

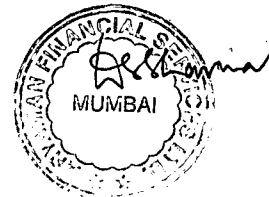
# ARYAMAN

FINANCIAL SERVICES LIMITED

15<sup>TH</sup>

ANNUAL REPORT

2008 – 09





**REGISTERED OFFICE**

401, Chiranjiv Towers,  
43, Nehru Place,  
New Delhi 110 019  
Tel: 011 – 2642 7306 Fax: 011 – 2644 3969

**CORPORATE OFFICE**

306-307, Mint Chambers,  
45/47, Mint Road, Fort,  
Near GPO, Mumbai – 400 001  
Tel. No.: 022 – 2261 8264 / 69, Fax.: 022 – 2263 0434

**BOARD OF DIRECTORS**

D S Sharma (Executive Director)  
Shripal S. Shah (Non-Executive Director)  
Mohan Datari (Independent Director)  
Ram M. Gaud (Independent Director)

**AUDITORS**

M/s Thakur Vaidyanath Aiyer & Co  
Chartered Accountants  
212, Deendayal Upadhyay Marg,  
New Delhi

**BANKERS**

State Bank of India  
State Bank of Patiala  
IndusInd Bank Ltd

**SHARE TRANSFER AGENT**

Adroit Corporate Services Pvt Ltd  
19, 1<sup>st</sup> Floor, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Andheri (E), Mumbai – 400 059.  
Tel No.: 2859 4060 / 6060, Fax No.: 2850 3748



**Aryaman Financial Services Limited**

**NOTICE OF THE 15<sup>TH</sup> ANNUAL GENERAL MEETING OF ARYAMAN FINANCIAL SERVICES LIMITED**

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the Members of Aryaman Financial Services Limited will be held on Tuesday, 29<sup>th</sup> September 2009 at 11.00 a.m. at 290, Anarkali Complex, Jhandewalan, Extension, New Delhi 110 055 to transact the following business:

**ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Balance sheet as at March 31, 2009 and Profit & Loss Account for the period ended on that date and the Reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Shripal S. Shah, who retires by rotation and 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 in his/her stead and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting by a show of hands unless a poll is demanded by a member or members present in person or by proxy, holding atleast one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000/-. A proxy shall not vote except on a poll.
2. In order to be effective, the instrument appointing the proxy must be deposited at the Registered Office of the Company not later than 48 hours prior to the scheduled time of commencement of the meeting.
3. Members / Proxies are requested to bring to the meeting the Attendance slip duly filled in along with their copy of this Annual Report.
4. The Register of Members of the Company shall remain closed from September 23, 2009 to September 29, 2009 (both days inclusive) for the purpose of Annual General Meeting.
5. Consequent upon introduction of Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of shares held by them, if not already done. Members desirous of making nominations are requested to send their requests in Form no. 2B (which will be made available on request) to the Company's Registrar and Share Transfer Agent in case the shares are held in physical form and to the Depository Participants in case the shares are held in electronic form.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least seven days before the date of the meeting so that the information required may be made available at the meeting.
7. Members holding shares in physical form are requested to notify / send the following to the Company's Registrars and Share Transfer Agent to facilitate better service:
  - a) any change in their addresses; and
  - b) shares held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.

By order of the Board  
**For Aryaman Financial Services Limited**

D S Sharma  
Executive Director





## DIRECTOR'S REPORT TO THE MEMBERS

Your Directors present hereunder the 15<sup>th</sup> Annual Report on the Business and operations of the Company along with audited statement of accounts of your Company for the Financial Year ended March 31, 2009. The financial results are summarized as under:

Financial Results (Rs. in Lacs)

Particulars	30-Sep-08	31-Mar-09
Income from operations	87.72	4.74
Less: Expenditure	162.85	27.00
Profit before Depreciation	(75.13)	(22.26)
Less: Depreciation	4.34	0.27
Profit before Tax	(79.47)	(22.53)
Provision for Tax	0.28	0.00
Fringe Benefit Tax	0.06	0.05
Deferred Tax	(82.14)	0.09
Profit after Tax	2.33	(22.67)
Balance carried to Balance sheet	(283.31)	(305.98)

### DIVIDEND

Due to loss incurred during the period, the directors do not recommend any dividend for the period.

### DEPOSITS

Your Company did not accept / hold any deposits from public / shareholders during the period under review.

### DIRECTORS

Shri Shripal S. Shah, Director of the Company retires by rotation and offers himself for reappointment.

The shareholders are requested to consider his candidature for reappointment as a Director.

Mr. D S Sharma will continue to be Executive Director and Mr. Mohan Datari & Mr. Ram M. Gaud will continue to be Independent Directors of the Company.

### AUDITORS AND AUDITOR'S REPORT

M/s Thakur Vaidyanath Aiyar & Co. Chartered Accountant, the statutory auditors of the Company, retires at the ensuing Annual General Meeting and is eligible for reappointment. The Directors recommend their reappointment by the Members at the forthcoming AGM.

Comments made by the Auditors in their report are self-explanatory and therefore do not call for any further explanations.

### DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 your Directors state:

- 1) While preparing annual accounts the applicable accounting standards have been followed with proper explanation.



- 2) Company has selected such accounting policies and applied them consistently and made judgment that are reasonable and prudent which give true and fair view of affairs of the Company at the end of financial year and of the profit or loss of the company for that period.
- 3) Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and the preventing and detecting the frauds and other irregularities.
- 4) Company has prepared accounts on a going concern basis.

#### **PERSONNEL**

The Board wishes to inform you that your Company has appointed new employees to look after the Merchant Banking division of the Company. The Company plans to recruit more employees in Merchant Banking, Secretarial, Marketing and Accounts section once the Business is grown.

The relations between the Management and employees of the Company are cordial. Your Directors wish to place on record appreciation of service rendered by all the staff members. There is no employee who draws salary in excess of the limits as prescribed under section 217(2A) of the Companies (Particulars of Employees) Rules, 1975 as amended.

The board wishes to place on record their gratitude for continued co-operation, assistance and guidance extended by the Banks, clients, Stock Exchange Members and associates.

#### **CONSERVATION OF ENERGY, TECHNICAL ABSORBATION, FOREIGN EXCHANGE EARNING AND OUTGO**

The Company is not engaged in any manufacturing activity and therefore provisions of section 217(1) of the Companies Act, 1956 are not applicable.

#### **CORPORATE GOVERNANCE**

During the period under report, your Company has followed the Corporate Governance practices very well. The required internal procedures and systems for governance have been in place. The meetings are taking place periodically as per ideal practices mentioned in the code.

Management discussions and Analysis Report is separately given in the Annual Report. A separate report on Corporate Governance is annexed hereto as a part of this report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as prescribed under clause 49 of the listing agreement is attached to this report.

#### **MATERIAL CHANGES AND COMMITMENTS**

The following changes affecting the Company have occurred between the end of financial year to which the balance sheet relates and the date of this report:

##### **Increase in Authorised and Paid-up Capital:**

The Authorised Share Capital of the Company was increased from Rs. 9,00,00,000 (Rupees Nine Crore only) divided into 90,00,000 equity shares of Rs. 10/- each to Rs. 11,00,00,000 (Rupees Eleven Crore only) divided into 1,10,00,000 equity shares of Rs. 10/- each.

On August 14, 2009 the Company had allotted 25,32,000 Equity Share Warrants to Promoters & Others. Upfront amount of 25% against the said warrants had already received by the Company. Warrant Holders have the option to convert these warrants into Equity Share any time on or before 18 months from the date of allotment.



We are very thankful to the shareholders to have shown confidence in the Management of the Company. The Board of Directors of the Company are committed to ensure that the Company's performance is improved in the future and the Company regain the no. 1 position among the Merchant Bankers as was the case in the year 2000. The management will ensure that shareholders' wealth is protected and the Company is able to reward the shareholders with good returns.

**ACKNOWLEDGEMENT**

Your Directors would like to express deep sense of appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders and for the devoted service by the Executives, staff and workers of the Company in difficult times faced by the Company in the past. The Company is able to grow the business with the help of all the above and it is confident that the Company will regain its position (among top 3), which was claimed by the Company during the peak period. The Directors express their gratitude towards each one of them.

For and behalf of the Board

D S Sharma  
Executive Director

Shripal Shah  
Non – Executive Director

Place: Mumbai  
Date: August 28, 2009



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **FORWARD LOOKING STATEMENTS**

This report contains forward-looking statement, which may be identified by their use of words like "expects", "will" or other words of similar meaning. Forward-looking statement is based on certain assumptions and expectations of future events and the Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend or revise the forward-looking statements or any loss to the investors in the shares of the Company making investments relying on such forward-looking statements.

### **1) INDUSTRY STRUCTURE AND DEVELOPMENTS**

Merchant Banking and Financial Services market was the fastest growing field during the last few years. Merchant Banking services includes Issue Management i.e. as lead manager to the Public/Rights Issues, open offer under Takeovers, Buy back schemes, Portfolio Management Services, Private Placement of Debt and Equity Instruments. The financial industry in India has reached a position from where it can leap jump into Global financial world. The M&A activities of the Indian Corporates has increased manifold. The Indian conglomerates are more equipped to acquire the companies abroad. Also, Increasing support to the SME Sector by the Government will increase the number of SME 's accessing the Capital Markets. There is a tremendous opportunity for the Merchant Banking and Investment Banking players. Our company being active in both the fields stands a great chance to grab the opportunities and increase our share in the financial market of India. The management has aggressive plans for the Company's Merchant Banking and Investment Banking activities.

### **2) OPPORTUNITY AND THREATS**

#### **Opportunities**

Aryaman Financial Services Ltd is a Category-I Merchant Banker registered with SEBI. Considering the present market conditions and the government plans of further opening up of the Indian economy, the management strongly believes that our Company stands a better chance to provide the financial solutions to the corporate. On the basis of Company's past experience and presence of fewer Merchant Bankers in India, the Management strongly believes that our Company's future is very bright in the financial sector in India.

