



ARYAMAN

FINANCIAL SERVICES LIMITED

18TH

ANNUAL REPORT

2011 – 12

CORPORATE INFORMATION

REGISTERED OFFICE

C/o Thakur Research Foundation,
221 – 223, Deen Dayal Marg,
New Delhi – 110 002

CORPORATE OFFICE

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Fort,
Mumbai – 400 001
Tel. No. : 022 – 2261 8264 / 8635 Fax: 022 – 2263
0434

BOARD OF DIRECTORS

Mr. Shripal Shah (Executive Director)
Mrs. Tejal Vala (Independent Director)
Mr. Ram Gaud (Independent Director)
Mr. Darshit Parikh (Independent Director)

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ambreen Khan

AUDITORS

M/s Thakur, Vaidyanath Aiyer & Co
Chartered Accountants
212, Deendayal Upadhyay Marg,
New Delhi – 110 002

BANKERS

State Bank of India
HDFC Bank

SHARE TRANSFER AGENT

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

NOTICE FOR THE 18th ANNUAL GENERAL MEETING OF ARYAMAN FINANCIAL SERVICES LIMITED

NOTICE is hereby given that the 18th Annual General Meeting of the Members of Aryaman Financial Services Limited will be held on Friday, September 28, 2012 at Jawaharlal Nehru National Youth Centre, 219, Deen Dayal Upadhyaya Marg, New Delhi – 110 002 to transact the following business:

ORDINARY BUSINESS:

1. To consider and if thought fit, to pass with or without modifications, the following resolution, for approving the Audited Balance Sheet and Statement of Profit & Loss together with Board of Directors' Report and Auditors' Report for the year ended March 31, 2012, as an Ordinary Resolution:

"RESOLVED THAT the Audited Balance Sheet of the state of affairs of the company as at March 31, 2012 and the Statement of Profit and Loss for the financial year ended March 31, 2012 together with the report of the Board of Directors and the Auditors' thereon and all other documents attached thereto and laid before the meeting be and are hereby received, considered and adopted."

2. To consider and if thought fit, to pass with or without modifications, the following resolution for re-appointment of Mr. Darshit Parikh as an Ordinary Resolution:

"RESOLVED THAT Mr. Darshit Parikh, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company."

3. To consider and if thought fit, to pass with or without modifications, the following resolution for re-appointment of the Statutory Auditors as an Ordinary Resolution:

"RESOLVED THAT M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, Mumbai; bearing Registration number 000038N, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at remuneration to be agreed upon between them and the Chairman of the Company plus out of pocket expenses as may be incurred by them in performance of their duties."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Tejal Vala, who was appointed by the Board of Directors as an Additional Director of the Company under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the resolution No. 7 passed by the members of the Company at the 17th Annual General Meeting held on September 29, 2011 and pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("the Act") and subject to such other approvals as may be necessary, the members of the Company do and hereby approve the revision in the remuneration of Mr. Shripal Shah, Executive Director of the Company for his remaining tenure with the break-up of remuneration as follows:

- i. Basic Salary: Not exceeding Rs. 8,00,000/- (Rupees Eight Lacs only) per annum as may be decided by the Remuneration Committee and the Board of Directors from time to time

- ii. Perquisites: shall be entitled for the following perquisites in addition of the salary mentioned herein above.

Part "A"

- i. Housing: The Company shall provide unfurnished accommodation to Mr. Shah. If no accommodation is provided, House Rent Allowance not exceeding 50% of monthly basic salary or as per Rules of the company, whichever is more, shall be payable to him and he shall also be eligible for reimbursement of expenses / allowances for utilization of gas, electricity, water & the same shall be valued as per Income Tax Rule 1962.
- ii. Medical Allowance including reimbursement, as per rules of the Company, subject to a maximum of Rs. 15,000 (Rupees Fifteen Thousand) per annum.
- iii. Free Telephone Facility at residence and use of Mobile phone for the business of the company.

