 The Members
ARTHEON FINANCE LIMITED
 (Formerly SALORA FINANCE LIMITED)
 201, Sumer Kendra, Pandurang Budhkar Marg,
 Worli, Mumbai 400018

We have examined the registers, records, books and papers of **ARTHEON FINANCE LIMITED** (Formerly SALORA FINANCE LIMITED) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2008. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and the entries therein have been recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said annexure.
3. The Company being a public limited company, comments that a Private Limited Company has minimum prescribed capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 7 (Seven) times on 27.04.2007, 03.05.2007, 07.05.2007, 30.07.2007, 03.09.2007, 29.10.2007 and 30.01.2008 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. (No circular resolution was passed.)
5. The Company closed its Register of Members from Wednesday, 26th September, 2007 to Thursday 27th September, 2007 for the purpose of Annual General Meeting and had complied with the provisions of Section 154 of the Act.



6. The annual general meeting for the year ended on March 31, 2007 was held on 27.09.2007 after giving notice to the members of the Company and the resolutions passed thereat were 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 or firms or companies referred to in the 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 has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company was not required to obtain any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) There was no allotment/ transfer/ transmission of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year. There were no unpaid dividends in the Company.
(iv) There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
(v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.



15. The Company has not appointed any Managing Director/ Whole-time Directors/ Manager during the financial year.
16. The Company has not appointed any sole selling agents 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 provisions of the Act and the rules made thereunder.
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. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amounts borrowed by the Company from financial institutions, banks and others during the financial year ended 31.03.2008 are within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in the annual general meeting.
25. The Company has made loans, advances and investments in other bodies corporate during the financial year.
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 objects of the Company during the year under scrutiny.