#### **Threats**

The financial sector throws open various avenues to the Indian Corporate for raising of funds are not only dependent on the IPO's and Rights Issues but they are looking for other avenues for mobilizations of funds and finance requirements. This poses a threat to our Business.

### **3) SEGMENTWISE PERFORMANCE**

Presently your Company is dealing mainly in one segment i.e. Merchant Banking activity. However, the Company plans to diversify in other financial segments as well.

### **4) OUTLOOK**

The growing economy and ever increasing capital market provides a good scope of expansion of financial service sector. Your Company is very well prepared to grab the opportunities. The management is very optimistic about the future of the Company.

### **5) RISKS AND CONCERNS**

AFSL is at present dependant on the conditions of primary and secondary capital market. Any adverse effect on the capital market could affect the performance and profitability of the Company.



**6) INTERNAL CONTROL SYSTEMS**

The Company has an adequate system of internal controls that ensure that all assets are protected against loss from unauthorized use or disposition and all transactions are recorded and reported in conformity with generally accepted accounting policies.

**7) FINANCIAL PERFORMANCE**

The Company has achieved a turnover of Rs. 4.74 lacs during the current period as against Rs. 87.72 lacs in the previous year financial year. During the current period Company has incurred Loss of Rs. 22.66 lacs as against a profit of Rs. 2.33 lacs in the previous year financial year.

**8) HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The industrial relations (with various financial intermediaries) remained cordial during the year under review.

**9) CAUTIONARY STATEMENT**

Statements in this report on management discussion and analysis describing the company's objectives, projections, estimates, expectations and prediction are based on certain assumption and expectation of future events. Actual result could differ materially from those expressed or implied. The Company assumes no responsibility to amend, modify or revise any of the statements on the basis of subsequent developments, information or events.

For and on behalf of the Board

D S Sharma  
Executive Director

Shripal Shah  
Non – Executive Director

Place: Mumbai  
Date: August 28, 2009





**CERTIFICATE BY THE EXECUTIVE DIRECTOR OF THE COMPANY**

I, D S Sharma, Executive Director of Aryaman Financial Services Limited, to the Best of my knowledge and belief, certify that

- a) I have reviewed the Balance sheet and Profit & Loss account along with all its schedules and notes on accounts, as well as, the cash flow statement and the Director's Report
- b) Based on my knowledge and information, these documents do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the statements made
- c) Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial conditions, result of operations and cash flows of the Company as of, and for, the period presented in this report and are in compliance with the existing accounting standards and /or applicable laws and regulations
- d) To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or in violation of the Company's code of conduct
- e) I am responsible for establishing and maintaining disclosure controls and procedure and internal controls over financial reporting for the Company and have also disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, and what we have done or propose to do to rectify the same
- f) I have also disclosed to the auditors, the audit committee, instances of significant fraud, if any, that involve management or employees having a significant role in the Company's internal control systems and
- g) I have indicated to the auditors, the audit committee and in the notes to the accounts, whether or not there were any significant changes in internal control and /or of accounting policies during the year.

Place: Mumbai  
Date: August 28, 2009

D S Sharma  
Executive Director



## AUDITORS' REPORT

We have audited the attached Balance Sheet of ARYAMAN FINANCIAL SERVICES LTD as at March 31, 2009 and the Profit and Loss Account and the Cash Flow Statement for the period 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 have 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 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.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Central Government of India in terms of subsection (4A) of Section 227 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.

Further to our comments in the Annexure referred to 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Profit and loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the 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;
- e) On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009, 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 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 :
  - a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009; and
  - b. In the case of the Profit and loss account, of the profit for the period ended on that date.
  - c. In the case of the Cash Flow Statement, of the cash flow for the period ended on that date.

For **Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

Place: Mumbai  
Dated: August 28, 2009

(**C. V. Parameswar**)  
Partner  
Membership No. 11541



**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2009.**

- i. In respect of Fixed Assets
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancy was noticed on such verification.
- ii. In respect of inventories  
The company is in the business of providing financial services and in view of this Para 4 (ii) (a), (b) & (c) of the said order are not applicable to the company.
- iii. In respect of loans, Secured and unsecured, Granted or taken by the company to / from Companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956 :
  - a) The company has not granted any loan to Companies, Firms or other parties listed in the register maintained under section 301 of The Companies Act, 1956.
  - b) In view of our comment in Para 4 (iii) (a) the clauses (b), (c) and (d) are not applicable to the company.
  - c) The company has not taken any loan from Companies, Firms or other parties listed in the register maintained under section 301 of The Companies Act, 1956.
  - d) In view of our comment in Para 4 (iii) (c) the clauses (f) and (g) are not applicable to the company.
- iv. In our opinion and according to information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit we have not observed any continuing failure to correct major weakness in the aforesaid internal control system.
- v. In respect of transactions covered under Section 301 of the Companies Act, 1956
  - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
  - b) As per the information and explanations given to us, there are no transactions of purchase and sales of services have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the companies Act, 1956 aggregating during the year to Rs. 5 Lakhs or more in respect of each party.
- vi. As per the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and rules framed there under.
- vii. In our opinion, the company has an internal audit system, which is commensurate with the size and nature of its business.
- viii. We have been informed that the central government has not prescribed maintenance of cost records under Section 209(1)(d) of the companies Act, 1956.
- ix. In respect of statutory dues
  - a) The company has been generally regular in depositing undisputed statutory dues including Provident fund, Investors education and Protection fund, Employees state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable except Income Tax (TDS Payable) of Rs. 95,756/- and Fringe Benefit Tax of Rs. 30,292/-.



- b) Based on the information made available to us and explanation given to us, the details of dues which have not been deposited on account of dispute are given below :

Particulars	Assessment year for which the matter pertains to	Forum where dispute is pending	Amount (Rs. In Lacs)
Income Tax	1997 - 98	CIT (Appeals)	26.53

- x. The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has incurred cash loss in the current financial year but has not incurred cash loss in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanation given to us we are of the opinion that the company has not defaulted in repayments of dues to the financial institution, banks or debenture holders.
- xii. In our opinion and according to the information and explanations given to us no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture & other securities.
- xiii. The company is not a chit fund or a nidhi / mutual benefit funds / society. Therefore para 4 (xiii) is not applicable to the company.
- xiv. Based on information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments and hence the requirements of para 4 (xiv) of the order are not applicable to the company.
- xv. In our opinion and according to the information & explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The company has not raised any term loans during the year.
- xvii. On the basis of our examination of balance sheet it appears that the funds raised on short term basis are not used for long term investment basis and vice versa.
- xviii. The company has made preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the companies Act, 1956. The price at which the shares have been issued is not prejudicial to the interest of the Company.
- xix. The company has not issued any debentures during the year and therefore para 4 (xix) of the order is not applicable to the company.
- xx. The company has not raised any money by way public issue during the year.
- xxi. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to information and explanation given to us we have neither come across any instance of fraud on or by the company during the year, nor have we been informed of such case by the management.

For **Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

Place: Mumbai  
Dated : August 28, 2009

(**C.V. Parameswar**)  
Partner  
M. No. 11541



## CERTIFICATE

To the Members of Aryaman Financial Services Ltd.

We have examined the compliance of conditions of Corporate Governance by Aryaman Financial Services Ltd. for the year March 31, 2009 as stipulated in clause 49 of the Listing Agreement executed by the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures 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.

In our opinion and to the best of our information and according to the explanations given to us we invite your attention to the following.

Means of Communication regarding publication of Quarterly results in the news papers are not complied with.

Subject to above we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We have to state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the registrar & share transfer agents of the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

Place : Mumbai  
Date: August 28, 2009

**(C.V. Parameswar)**  
Partner  
M. No. 11541



## CORPORATE GOVERNANCE REPORT

### PHILOSOPHY ON CORPORATE GOVERNANCE

The Company considers Corporate Governance as the most important process for conducting and managing its business activities in a transparent and visible manner in the interest of all its stakeholders, besides keeping important segments of the society adequately informed. Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interests of the shareholders and other stakeholders of the Company. Board supports the broad principles of Corporate Governance. In order to attain the highest level of good Corporate Governance practice, Board lays strong emphasis on transparency, accountability and integrity.

### BOARD OF DIRECTORS

Composition and category of directors, attendance of each director at the Board meeting and the last AGM, number of other Public Companies on the Board or Committees of which a director is a member or chairperson and number of board meetings, dates on which held are as under:

Attendance at the last AGM

Board meetings attended during the year 2008 – 09:

Name of the Director	Category	Meeting Attended
Shri D S Sharma	Executive	4
Shri Shripal Shah	Non-Executive	3
Shri Mohan Datari	Independent	4
Shri M V Ramana	Independent	4

Meetings of the Board of directors were held in 24-Oct-08, 22-Nov-08, 9-Jan-09 & 27-Feb-09. Total 4 meetings were held during the period under review.

### AUDIT COMMITTEE

**Terms of Reference:** The Terms of reference stipulated by the Board of Directors to the Audit committee are as contained under clause 49 of the Listing agreement. Three meeting of the committee was held during the period under review.

Composition of Audit Committee

Name of the Member	Member / Chariman	Category
Shri Mohan Datari	Chairman	Independent
Shri D S Sharma	Member	Executive
Shri Ram M. Gaud	Member	Independent

### REMUNERATION COMMITTEE

Two meeting of the committee was held during the year. The compositions of Remuneration committees are as under:

Name of the Member	Member / Chariman	Category
Shri Mohan Datari	Chairman	Independent
Shri Ram M. Gaud	Member	Independent

### SHARE TRANSFER AND INVESTOR GREIVANCE COMMITTEE

The Committee consists of Shri D. S. Sharma and Shri Ram M. Gaud. The committee meets Quarterly.



**REMUNERATION TO EXECUTIVE DIRECTOR**

The details of remuneration paid / payable to the Directors for the financial year 2008-09 are as under:

Shri D S Sharma – Executive Director appointed w.e.f. 30<sup>th</sup> October 2006. He is paid remuneration on a professional basis.

The non-executive & independent directors do not draw any remuneration from the Company. They are entitled to the sitting fees for every meeting of the Board and Committee attended. However, The Company has not paid any remuneration to Non-executive & Independent directors for attending Board meeting during the year.

