

ARTHEON FINANCE LIMITED

BOARD OF DIRECTORS.

MR. S.K. JIWARAJKA	--- DIRECTOR
MR. M.L. TULSYAN	--- DIRECTOR
MR. TUSHAR JIWARAJKA	--- DIRECTOR
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

DIRECTORS' REPORT TO THE MEMBERS -

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Accounts for the financial year ended 31st March 2010

Financial Results

The financial results of the Company for the year ended March 31, 2010 are summarized below:

	Current year 2009-2010 (Rs. in Lacs)	Previous Year 2008-2009 (Rs. in Lacs)
Income from operations and other income	57.55	20.44
Profit before Depreciation & Tax	26.51	(50.28)
Less: Depreciation	6.58	6.67
Profit/ (Loss) before Tax	19.92	(56.95)
Less: Provision for Taxation & Deferred Tax	2.85	1.27
Net Profit/ (Loss) after Tax	17.07	(58.22)
Add: Balance brought forward from last year	299.37	357.59
Amount available for Appropriation	316.44	299.37
Less: Transfer to General Reserve	----	----
Balance carried to Balance Sheet	316.44	299.37

Economic Scenario

The year 2009-2010 witnessed one of the worst crisis of confidence in the global financial sector. The availability of international credit was a concern as doubts of sovereign defaults were being constantly raised in the market place. To counter the crisis, US and EU took proactive measures by introducing massive liquidity into the system besides guaranteeing smooth transition to near normalcy. Although, the worst seemed to be behind us, there is no tangible proof of job creation in the global economy. The economic data emerging from the developed economies are confusing with jobless recovery & lower consumer spending.

As the global economy was reeling under severe financial strain with de-growth, our economy remained resilient attracting foreign capital. It was mainly on account of Government's initiative of providing fiscal stimulus in two stages viz. across the board reduction in indirect taxes & stepping up infrastructure spending. The Central Bank also did its bit by pursuing a relaxed monetary policy making available credit at lower interest rates propping up domestic demand. The cumulative action resulted in economy posting a GDP growth of 7.40% in the backdrop of gloomy global economic scenario. The growth achieved is commendable considering the fact that monsoons during the year failed impacting Kharif crop. Inflation, especially food inflation continued to remained high, a worry for Central Bank and the Government.

The year also witnessed Rupee appreciating against the greenback from a level of over Rs 50/- in March 2009 to a level of Rs 44.90/- in March 2010. The appreciation in rupee gave a rude shock for our export sector which under performed badly during the period.

Review of Operations

With uncertainties looming large, your Company reorganized its operations to concentrate more on fee based income. Income for the year ended 31st March 2010 was Rs 57.55 lacs as against the previous year's Rs 20.44 lacs, registering a growth of 182%. A profit after tax of Rs 17.07 lacs was achieved during the period under review as against a loss of Rs 58.82 lacs in the previous year.

Dividend

As the profits are meager, your Company intends to retain the profits for furtherance of business. No dividend is declared for the period under review.

Deposits

The Company has not accepted any deposits from the public or otherwise as on 31st March 2010.

Directors

Mr. M. L. Tulsyan, 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. 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, 2010 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 2010-2011.

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.

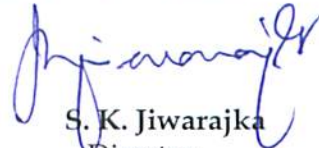
Acknowledgement

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: September 6, 2010.

AUDITORS' REPORT

TO,
THE MEMBERS OF
ARTHEON FINANCE LIMITED,
MUMBAI.

We have audited the attached Balance Sheet of “**Artheon Finance Limited**” as at 31st March 2010 and also 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 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 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 (2009-10)

- i) In the case of Balance Sheet, of the state of the affairs of the Company as at 31st March, 2010 and
- ii) In the case of the Profit & Loss Account of the Profit 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 :6TH SEPTEMBER, 2010



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

Rasesh V Parekh

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