Part "B"

Mr. Shah shall also be eligible to the following perquisites in addition to the above perquisites, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

- i. Company's Contribution to Provident & Other Fund: Company's Contribution to Provident Fund, Superannuation Fund or Annuity funds to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of services and
- iii. Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962; wherever applicable.

RESOLVED FURTHER THAT the total remuneration payable to Mr. Shripal Shah, Executive Director, including all above shall not exceed the limit of Rs. 2,50,000 (Rupees Two Lacs and Fifty Thousand only) per annum / per month as provided under the provisions of the Act unless otherwise approved by the Central Government.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year during the period of his appointment as Executive Director, the Company shall pay to Mr. Shripal Shah the above remuneration as the Minimum remuneration subject to the limits prescribed under Section II of Part II of Schedule XIII of the Act or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the terms and conditions of Mr. Shah's appointment as Executive Director and payment of his remuneration may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its absolute discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Act or any amendment made hereinafter in this regard;

RESOLVED FURTHER THAT for the purpose of giving effect to revision of remuneration resolved hereinbefore, any one of the Directors of the Company or the Company Secretary be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose."

Registered Office
C/o Thakur Research Foundation,
221-223, Deen Dayal Marg,
New Delhi – 110 002

Date: September 03, 2012

By Order of the Board
For Aryaman Financial Services Limited

Ambreen Khan
(Company Secretary & Compliance Officer)

NOTES:

1. **A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy, however in order to effective, should be received by the company not less than 48 hours before the commencement of this meeting.**
2. The relative Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item No. 4 and 5 of the Notice as set out above, is annexed hereto.
3. Register of Members and Share Transfer Books of the Company shall remain closed from September 22, 2012 to September 28, 2012 (both days inclusive).
4. 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 meetings so that the information required may be made available at the meeting.
5. Members/Proxies are requested to bring to the meeting the Attendance slip duly filled in along with their copy in this Annual Report.
6. The Company's Shares are listed on the Bombay Stock Exchange Limited, Delhi Stock Exchange Limited and Ahmedabad Stock Exchange Limited.
7. The Transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 205C of the Companies Act, 1956, during the current Financial Year is not applicable.
8. The Details of the Directors appointed/re-appointed during the year is provided herewith as a part of Corporate Governance Report as required by Clause 49 of the Listing Agreement.

The Directors seeking appointment / re-appointment do not hold any shares in the Company.

9. Shareholders, who are still holding physical share certificate, are advised to dematerialize their shareholding to avail benefit of dematerialization, eliminate all risks associated with physical shares and for ease in portfolio management.
10. In terms of general exemption granted by the central government under section 212(8) of the Companies Act, 1956; pursuant to the general exemption Circular No.2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, copy of balance sheet, profit & loss account, reports of board of directors and auditors of the subsidiary have not been attached with the balance sheet of the company. The company secretary & compliance officer will make these documents available upon receipt of request from any member of the company interested in obtaining the same. However, as directed by the Central Government, the financial data of the subsidiary have been separately furnished forming part of the annual report.
11. All queries relating to Share Transfer and allied subjects should be addressed to:

Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Andheri (East), Mumbai-400 059

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.4

The Board of Directors of the Company (the Board) under section 260 of the Companies Act, 1956 ("the Act") and under applicable articles of the Articles of Association of the Company, appointed Mrs. Tejal Vala as an Additional Director of the Company with effect from August 24, 2012

In terms of Section 260 of the Act, Mrs. Tejal Vala holds office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Mrs. Tejal Vala for the office of Director of the Company under section 257 of the Act.

Mrs. Tejal Vala is not disqualified from being appointed as a director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form DDA from Mrs. Tejal Vala in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming her eligibility of such appointment.

Brief particulars of Mrs. Tejal Vala, as required under Clause 49 of the Listing Agreement is provided in the Report of Corporate Governance forming a part of the Annual Report.

None of the Directors, except Mrs. Tejal Vala is concerned or interested in the said resolution.

The Board of Directors recommends the ordinary resolution for your approval.