Compliance officer: Mr. D S Sharma

Number of shareholder's complaints received during the year: During the period under review, total number of complaints received was "NIL" and no complaint is pending as at August 28, 2009.

**MANAGEMENT**

a) Management Discussion and Analysis

Management Discussion and Analysis of the business of the Company is separately given in the Annual Report.

b) Disclosure by management to the Board

All details relating to financial and commercial transactions where directors may have a pecuniary interest are provided to the Board and the interested directors neither participate in the discussion, nor do they vote on such matters.

**GENERAL BODY MEETINGS**

The details of Annual General Meetings held in the last three years are given hereunder:

Meeting	Date	Day	Time	Place
14th AGM	28-Mar-09	Saturday	10:30 AM	Regd. Office
13th AGM	31-Mar-08	Monday	10:30 AM	Regd. Office
12th AGM	31-Mar-07	Saturday	10:00 AM	Regd. Office

**Details of non-compliance**

There was no non-compliance by the Company, nor there was any penalties or strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital market during the last 3 years.

**MEANS OF COMMUNICATION**

The Annual Report including quarterly results is also available on our website at [www.afsl.co.in](http://www.afsl.co.in) Management Discussion and Analysis form part of this Annual Report.

**GENERAL SHAREHOLDER INFORMATION**

AGM will be held on Tuesday, September 29, 2009 at 10:30 A.M. at the 290, Anarkali Complex, Jhandewalan, Extension, New Delhi 110 055.

Financial Year of the Company: October 1, 2008 to March 31, 2009.

Date of Book Closure: September 23, 2009 to September 29, 2009 (Both days inclusive)

The Shares of the Company are listed on Bombay Stock Exchange Limited (BSE), Delhi Stock Exchange Ltd and Ahmedabad Stock Exchange Limited.

Stock Code at BSE: 530245



Market Price Data: High & Low price of Company's equity share at BSE (where the shares of the Company are frequently traded on the exchange).

Month	High (Rs.)	Low (Rs.)
Oct-08	12.60	11.00
Nov-08	11.50	10.39
Dec-08	10.00	9.95
Jan-09	11.40	10.44
Feb-09	14.40	11.75
Mar-09	15.41	12.80

Performance in comparison to broad-based indices i.e. BSE senses is as under:

Month	BSE Sensex	Closing price of AFSL Shares (Rs.)
Oct-08	9,788.06	11.85
Nov-08	9,092.72	10.39
Dec-08	9,647.31	9.95
Jan-09	9,424.24	11.40
Feb-09	8,891.61	12.80
Mar-09	9,708.50	13.36

#### REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer agent is entrusted with the work relating to the share transfer work and solving the shareholders complaints, by the Company. Name, Address and Contact No. is given hereunder:

M/s Adroit Corporate Services Private Limited,  
19, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor,  
Makwana Road, Marol Naka,  
Andheri (E), Mumbai 400 059  
Tel: 91 - 22 - 2859 4060 / 2859 6060, Fax: 91 - 22 - 2850 3748  
Email: surendrag@adroitcorporate.com

#### SHARE TRANSFER SYSTEM

Share received for transfer in physical form are registered by the Company's registrar and share transfer agent within 15 days from the receipt of the documents, if the same are found in order. Shares under objection are returned within 1 week.

Distribution of Shareholding as on August 21, 2009 is given below:

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	Total No. of Shares held	% of Shares held
Upto - 500	1,287	83.90	211,239	3.66
501 - 1000	108	7.04	88,361	1.53
1001 - 2000	48	3.13	68,834	1.19
2001 - 3000	21	1.37	51,874	0.90
3001 - 4000	12	0.78	44,004	0.76
4001 - 5000	7	0.46	32,283	0.56
5001 - 10000	18	1.17	135,936	2.36
10001 and above	33	2.15	5,137,469	89.04
<b>Total</b>	<b>1,534</b>	<b>100.00</b>	<b>5,770,000</b>	<b>100.00</b>

Dematerialisation of shares and liquidity: 91.78% shares have been dematerialised.





**Outstanding GDRs / ADRs / Convertible Warrants as on August 21, 2009:**

On November 22, 2008 the Company had allotted 30,33,330 Equity Share Warrants to Promoters & Others. Upfront amount of 10% against the said warrants had already received by the Company. Out of the said 6,45,330 warrants had already been converted into Equity Share. Hence, 23,88,000 warrants are outstanding as on date

On August 14, 2009 the Company had allotted 25,32,000 Equity Share Warrants to Promoters & Others. Upfront amount of 25% against the said warrants had already received by the Company.

Warrant Holders have the option to convert these warrants i.e 49,20,000 warrants into Equity Share any time on or before 18 months from their respective dates of allotment.

Particular of shares held in physical/electronic form as on August 21, 2009

Category	Holders	No. of Shares	% of shares
Physical mode	924	474,460	8.22
Electronic mode			
NSDL	384	532,128	9.22
CDSL	226	4,763,412	82.56
Total	1,534	5,770,000	100.00

**ADDRESS FOR CORRESPONDENCE**

Registered Office	Corporate Office
401, Chiranjiv Towers, 43, Nehru Place, New Delhi 110 019.	306-307, Mint Chambers, 45/47, Mint Road, Near GPO, Fort, Mumbai - 400 001.
Tel.: 011 – 2642 7306 Fax: 011 – 2644 3969	Tel.: 022 – 2261 8264 / 69 Fax: 022 – 2263 0434 Email: info@afsl.co.in aryaman_limited@rediffmail.com Website: www.afsl.co.in



**BALANCE SHEET AS ON 31ST MARCH, 2009**

BALANCE SHEET AS ON	SCHEDULE	31ST MARCH, 2009 (AMT IN INR)	30TH SEPT, 2008 (AMT IN INR)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	61,222,300	65,719,074
Reserves & Surplus	2	918,683	(2,231,119)
		62,140,983	63,487,955
<b>Loan Funds</b>			
Secured Loans		-	-
Unsecured Loans	3	-	-
Deferred Tax Liability (Net)		541,083	532,353
<b>TOTAL</b>		<b>62,682,066</b>	<b>64,020,308</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	10,404,333	10,402,533
Less: Depreciation		87,752	60,626
Net Block		10,316,581	10,341,907
Investments	5	499,940	-
Current Assets, Loans and Advances	6	68,858,164	69,918,133
Less: Current Liabilities & Provisions	7	16,992,619	16,239,732
Net Current Assets		51,865,545	53,678,401
Miscellaneous Expenditure (To the extent not written-off or adjusted)	8	-	-
<b>TOTAL</b>		<b>62,682,066</b>	<b>64,020,308</b>

Notes on Accounts

14

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

For **Thakur Vaidyanath & Aiyar & Co.**  
Chartered Accountants

For and On behalf of the Board

**C. V. Parameswar**  
Partner  
M.No.11541

**D S Sharma**  
Director

**Shripal Shah**  
Director

Place: Mumbai  
Dated: August 28, 2009



**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009**

PROFIT AND LOSS ACCOUNT	SCHEDULE	31ST MARCH, 2009 (AMT IN INR)	30TH SEPT, 2008 (AMT IN INR)
<b>INCOME</b>			
Merchant Banking		408,943	8,742,419
Other Income from Operation	9	64,719	8,245
Sundry Dr. cr. Balance written off		-	20,902
<b>Total</b>		<b>473,662</b>	<b>8,771,566</b>
<b>EXPENDITURE</b>			
Personnel Expenses	10	597,397	1,083,493
Administration and Other Expenses	11	1,075,053	1,617,499
Finance Charges	12	4,786	51,809
Legal and Consultancy charges	13	994,002	1,686,373
Auditors' Remuneration		27,500	55,000
Compensation Expenses		-	55,000
Prior Period Adjustment		396	490,259
Loss on assignment/Sale Scrapping of Assets		-	11,245,922
Sundry Dr. cr. Balance Written Off		766	-
<b>Total</b>		<b>2,699,900</b>	<b>16,285,355</b>
Profit before Depreciation		(2,226,238)	(7,513,789)
Depreciation		27,126	433,531
Profit / (Loss) after Depreciation		(2,253,364)	(7,947,320)
<u>Provision for Taxation</u>		13,401	(8,180,206)
Current Tax		-	27,712
Deferret Tax		8,730	(8,213,647)
Fringe Benefit Tax		4,671	5,729
<b>Profit / (Loss) after Tax</b>		<b>(2,266,765)</b>	<b>232,886</b>
Balance as per Last year		(28,331,119)	(28,564,005)
<b>APPROPRIATIONS</b>			
Profit / (Loss) after appropriations carried to Balance Sheet		(30,597,884)	(28,331,119)

Notes on Accounts

14

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

For Thakur Vaidyanath & Aiyar & Co.  
Chartered Accountants

For and On behalf of the Board

C. V. Parameswar  
Partner  
M.No.11541

D S Sharma  
Director

Shripal Shah  
Director

Place: Mumbai  
Dated: August 28, 2009



**SCHEDULES FORMING PART TO BALANCE SHEET**

SCHEDULES	31ST MARCH, 2009 (AMT IN INR)	30TH SEPT, 2008 (AMT IN INR)
<b>Schedule 1</b>		
<b>Share Capital</b>		
Authorised Capital		
90,00,000 Equity Shares of Rs.10/- each	90,000,000	50,000,000
<b>Issued, Subscribed and Paid-up Capital</b>	<b>61,222,300</b>	<b>65,719,074</b>
57,70,000 Equity Shares of Rs.10.00 each	57,700,000	46,296,700
Deposit against Issue of Shares	-	19,422,374
Advance against Equity Share Warrants	3,522,300	-
<b>Schedule 2</b>		
<b>Reserves and Surplus</b>	<b>918,684</b>	<b>(2,231,119)</b>
General Reserve as per Last Year	26,100,000	26,100,000
Profit and Loss Account	(30,597,884)	(28,331,119)
Security Premium Account	5,416,568	-
<b>Schedule 3</b>		
<b>Loan Funds</b>		
Secured Loans	-	-
Unsecured Loans	-	-
Inter Corporate Deposit	-	-
<b>Schedule 5</b>		
<b>Investments</b>		
Long Term (At Cost)		
49,994 Equity Shares of Rs. 10/- each in Aryaman Broking Limited	499,940	-
<b>Schedule 6</b>		
<b>Current Assets, Loans and Advances</b>	<b>68,858,165</b>	<b>69,918,133</b>
<b>Current Assets</b>		
Sundry Debtors - Unsecured & Considered good	19,532,166	21,685,680
Debts outstanding for a period exceeding 6 months	19,184,550	19,184,550
Others	347,636	2,501,130
<b>Cash and Bank Balance</b>	<b>492,814</b>	<b>695,170</b>
Cash Balance on Hand	537,277	542,383
Bank Balance:		
With Scheduled Banks on Current A/c. (Book O/d)	(44,463)	152,787
<b>Loans and Advances</b>		
(Unsecured & Considered good)	17,988,090	17,499,669
Shares Held Against Portfolio	32,631,045	32,681,044
Less: Portfolio Advances	14,692,955	15,181,375
Shares Held against Portfolio Commitments	19,414,282	19,414,282
Advances recoverable in cash or in kind or value to be received	9,718,333	10,127,872
Security Deposit	495,460	495,460



<b>Schedule 7</b>			
<b>Current Liabilities &amp; Provisions</b>		<b>16,992,619</b>	<b>16,239,732</b>
<b>Current Liabilities</b>		<b>15,029,944</b>	<b>14,281,728</b>
Sundry Creditors	303,329		348,433
Other Current Liabilities	14,726,615		13,933,295
<b>Provisions</b>		<b>1,962,675</b>	<b>1,958,004</b>
<b>Schedule 8</b>			
<b>Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)			
Public Issue Expenses	-		-
Preliminary and Pre-operative Expenses	-		-

## Schedule 4

## Fixed Assets

Amount in INR

Description	Gross Block				Depreciation				Net Block	
	As on 30th Sept, 2008	Additions during the year	Deletions during the year	As on 31st March, 2009	As on 30th Sept, 2008	For the year	Sales / Adj. during the year	As on 31st March, 2009	As on 31st March, 2009	As on 30th Sept, 2008
Own Use										
Land-Freehold	8,342,965	-	-	8,342,965	-	-	-	-	8,342,965	8,342,965
Building	-	-	-	-	-	-	-	-	-	-
Furniture And Fixture	13,644	-	-	13,644	2,718	355	-	3,073	10,571	10,926
Vehicles	-	-	-	-	-	-	-	-	-	-
Air Conditioners	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	1,800	-	1,800	-	1,800	-	1,800	-	-
Computers	312,898	-	-	312,898	57,908	24,971	-	82,879	230,019	254,990
Leased										
Plant And Machinery	-	-	-	-	-	-	-	-	-	-
Lease Adjustment Account	-	-	-	-	-	-	-	-	-	-
Capital Work-In- Progress										
Building	72,500	-	-	72,500	-	-	-	-	72,500	72,500
Advance For Cochin Stock										
Exchange Corporate Membership	1,660,526	-	-	1,660,526	-	-	-	-	1,660,526	1,660,526
<b>Total</b>	<b>10,402,533</b>	<b>1,800</b>	<b>-</b>	<b>10,404,333</b>	<b>60,626</b>	<b>27,126</b>	<b>-</b>	<b>87,752</b>	<b>10,316,581</b>	<b>10,341,907</b>
Previous Year	33,293,964	161,806	23,053,237	10,402,533	5,034,411	433,531	5,407,316	60,626	10,341,907	28,259,553





**SCHEDULES FORMING PART TO PROFIT AND LOSS ACCOUNT**

<b>SCHEDULES</b>	<b>31ST MARCH, 2009 (AMT IN INR)</b>	<b>30TH SEPT, 2008 (AMT IN INR)</b>
<b>Schedule 9</b>		
<b>Other Income From Operations</b>		
Interest / Dividend Received	1,200	-
Miscellaneous Income	5,350	8,245
Commission Recived	58,169	-
<b>Total</b>	<b>64,719</b>	<b>8,245</b>
<b>Schedule 10</b>		
<b>Personnel Expenses</b>		
Salary And Allowances	547,397	1,054,393
Bonus	50,000	29,100
<b>Total</b>	<b>597,397</b>	<b>1,083,493</b>
<b>Schedule 11</b>		
<b>Administrative And Other Expenses</b>		
Telephone Charges	46,786	90,496
Courier Charges	1,480	13,120
Postage And Telegram	35	1,726
Rent,Rates And Taxes	153,000	764,453
Repairs And Maintenance	16,235	95,751
Books And Periodicals	2,684	4,704
Office Expenses	10,505	159,132
Electricity Charges	60,988	122,836
Printing And Stationery	12,676	64,544
Travelling Expenses	640	14,286
SEBI Settlement Charges	400,000	-
Demat Charges	12,000	24,000
Listing & Processing Charges	61,800	10,000
ROC Charges	208,341	8,100
Commission and Brokeage	65,356	65,000
Staff Welfare	12,764	36,735
Conveyance	8,995	19,725
Others Expenses	769	122,891
<b>Total</b>	<b>1,075,054</b>	<b>1,617,500</b>
<b>Schedule 12</b>		
<b>Finance Charges</b>		
Bank Charges	4,786	17,030
Interest	-	34,779
<b>Total</b>	<b>4,786</b>	<b>51,809</b>
<b>Schedule 13</b>		
<b>Legal And Consultancy Charges</b>		
Legal, Professional and Consultancy	736,915	1,216,100
Membership Charges	178,667	467,559
Stamp Duty	76,820	-
Stamp Papers	1,600	2,714
<b>Total</b>	<b>994,002</b>	<b>1,686,373</b>



**Schedule 14-**

Notes to accounts

**A. SIGNIFICANT ACCOUNTING POLICIES:**

- 1) Accounts are prepared on Historical Cost Convention accruing for incomes, expenditures, assets and liabilities.
- 2) (a) Income from Project Consultancy is accrued considering stage wise completion of work, wherever agreed upon or feasible, otherwise it is accrued on percentage basis based on the quantum of work completed.  
  
(b) Income from Merchant Banking is accrued on percentage basis based on quantum of work completed.

3) (a) Fixed Assets

Fixed Assets are shown at cost less accumulated depreciation. Cost of asset includes all expenses related to acquisition of the asset.

(b) Depreciation

*Owned Assets:* Depreciation is charged on Straight Line Method at the rates and in the manner provided in Schedule XIV of the Companies Act, 1956.

*Leased Assets:* On leased assets the minimum statutory depreciation is charged along with which the stipulated lease Equalisation Account is created, to ensure full depreciation of the leased assets within the tenure of the lease period by way of matching annual charges based on the lease rental accruals.

4) Miscellaneous Expenditure are written off as follows:

- (a) Preliminary Expenses, Pre-Operative Expenses (other than under (b) below) & Public Issue Expenses – Pro-rata over 10 years.
- (b) Pre-Operative Expenses relating to Merchant Banking Division and Registrar & Share Transfer Agents – Pro-rata over 5 years.
- (c) Computer Software – Equally over 3 years.

5) Taxes on Income

The Company provides for deferred tax using liability method, based on tax effect of timing difference resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

**NOTES**

1. Estimated amount of contracts to be executed on capital accounts Rs. 2,48,500/- (P.Y. Rs. 2,48,500/-)
2. Contingent Liability Rs. 42.98 Lacs (P.Y. Rs. 42.98/- Lacs)
3. The company had assigned an office space which was pending registration and a liability there against of Rs. 39.83 lacs to a party. The Company had filed a suit in the High Court against the seller of the property for specific performance of the contract i.e. in arranging to handover the original title papers making the bank as the third party to the suit. The company had assigned the assets along with the liabilities to a party with the understanding that no liability should accrue to





## Aryaman Financial Services Limited

the company with effect from March 15, 2004 and the pending legal case shall be pursued by the assignee.

- Some of the debit/credit balances are subject to confirmation and reconciliation.
- In view of the number of employees being below the stipulated numbers, the Payment of Gratuity Act is not applicable to the company for the year. The same is the case with respect to payment of Bonus Act.
- Auditors Remuneration:

Details	Current Year	Previous Year
Audit Fees – Statutory	22,500	45,000
Certification	5,000	10,000
Out of pocket expenses	NIL	NIL
<b>Total</b>	<b>27,500</b>	<b>55,000</b>

- Deferred Tax Liability / Assets

Deferred Tax Liabilities	March 31, 2009	September 30, 2008
Temporary difference on account of depreciation on assets as per books of account & WDV for the purpose.	Rs. 541,083/-	Rs. 532,353/-

- The accounts of the Company are not signed by a Company Secretary, as the Company despite its efforts is not in a position to fill the vacant position of a Company Secretary.
- Directors' Remuneration:

Details / Amount in INR	Current Year	Previous Year
Salary	Nil	Nil
Provident Fund	Nil	Nil
Perquisites	Nil	Nil
Legal & Professional	3,25,000	5,50,000
<b>Total</b>	<b>3,25,000</b>	<b>5,50,000</b>

- Quantitative Details of Shares under Portfolio Advance:

Equity Shares of Rs. 10/- each Fully Paid-up	No. of Quantity	Amount (Rs.)
Opening Stock	16,55,784 P.Y. (16,55,784)	5,20,95,327 P.Y. (5,20,95,327)
Purchase	Nil P.Y. (17,65,484)	Nil P.Y. (4,78,757)
Sale	Nil P.Y. (17,65,484)	Nil P.Y. (3,82,607)
Closing Stock	16,55,784 P.Y. (16,55,784)	5,20,95,327 P.Y. (5,20,95,327)

- Income / Expenditure in foreign currency:

Details / Amount in INR	Current Year	Previous Year
Expenditure	Rs. Nil	Rs. Nil
Income	Rs. Nil	Rs. Nil



12. Earning Per Share

Details of Equity Shares	Share Price As at March 31, 2009	Share Price As at September 30, 2008
Nominal value of Equity Share	Rs. 10/-	Rs. 10/-
Earning per Share	Re. (0.39)	Re. 0.05

13. Related Party Transactions

Name of related parties & description of relationships:

- (1) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries).

	Current Year	Previous Year
<b>Aryaman Broking Limited</b>		
Advances	Rs. 1,021,474/-	Rs. Nil
Investments	Rs. 499,940/-	Rs. Nil

- (2) Key Management personnel and their relatives.

Name of relatives and key management personnel with whom the Co. had transactions during year-

	Current Year	Previous Year
<b>D. S. Sharma (Executive Director)</b>		
Legal & Professional	Rs. 325,000/-	Rs. 550,000/-

- (3) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprises, and relatives of any such individual.

	Current Year	Previous Year
<b>Mahashri Enterprises Pvt. Ltd.</b>		
Advances	Rs. 420,000/-	Rs. 56,169/-
Deposit against Shares	Rs. Nil	Rs. 12,100,000/-
Advance against Warrants	Rs. 2,305,425/-	Rs. Nil

14. Previous years' figures have been regrouped and rearranged wherever necessary.

For **Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

Place : Mumbai  
Date: August 28, 2009

**(C.V. Parameswar)**  
Partner  
M. No. 11541



**Additional information as required under Part IV of  
Schedule VI to the Companies Act, 1956**

**Balance Sheet Abstract and Company's General Business Profile**

<b>I</b>	<b>Registration Details</b>	
	Registration No.	59009
	State Code No.	55
	Balance Sheet Date	31.03.2009
<b>II</b>	<b>Capital Raised During the year</b>	<b>(Rs. In Thousands)</b>
	Public Issue	-
	Rights Issue	-
	Bonus Issue	-
	Private Placement - Equity Shares	11,403
<b>III</b>	<b>Position of Mobillisation and Deployment of Funds</b>	<b>(Rs. In Thousands)</b>
	Total Liabilities	52,683
	Total Assets	52,683
	<b>Sources of Funds</b>	
	Paid - up Capital	51,223
	Reserves & Surplus	918
	Secured Loans	-
	Unsecured Loans	-
	Deferred Tax liability (Net)	541
	<b>Application of Funds</b>	
	Net Fixed Assets	10,317
	Investments	500
	Net Current Assets	51,866
	Misc. Expenditure	-
	Accumulated Losses	-
<b>IV</b>	<b>Performance of the Company</b>	<b>(Rs. In Thousands)</b>
	Turnover	474
	Total Expenditure	2,727
	Profit (+) / Loss (-) before Tax	(2,253)
	Fringe Benefit Tax	5
	Provision for Tax	-
	Deferred Tax	9
	Profit (+) / Loss (-) after Tax	(2,267)
	Earning per share (Rs.)	(0.39)
	Dividend (%)	-



V **Generic names of Principal Products , Services of the Company**

Item Code No. (ITC Code)

Not Applicable

Production Description

1. Financial Services
2. Project Consultancy
3. Merchant Banking

Code No. for the services rendered by the Company is not available in the Publication of Indian Trade classification for ITC Code of Products by Ministry of Commerce, Directorate General of Commercial Intelligence and Statistics, Calcutta 700 001

As per report of even date

For Thakur Vaidyanath Aiyar & Co.  
Chartered Accountants

For and on behalf of the Board

C.V. Parameswar  
Partner  
M.No. 11541

D S Sharma  
Director

Shripal Shah  
Director

Place: Mumbai  
Dated: August 28, 2009



**CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2009**

CASH FLOW STATEMENT	PERIOD ENDED 31ST MARCH, 2009 (INR IN LACS)	YEAR ENDED 30TH SEPT, 2008 (INR IN LACS)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit(+) / Loss(-) before Tax	(22.53)	2.33
Adjustment for :		
Depreciation	0.27	4.34
Deferred tax liability	0.09	(82.14)
Dividend Received	(0.01)	-
Profit / Loss on sale of Assets	0.35	112.46
	(22.18)	34.66
Operating Profit(+) / Loss(-) before working capital changes		36.99
Adjustment for :		
(Increase) / Decrease in Current Assets	8.58	(179.21)
Increase / (Decrease) in Current Liabilities	2.88	55.80
	11.46	(123.41)
<b>Net Cash flow from operating activities</b>	<b>(10.72)</b>	<b>(86.42)</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(0.02)	(1.62)
Investments	(5.00)	-
Dividend Received	0.01	-
Sale of Assets	-	64.00
<b>Net Cash used in Investment activities</b>	<b>(5.01)</b>	<b>62.38</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Shares	114.03	-
Deposit against shares	(189.71)	19.17
Advance against Equity Shares Warrants	35.22	-
Security Premium	54.17	-
<b>Net Cash Flow from Financing Activities</b>	<b>13.71</b>	<b>19.17</b>
<b>Net Cash Flow during the period (A+B+C)</b>	<b>(2.02)</b>	<b>(4.87)</b>
Cash and Cash Equivalents (Opening Balance)	6.95	11.82
Cash and Cash Equivalents (Closing Balance)	4.93	6.95

As per report of even date

For Thakur Vaidyanath Aiyar & Co.  
Chartered Accountants

For and on behalf of the Board

C.V. Parameswar  
Partner  
M.No. 11541

D S Sharma  
Director

Shripals Shah  
Director

Place: Mumbai  
Dated: August 28, 2009



**Statement regarding subsidiary companies pursuant to  
Section 212(1)(e) of the Companies Act, 1956**

Name of the Subsidiary Company	Financial Year of the Subsidiary Company ended on	Extent of holding Company's Interest	The net aggregate amount of the subsidiary company's profit / (loss) so far as it concerns the members of Aryaman Financial Services Limited (Rs. In Lacs)				Material changes, if any, between the end of the financial year of the Subsidiary Company and the Holding Company
			Not dealt with in the Holding Company's accounts:		Dealt with in the Holding Company's accounts:		
			For the financial year of the Subsidiary	For the previous financial years since they became Subsidiary	For the financial year of the Subsidiary	For the previous financial years since they became Subsidiary	
Aryaman Broking Limited	31-Mar-09	99.88%	Nil	Nil	Nil	Nil	Nil



**ARYAMAN BROKING LTD**

The Members,  
Aryaman Broking Ltd.,

We have audited the attached Balance Sheet of ARYAMAN BROKING LTD as at 31<sup>st</sup> March, 2009. 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 have 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 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.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Central Government of India in terms of subsection (4A) of Section 227 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.

Further to our comments in the Annexure referred to 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet dealt with by this report is in agreement with the books of account.
- d) In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in subsection (3C) 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, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009, 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 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:
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31. 2009.
  - ii. In the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

For Thakur Vaidyanath Aiyar & Co.  
Chartered Accountants

(C. V. Parameswar)  
Partner  
Membership No. 11541

Place: Mumbai  
Dated: August 28, 2009



**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2009.**

- i. In respect of Fixed Assets  
The company has no fixed assets and in view of this Para 4 (i) (a), (b) & (c) of the said order are not applicable to the company.
- ii. In respect of inventories  
The company is in the business of providing broking services and in view of this Para 4 (ii) (a), (b) & (c) of the said order are not applicable to the company.
- iii. In respect of loans, Secured and unsecured, Granted or taken by the company to / from Companies, firms or other parties listed in the register maintained under Section 301 of the companies Act. 1956:
  - a) The company has not granted any loan to Companies, Firms or other parties listed in the register maintained under section 301 of The Companies Act, 1956.
  - b) In view of our comment in Para 4 (iii) (a) the clauses (b), (c) and (d) are not applicable to the company.
  - c) The company has not taken any loan from Companies, Firms or other parties listed in the register maintained under section 301 of The Companies Act, 1956.
  - d) In view of our comment in Para 4 (iii) (c) the clauses (f) and (g) are not applicable to the company.
- iv. As the Company has not carried out any transaction relating to purchase of inventory / fixed assets & sale of goods or services Para 4 (iv) of the said order is not applicable to the company.
- v. In respect of transactions covered under Section 301 of the Companies Act,1956
  - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
  - b) As per the information and explanations given to us, there are no transactions of purchase and sales of services have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the companies Act.1956 aggregating during the year to Rs.5 Lakhs or more in respect of each party.
- vi. As per the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and rules framed there under.
- vii. The clause regarding internal audit is not applicable to the Company for the year.
- viii. We have been informed that the central government has not prescribed maintenance of cost records under Section 209(1)(d) of the companies Act,1956.
- ix. In respect of statutory dues  
There are no undisputed statutory dues payable by the Company.
- x. The Company's has no accumulated losses at the end of the financial year.
- xi. Based on our audit procedures and according to the information and explanation given to us we are of the opinion that the company has not defaulted in repayments of dues to the financial institution, banks or debenture holders.
- xii. In our opinion and according to the information and explanations given to us no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture & other securities.





- xiii. The company is not a chit fund or a nidhi / mutual benefit funds / society. Therefore para 4 (xiii) is not applicable to the company.
- xiv. Based on information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments and hence the requirements of para 4 (xiv) of the order are not applicable to the company.
- xv. In our opinion and according to the information & explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The company has not raised any term loans during the year.
- xvii. On the basis of our examination of balance sheet it appears that the company has not raised funds raised on short term basis are not used for long term investment basis and vice versa.
- xviii. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the companies Act. 1956.
- xix. The company has not issued any debentures during the year and therefore para 4 (xix) of the order is not applicable to the company.
- xx. The company has not raised any money by way public issue during the period.
- xxi. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to information and explanation given to us we have neither come across any instance of fraud on or by the company during the year, nor have we been informed of such case by the management.

For **Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

**(C. V. Parameswar)**  
Partner  
Membership No. 11541

Place: Mumbai  
Dated: August 28, 2009



**BALANCE SHEET OF ARYAMAN BROKING LIMITED  
AS ON 31ST MARCH, 2009**

BALANCE SHEET AS ON	SCHEDULE	31ST MARCH, 2009 (AMT IN INR)
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share Capital	1	500,000
Reserves & Surplus	2	-
		500,000
<b>Loan Funds</b>		
Secured Loans		-
Unsecured Loans	3	-
Deferred Tax Liability (Net)		-
<b>TOTAL</b>		<b>500,000</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block		-
Less: Depreciation		-
<b>Net Block</b>		-
<b>Investments</b>	4	-
<b>Current Assets, Loans and Advances</b>	5	1,231,699
Less: Current Liabilities & Provisions	6	1,026,475
<b>Net Current Assets</b>		<b>205,224</b>
<b>Muscellaneous Expenditure</b> (To the extent not written-off or adjusted)	7	294,776
<b>TOTAL</b>		<b>500,000</b>

Notes on Accounts

8

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

**For Thakur Vaidyanath & Aiyar & Co.**  
Chartered Accountants

**For and On behalf of the Board**

**C. V. Parameswar**  
Partner  
M.No.11541

**D S Sharma**  
Director

**Shripal Shah**  
Director

Place: Mumbai  
Dated: August 28, 2009



SCHEDULES FORMING PART TO BALANCE SHEET OF  
ARYAMAN BROKING LIMITED

SCHEDULES	31ST MARCH, 2009 (AMT IN INR)
<b>Schedule 1</b>	
<b>Share Capital</b>	
Authorised Capital	
15,00,000 Equity Shares of Rs.10/- each	15,00,000
<b>Issued, Subscribed and Paid-up Capital</b>	<b>500,000</b>
50,000 Equity Shares of Rs.10.00 each	500,000
<b>Schedule 2</b>	
<b>Reserves and Surplus</b>	-
<b>Schedule 3</b>	
<b>Loan Funds</b>	-
<b>Schedule 4</b>	
<b>Investments</b>	-
<b>Schedule 5</b>	
<b>Current Assets, Loans and Advances</b>	<b>1,231,699</b>
<b>Current Assets</b>	
Sundry Debtors - Unsecured & Considered good	-
Debts outstanding for a period exceeding 6 months	-
Others	-
<b>Cash and Bank Balance</b>	<b>14,699</b>
Cash Balance on Hand	-
Bank Balance:	
With Scheduled Banks on Current A/c. (Bank O/d)	14,699
<b>Loans and Advances</b>	
(Unsecured & Considered good)	
Advances recoverable in cash or in kind or value to be received	1,217,000
Security Deposit	495,460
<b>Schedule 6</b>	
<b>Current Liabilities &amp; Provisions</b>	<b>1,026,475</b>
<b>Current Liabilities</b>	<b>1,026,475</b>
Sundry Creditors	5,000
Other Current Liabilities	1,021,475
<b>Provisions</b>	-
<b>Schedule 7</b>	
<b>Miscellaneous Expenditure</b>	<b>294,776</b>
(To the extent not written off or adjusted)	
Public Issue Expenses	-
Preliminary and Pre-operative Expenses	294,776



**SCHEDULE 8**

**NOTES TO ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

- 1) Accounts are prepared on Historical Cost Convention accruing for incomes, expenditures, assets and liabilities.
- 2) Miscellaneous Expenditure are written off as follows:  
Preliminary Expenses, Pre-Operative Expenses:—Pro-rata over 10 years.

**B. NOTES**

- 1) In view of the number of employees being below the stipulated numbers, the Payment of Gratuity Act is not applicable to the company for the year. The same is the case with respect to payment of Bonus Act.
- 2) Auditors Remuneration

Particulars	Amount (Rs.)
Audit Fees-Statutory	5,000
Total	5,000

- 3) Directors' Remuneration

Particulars	Amount (Rs.)	Amount (Rs.) (P.Y.)
Salary	Nil	Nil
Provident Fund	Nil	Nil
Perquisites	Nil	Nil
Legal & Professional	Nil	Nil
Total	Nil	Nil

- 4) Income/Expenditure in foreign currency:

Particulars	Amount (Rs.)	Amount (Rs.) (P.Y.)
Expenditure	Nil	Nil
Income	Nil	Nil

- 5) Related Party Transactions

Name of related parties & description of relationships

Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries)

	Current Year	Previous Year
M/s Aryaman Financial Services Pvt. Ltd		
Advances	10,21,474/-	NIL
Promoter	4,99,940/-	NIL



6) As this is the First Year of the Company no Previous Years' figures have been given.

**For Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

Place: Mumbai  
Dated: August 28, 2009

**(C. V. Parameswar)**  
Partner  
Membership No. 11541



**Additional information as required under Part IV of  
Schedule VI to the Companies Act, 1956**

**Balance Sheet Abstract and Company's General Business Profile**

**I Registration Details**

Registration No.	184939
State Code No.	
Balance Sheet Date	31.03.2009

**II Capital Raised During the year**

**(Rs. In Thousands)**

Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement - Equity Shares	-

**III Position of Mobilisation and Deployment of Funds**

**(Rs. In Thousands)**

Total Liabilities	500
Total Assets	500

**Sources of Funds**

Paid - up Capital	500
Reserves & Surplus	-
Secured Loans	-
Unsecured Loans	-
Deferred Tax liability (Net)	-

**Application of Funds**

Net Fixed Assets	-
Investments	-
Net Current Assets	205
Misc. Expenditure	295
Accumulated Losses	-

**IV Performance of the Company**

**(Rs. In Thousands)**

Turnover	-
Total Expenditure	-
Profit (+) / Loss (-) before Tax	-
Fringe Benefit Tax	-
Provision for Tax	-
Deferred Tax	-
Profit (+) / Loss (-) after Tax	-
Earning per share (Rs.)	-
Dividend (%)	-



**V Generic names of Principal Products , Services of the Company**

Item Code No. (ITC Code)	Not Applicable
Production Description	Share Trading & Broking Commodities Trading NBFC Other such Investment & Financial Services

Code No. for the services rendered by the Company is not available in the Publication of Indian Trade classification for ITC Code of Products by Ministry of Commerce, Directorate General of Commercial Intelligence and Statistics, Calcutta 700 001

As per report of even date

**For Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

For and on behalf of the Board

**C.V. Parameswar**  
Partner  
M.No. 11541

**D S Sharma**  
Director

**Shripal Shah**  
Director

Place: Mumbai  
Dated: August 28, 2009



CASH FLOW STATEMENT OF ARYAMAN BROKING LIMITED  
FOR THE PERIOD ENDED MARCH 31, 2009

CASH FLOW STATEMENT	PERIOD ENDED 31ST MARCH, 2009 (INR IN LACS)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net profit(+) / Loss(-) before Tax	-
Adjustment for :	
Depreciation	-
Deferred tax liability	-
Dividend Received	-
Profit / Loss on sale of Assets	-
Operating Profit(+) / Loss(-) before working capital changes	
Adjustment for :	
(Increase) / Decrease in Current Assets	(12.17)
Increase / (Decrease) in Current Liabilities	10.26
	(1.91)
<b>Net Cash flow from operating activities</b>	<b>(1.91)</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>	
Purchase of Fixed Assets	-
Investments	-
Dividend Received	-
Sale of Assets	-
<b>Net Cash used in Investment activities</b>	<b>-</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>	
Issue of Shares	5.00
Deposit against shares	-
Miscellaneous Expenditures	(2.94)
Security Premium	-
<b>Net Cash Flow from Financing Activities</b>	<b>2.06</b>
<b>Net Cash Flow during the period (A+B+C)</b>	<b>0.15</b>
Cash and Cash Equivalents (Opening Balance)	-
Cash and Cash Equivalents (Closing Balance)	0.15

As per report of even date

For Thakur Vaidyanath Aiyar & Co.  
Chartered Accountants

For and on behalf of the Board

C.V. Parameswar  
Partner  
M.No. 11541

D S Sharma      Shripal Shah  
Director          Director

Place: Mumbai  
Dated: August 28, 2009





**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF  
ARYAMAN FINANCIAL SERVICES LTD AND ITS SUBSIDIARY**

We have audited the attached consolidated Balance Sheet of ARYAMAN FINANCIAL SERVICES LTD and its subsidiary (collectively referred to as the Group), as at March 31, 2009 and also the consolidated Profit and Loss Account and the Cash Flow Statement for the period ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 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.

We audited the financial statement of the subsidiary (ARYAMAN BROKING LIMITED), whose financial statements reflect the total assets of Rs. 5.00 Lac (Rupees Five Lac Only) as at March 31, 2009 as considered in the consolidated financial statements. These financial statements and other information of the subsidiary have been audited by us.

We report that the consolidated financial statements have been prepared by ARYAMAN FINANCIAL SERVICES LIMITED'S management in accordance with the requirements of Accounting Standard 21, issued by the Institute of Chartered Accountants of India notified by the Companies (Accounting Standards) Rules 2006

Based on our audit of the financial statements and other financial information of the components, in our opinion and to the best of our information and according to the explanation given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a. In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
- b. In the case of the consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
- c. In the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Thakur Vaidyanath Aiyar & Co.  
Chartered Accountants

Place: Mumbai  
Dated: August 28, 2009

(C. V. Parameswar)  
Partner  
Membership No. 11541



**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2009.**

- i. In respect of Fixed Assets
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancy was noticed on such verification.
- ii. In respect of inventories

The company is in the business of providing financial services and in view of this Para 4 (ii) (a), (b) & (c) of the said order are not applicable to the company.
- iii. In respect of loans, Secured and unsecured, Granted or taken by the company to / from Companies, firms or other parties listed in the register maintained under Section 301 of the companies Act. 1956:
  - a) The company has not granted any loan to Companies, Firms or other parties listed in the register maintained under section 301 of The Companies Act, 1956.
  - b) In view of our comment in Para 4 (iii) (a) the clauses (b), (c) and (d) are not applicable to the company.
  - c) The company has not taken any loan from Companies, Firms or other parties listed in the register maintained under section 301 of The Companies Act, 1956.
  - d) In view of our comment in Para 4 (iii) (c) the clauses (f) and (g) are not applicable to the company.
- iv. In our opinion and according to information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit we have not observed any continuing failure to correct major weakness in the aforesaid internal control system.
- v. In respect of transactions covered under Section 301 of the Companies Act.1956
  - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
  - b) As per the information and explanations given to us, there are no transactions of purchase and sales of services have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the companies Act.1956 aggregating during the year to Rs. 5 Lakhs or more in respect of each party.
- vi. As per the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and rules framed there under.
- vii. In our opinion, the company has an internal audit system, which is commensurate with the size and nature of its business.
- viii. We have been informed that the central government has not prescribed maintenance of cost records under Section 209(1)(d) of the companies Act.1956.
- ix. In respect of statutory dues
  - a) The company has been generally regular in depositing undisputed statutory dues including Provident fund, Investors education and Protection fund, Employees state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanation given to



us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2009 for a period of more than six months from the date they became payable except Income Tax (TDS Payable) of Rs. 95,756/- and Fringe Benefit Tax of Rs. 30,292/-.

- b) Based on the information made available to us and explanation given to us, the details of dues which have not been deposited on account of dispute are given below :

Particulars	Assessment year for which the matter pertains to	Forum where dispute is pending	Amount (Rs. In Lacs)
Income Tax	1997 - 98	CIT (Appeals)	26.53

- x. The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has incurred cash loss in the current financial year but has not incurred cash loss in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanation given to us we are of the opinion that the company has not defaulted in repayments of dues to the financial institution, banks or debenture holders.
- xii. In our opinion and according to the information and explanations given to us no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture & other securities.
- xiii. The company is not a chit fund or a nidhi / mutual benefit funds / society. Therefore para 4 (xiii) is not applicable to the company.
- xiv. Based on information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments and hence the requirements of para 4 (xiv) of the order are not applicable to the company.
- xv. In our opinion and according to the information & explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The company has not raised any term loans during the year.
- xvii. On the basis of our examination of balance sheet it appears that the funds raised on short term basis are not used for long term investment basis and vice versa.
- xviii. The company has made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the companies Act.1956.
- xix. The company has not issued any debentures during the year and therefore para 4 (xix) of the order is not applicable to the company.
- xx. The company has not raised any money by way public issue during the year.
- xxi. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to information and explanation given to us we have neither come across any instance of fraud on or by the company during the year, nor have we been informed of such case by the management.

For **Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

Place: Mumbai  
Dated: August 28, 2009

(C. V. Parameswar)  
Partner  
Membership No. 11541



**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2009**

BALANCE SHEET AS ON	SCHEDULE	31ST MARCH, 2009 (AMT IN INR)
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share Capital	1	61,222,300
Reserves & Surplus	2	918,743
		<b>62,141,043</b>
<b>Loan Funds</b>		
Secured Loans		-
Unsecured Loans	3	-
Deferred Tax Liability (Net)		<b>541,083</b>
<b>TOTAL</b>		<b>62,682,126</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block	4	10,404,333
Less: Depreciation		87,752
<b>Net Block</b>		<b>10,316,581</b>
<b>Investments</b>	5	-
<b>Current Assets, Loans and Advances</b>	6	69,068,388
Less: <b>Current Liabilities &amp; Provisions</b>	7	16,997,619
<b>Net Current Assets</b>		<b>52,070,769</b>
<b>Muscellaneous Expenditure</b> (To the extent not written-off or adjusted)	8	294,776
<b>TOTAL</b>		<b>62,682,126</b>

Notes on Accounts

14

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

This being the first year of Consolidated Accounts, Previous Years figures are not given

**For Thakur Vaidyanath & Aiyar & Co.**  
Chartered Accountants

**For and On behalf of the Board**

**C. V. Parameswar**  
Partner  
M.No.11541

**D S Sharma**  
Director

**Shripal Shah**  
Director

Place: Mumbai  
Dated: August 28, 2009



CONSOLIDATE PROFIT AND LOSS ACCOUNT FOR THE  
PERIOD ENDED 31ST MARCH, 2009

PROFIT AND LOSS ACCOUNT	SCHEDULE	31ST MARCH, 2009 (AMT IN INR)
<b>INCOME</b>		
Merchant Banking		408,943
Other Income from Operation	9	64,719
Sundry Dr. cr. Balance written off		-
<b>Total</b>		<b>473,662</b>
<b>EXPENDITURE</b>		
Personnel Expenses	10	597,397
Administration and Other Expenses	11	1,075,053
Finance Charges	12	4,786
Legal and Consultancy charges	13	994,002
Auditors' Remuneration		27,500
Compensation Expenses		-
Prior Period Adjustment		396
Loss on assignment/Sale Scrapping of Assets		-
Sundry Dr. cr. Balance Written Off		766
<b>Total</b>		<b>2,699,900</b>
Profit before Depreciation		(2,226,238)
Depreciation		27,126
Profit / (Loss) after Depreciation		(2,253,364)
<u>Provision for Taxation</u>		13,401
Current Tax		-
Defferret Tax		8,730
Fringe Benefit Tax		4,671
<b>Profit / (Loss) after Tax</b>		<b>(2,266,765)</b>
Balance as per Last year		(28,331,119)
<b>APPROPRIATIONS</b>		
Profit / (Loss) after appropriations carried to Balance Sheet		(30,597,884)

Notes on Accounts

14

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

For Thakur Vaidyanath & Aiyar & Co.  
Chartered Accountants

For and On behalf of the Board

C. V. Parameswar  
Partner  
M.No.11541

D S Sharma  
Director

Shripal Shah  
Director

Place: Mumbai  
Dated: August 28, 2009



**SCHEDULES FORMING PART TO CONSOLIDATED BALANCE SHEET**

<b>SCHEDULES</b>	<b>31ST MARCH, 2009 (AMT IN INR)</b>	
<b>Schedule 1</b>		
<b>Share Capital</b>		
Authorised Capital 90,00,000 Equity Shares of Rs.10/- each		90,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		<b>61,222,300</b>
57,70,000 Equity Shares of Rs.10.00 each	57,700,000	
Deposit against Issue of Shares	-	
Advance against Equity Share Warrants	3,522,300	
<b>Schedule 2</b>		
<b>Reserves and Surplus</b>		<b>918,744</b>
General Reserve as per Last Year	26,100,000	
Profit and Loss Account	(30,597,884)	
Capital Reserve Account	60	
Security Premium Account	5,416,568	
<b>Schedule 3</b>		
<b>Loan Funds</b>		
Secured Loans	-	
Unsecured Loans	-	
Inter Corporate Deposit	-	
<b>Schedule 5</b>		
<b>Investments</b>		
Long Term (At Cost) 49,994 Equity Shares of Rs. 10 each in Aryaman Broking Limited		
<b>Schedule 6</b>		
<b>Current Assets, Loans and Advances</b>		<b>69,068,390</b>
<b>Current Assets</b>		
Sundry Debtors - Unsecured & Considered good		19,532,186
Debts outstanding for a period exceeding 6 months	19,184,550	
Others	347,636	
<b>Cash and Bank Balance</b>		<b>507,513</b>
Cash Balance on Hand	537,277	
Bank Balance: With Scheduled Banks on Current A/c. (Book O/d)	(29,764)	
<b>Loans and Advances</b>		
(Unsecured & Considered good)		17,988,090
Shares Held Against Portfolio	32,681,045	
Less: Portfolio Advances	14,692,955	
Shares Held against Portfolio Commitments		19,414,282
Advances recoverable in cash or in kind or value to be received		11,130,859
Security Deposit		495,460



<b>Schedule 7</b>		
<b>Current Liabilities &amp; Provisions</b>		<b>16,997,619</b>
<b>Current Liabilities</b>		<b>15,034,944</b>
Sundry Creditors	303,329	
Other Current Liabilities	14,731,615	
<b>Provisions</b>		<b>1,962,675</b>
<b>Schedule 8</b>		
<b>Miscellaneous Expenditure</b>		<b>294,776</b>
(To the extent not written off or adjusted)		
Public Issue Expenses	-	
Preliminary and Pre-operative Expenses	294,776	



## Schedule 4

## Fixed Assets

Amount in INR

Description	Gross Block				Depreciation				Net Block	
	As on 30th Sept, 2008	Additions during the year	Deletions during the year	As on 31st March, 2009	As on 30th Sept, 2008	For the year	Sales / Adj. during the year	As on 31st March, 2009	As on 31st March, 2009	As on 30th Sept, 2008
Own Use										
Land-Freehold	8,342,965	-	-	8,342,965	-	-	-	-	8,342,965	8,342,965
Building	-	-	-	-	-	-	-	-	-	-
Furniture And Fixture	13,644	-	-	13,644	2,718	355	-	3,073	10,571	10,926
Vehicles	-	-	-	-	-	-	-	-	-	-
Air Conditioners	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	1,800	-	1,800	-	1,800	-	1,800	-	-
Computers	312,898	-	-	312,898	57,908	24,971	-	82,879	230,019	254,990
Leased										
Plant And Machinery	-	-	-	-	-	-	-	-	-	-
Lease Adjustment Account	-	-	-	-	-	-	-	-	-	-
Capital Work-In-Progress										
Building	72,500	-	-	72,500	-	-	-	-	72,500	72,500
Advance For Cochin Stock	-	-	-	-	-	-	-	-	-	-
Exchange Corporate Membership	1,660,526	-	-	1,660,526	-	-	-	-	1,660,526	1,660,526
<b>Total</b>	<b>10,402,533</b>	<b>1,800</b>	<b>-</b>	<b>10,404,333</b>	<b>60,626</b>	<b>27,126</b>	<b>-</b>	<b>87,752</b>	<b>10,316,581</b>	<b>10,341,907</b>
Previous Year	33,293,964	161,806	23,053,237	10,402,533	5,034,411	433,531	5,407,316	60,626	10,341,907	28,259,553





SCHEDULES FORMING PART TO  
CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULES	31ST MARCH, 2009 (AMT IN INR)
<b>Schedule 9</b>	
<b>Other Income From Operations</b>	
Interest / Dividend Received	1,200
Miscellaneous Income	5,350
Commission Recived	58,169
<b>Total</b>	<b>64,719</b>
<b>Schedule 10</b>	
<b>Personnel Expenses</b>	
Salary And Allowances	547,397
Bonus	50,000
<b>Total</b>	<b>597,397</b>
<b>Schedule 11</b>	
<b>Administrative And Other Expenses</b>	
Telephone Charges	46,786
Courier Charges	1,480
Postage And Telegram	35
Rent,Rates And Taxes	153,000
Repairs And Maintenance	16,235
Books And Periodicals	2,684
Office Expenses	10,505
Electricity Charges	60,988
Printing And Stationery	12,676
Travelling Expenses	640
SEBI Settlement Charges	400,000
Demat Charges	12,000
Listing & Processing Charges	61,800
ROC Charges	208,341
Commission and Brokeage	65,356
Staff Welfare	12,764
Conveyance	8,995
Others Expenses	769
<b>Total</b>	<b>1,075,054</b>
<b>Schedule 12</b>	
<b>Finance Charges</b>	
Bank Charges	4,786
Interest	-
<b>Total</b>	<b>4,786</b>
<b>Schedule 13</b>	
<b>Legal And Consultancy Charges</b>	
Legal, Professional and Consultancy	736,915
Membership Charges	178,667
Stamp Duty	76,820
Stamp Papers	1,600
<b>Total</b>	<b>994,002</b>



**Schedule 14**

Notes to accounts

**A. SIGNIFICANT ACCOUNTING POLICIES:**

- 1) Accounts are prepared on Historical Cost Convention accruing for incomes, expenditures, assets and liabilities.
- 2) (a) Income from Project Consultancy is accrued considering stage wise completion of work, wherever agreed upon or feasible, otherwise it is accrued on percentage basis based on the quantum of work completed.

(b) Income from Merchant Banking is accrued on percentage basis based on quantum of work completed.

- 3) (a) Fixed Assets

Fixed Assets are shown at cost less accumulated depreciation. Cost of asset includes all expenses related to acquisition of the asset.

- (b) Depreciation

Owned Assets: Depreciation is charged on Straight Line Method at the rates and in the manner provided in Schedule XIV of the Companies Act, 1956.

*Leased Assets:* On leased assets the minimum statutory depreciation is charged along with which the stipulated lease Equalisation Account is created, to ensure full depreciation of the leased assets within the tenure of the lease period by way of matching annual charges based on the lease rental accruals.

- 4) Miscellaneous Expenditure are written off as follows:

- a. Preliminary Expenses, Pre-Operative Expenses (other than under (b) below) & Public Issue Expenses – Pro-rata over 10 years.
- b. Pre-Operative Expenses relating to Merchant Banking Division and Registrar & Share Transfer Agents – Pro-rata over 5 years.
- c. Computer Software – Equally over 3 years.

- 5) Taxes on Income

The Company provides for deferred tax using liability method, based on tax effect of timing difference resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

**B. NOTES**

- 1) Estimated amount of contracts to be executed on capital accounts Rs. 2,48,500/- (P.Y. Rs. 2,48,500/-)
- 2) Contingent Liability Rs. 42.98 Lacs (P.Y. Rs. 42.98/- Lacs)
- 3) The company had assigned an office space which was pending registration and a liability there against of Rs. 39.83 lacs to a party. The Company had filed a suit in the High Court against the seller of the property for specific performance of the contract i.e. in arranging to handover the original title papers making the bank as the third party to the suit. The company had assigned the assets along with the liabilities to a party with the understanding that no liability should accrue to



the company with effect from March 15, 2004 and the pending legal case shall be pursued by the assignee.

- 4) Some of the debit/credit balances are subject to confirmation and reconciliation.
- 5) In view of the number of employees being below the stipulated numbers, the Payment of Gratuity Act is not applicable to the company for the year. The same is the case with respect to payment of Bonus Act.
- 6) Auditors Remuneration:

Details	Current Year	Previous Year
Audit Fees – Statutory	27,500	45,000
Certification	5,000	10,000
Out of pocket expenses	NIL	NIL
<b>Total</b>	<b>32,500</b>	<b>55,000</b>

- 7) Deferred Tax Liability / Assets

Deferred Tax Liabilities	March 31, 2009	September 30, 2008
Temporary difference on account of depreciation on assets as per books of account & WDV for the purpose.	Rs. 541,083/-	Rs. 532,353/-

- 8) The accounts of the Company are not signed by a Company Secretary, as the Company despite its efforts is not in a position to fill the vacant position of a Company Secretary.
- 9) Directors' Remuneration:

Details / Amount in INR	Current Year	Previous Year
Salary	Nil	Nil
Provident Fund	Nil	Nil
Perquisites	Nil	Nil
Legal & Professional	3,25,000	5,50,000
<b>Total</b>	<b>3,25,000</b>	<b>5,50,000</b>

- 10) Quantitative Details of Shares under Portfolio Advance:

Equity Shares of Rs. 10/- each Fully Paid-up	No. of Quantity	Amount (Rs.)
Opening Stock	16,55,784	5,20,95,327
	P.Y. (16,55,784)	P.Y. (5,20,95,327)
Purchase	Nil	Nil
	P.Y. (17,65,484)	P.Y. (4,78,757)
Sale	Nil	Nil
	P.Y. (17,65,484)	P.Y. (3,82,607)
Closing Stock	16,55,784	5,20,95,327
	P.Y. (16,55,784)	P.Y. (5,20,95,327)

- 11) Income / Expenditure in foreign currency:

Details / Amount in INR	Current Year	Previous Year
Expenditure	Rs. Nil	Rs. Nil
Income	Rs. Nil	Rs. Nil



12) Earning Per Share

Details of Equity Shares	Share Price As at March 31, 2009	Share Price As at September 30, 2008
Nominal value of Equity Share	Rs. 10/-	Rs. 10/-
Earning per Share	Re. (0.39)	Re. 0.05

13) Related Party Transactions

Name of related parties & description of relationships:

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries).

	Current Year	Previous Year
<b>Aryaman Broking Limited</b>		
Advances	Rs. 1,021,474/-	Rs. Nil
Investments	Rs. 499,940/-	Rs. Nil

- (b) Key Management personnel and their relatives.

Name of relatives and key management personnel with whom the Co. had transactions during year-

	Current Year	Previous Year
<b>D. S. Sharma (Executive Director)</b>		
Legal & Professional	Rs. 325,000/-	Rs. 550,000/-

- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprises, and relatives of any such individual.

	Current Year	Previous Year
<b>Mahashri Enterprises Pvt. Ltd.</b>		
Advances	Rs. 420,000/-	Rs. 56,169/-
Deposit against Shares	Rs. Nil	Rs. 12,100,000/-
Advance against Warrants	Rs. 2,305,425/-	Rs. Nil

14) Previous years' figures have been regrouped and rearranged wherever necessary.

For **Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants

(**C. V. Parameswar**)  
Partner  
Membership No. 11541

Place: Mumbai  
Dated: August 28, 2009



CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2009

CASH FLOW STATEMENT	PERIOD ENDED 31ST MARCH, 2009 (INR IN LACS)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net profit(+) / Loss(-) before Tax	(22.53)
Adjustment for :	
Depreciation	0.27
Deferred tax liability	0.09
Dividend Received	(0.01)
Profit / Loss on sale of Assets	-
	0.35
	(22.18)
Operating Profit(+) / Loss(-) before working capital changes	
Adjustment for :	
(Increase) / Decrease in Current Assets	6.62
Increase / (Decrease) in Current Liabilities	2.93
	9.55
<b>Net Cash flow from operating activities</b>	<b>(12.63)</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>	
Purchase of Fixed Assets	(0.02)
Investments	-
Dividend Received	0.01
Sale of Assets	-
<b>Net Cash used in Investment activities</b>	<b>(0.01)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>	
Issue of Shares	114.03
Deposit against shares	(189.71)
Advance against Equity Shares Warrants	35.22
Miscellaneous Expenditures	(2.95)
Security Premium	54.17
<b>Net Cash Flow from Financing Activities</b>	<b>10.76</b>
<b>Net Cash Flow during the period (A+B+C)</b>	<b>(1.88)</b>
Cash and Cash Equivalents (Opening Balance)	6.95
Cash and Cash Equivalents (Closing Balance)	5.07

As per report of even date

For Thakur Vaidyanath Aiyar & Co.  
Chartered Accountants

For and on behalf of the Board

C.V. Parameswar  
Partner  
M.No. 11541

D S Sharma  
Director

Shripal Shah  
Director

Place: Mumbai  
Dated: August 28, 2009



*Aryaman Financial Services Limited*

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**Aryaman Financial Services Limited**

**ARYAMAN FINANCIAL SERVICES LIMITED**

Registered Office: 401, Chiranjiv Towers, 43, Nehru Place, New Delhi – 110 019.  
Corporate Office: 306-307 Mint Chambers, 45/47, Mint Road, Fort, Mumbai – 400 001.

**Attendance Slip**

Fifteen Annual General Meeting scheduled on Tuesday, 29<sup>th</sup> September 2009 at 290, Anarkali Complex, Jhandewalan, Extension, New Delhi 110 055 at 11.00 a.m.

**(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)**

Name & Address of the Shareholder	Ledger Folio No.

I, hereby record my presence at the FIFTEEN ANNUAL GENERAL MEETING of the Company scheduled on Tuesday, 29<sup>th</sup> September 2009 at the 290, Anarkali Complex, Jhandewalan, Extension, New Delhi 110 055 at 11.00. a.m.

**SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING**

If Shareholder, please sign here	If Proxy, please sign here

Note: The copy of Annual Report may please be brought at the meeting hall.

------(Tear Here)-----

**ARYAMAN FINANCIAL SERVICES LIMITED**

Registered Office: 401, Chiranjiv Towers, 43, Nehru Place, New Delhi – 110 019.  
Corporate Office: 306-307 Mint Chambers, 45/47, Mint Road, Fort, Mumbai – 400 001.

**Proxy Form**

LF No.

I / We \_\_\_\_\_ of \_\_\_\_\_ being a member / members of Aryaman Financial Services Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him / her \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to vote for me / us on behalf at the Fifteen Annual General Meeting of the Company to be held at 290, Anarkali Complex, Jhandewalan, Extension, New Delhi 110 055 on Tuesday, 29<sup>th</sup> September 2009.

as witness my/our hand(s) this \_\_\_ day of \_\_\_\_\_ 2009.

Affix a Re. 1/- Revenue Stamp

(Signature of the Shareholder)

Note: The Proxy must be returned so as to reach the Registered office of the Company not less than 48 hours before the time of holding the aforesaid meeting.



**Aryaman Financial Services Limited**

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If undelivered please return to:

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**Unit: Aryaman Financial Services Ltd.**

19, 1st Floor, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Andheri (E), Mumbai – 400 059.