ITEM NO.5

The members of the Company had approved the appointment of Mr. Shripal Shah as the Executive Director of the Company for a period of 3 (three) years with effect from April 01, 2011 at the 17th Annual General Meeting held on September 29, 2011. To commensurate with the added responsibilities arising out of the expansion of business activities, it is proposed to revise the remuneration of Mr. Shripal Shah with effect from April 01, 2012 to Rs. 2,50,000 per month along with the perquisites as outlined in the resolution at Item No. 5 for the remaining tenure of his current appointment i.e. upto March 31, 2014

All other terms and conditions of appointment of Mr. Shripal Shah remain unchanged.

The draft of the agreement between the Company and Mr. Shripal Shah is available for inspection by the members of the Company at its Registered Office between 2.00 p.m. and 5.00 p.m. on any working day. The contents of this explanatory statement may be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Act.

Pursuant to the provisions of the Act, the increase in remuneration is subject to the approval of the members of the Company. The Board therefore, recommends the resolution at Item No. 5 of the accompanying Notice for the approval of the members.

Mr. Shripal Shah, as it concerns himself, is deemed to be concerned or interested in this resolution. None of the other Directors are in any way concerned or interested in this Resolution.

Registered Office

C/o Thakur Research Foundation,
221-223, Deen Dayal Marg,
New Delhi – 110 002

Date: September 03, 2012

By Order of the Board
For Aryaman Financial Services Limited

Ambreen Khan
(Company Secretary & Compliance Officer)

DIRECTOR'S REPORT TO THE MEMBERS

Your Directors present hereunder the 18th 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, 2012 . The financial results are summarized as under:

Standalone Financial Results

(₹ in Lacs)

Particulars	31-Mar-12	31-Mar-11
Total Income	127.40	139.73
Less: Expenditure	86.19	110.13
Profit before Depreciation	41.21	29.59
Less: Depreciation	0.66	0.64
Profit before Tax	40.55	28.95
Provision for Taxation	7.62	5.26
Profit after Tax	32.93	23.69
Closing Balance of P&L Account	(248.90)	(281.83)

DIVIDEND

Due to insufficient Profit during the year, the directors do not recommend any dividend for the year.

DEPOSITS

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

DIRECTORS

Mr. Darshit Parikh, Independent Director of the Company retires by rotation and offers himself for re-appointment. The shareholders are requested to consider his candidature for reappointment as a Director.

Mr. Shripal Shah will continue to be Executive Director, while Mrs. Tejal Vala and Mr. Darshit Parikh will continue to be Independent Directors of the Company.

AUDITORS AND AUDITOR'S REPORT

M/s Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, the statutory auditors of the Company, retires at the ensuing Annual General Meeting and is eligible for re-appointment. The Directors recommend their re-appointment 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 year.

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 ABSORPTION, 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 year 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

There were no material changes occurred between the end of financial year to which the balance sheet relates and the date of this report.

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.

Place: Mumbai

For and behalf of the Board

Date: August 29, 2012

Shripal Shah
Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global Economic Conditions

The recovery in Advanced Economies (AEs) that seemed to be shaping well at the start of 2011 lost momentum in fiscal 2012 as the protracted debt crisis in the euro area and fiscal fragilities dampened business and consumer confidence. However, contrary to fears that came to the fore time and again during 2011-12, global growth did not stall.

Going into 2012, the global economy appears to be in a continuing phase of multispeed growth. Most recent assessments indicate that the euro area is entering into a mild recession, while growth and employment conditions in the US are improving. Growth in emerging markets, especially China and India, is slowing beyond what was anticipated but these two economies are still likely to provide some support for global recovery. In sum, in spite of a dip in growth, the world economy is unlikely to lapse into another recession.

Global financial market stress eased significantly during Q1 of 2012 after the ECB made a large liquidity injection. However, stability and structural improvements in the euro area still remain the unfinished agenda. The recovery and financial stability can still be derailed by global inflation engendered by liquidity infusion and high crude oil prices.

Indian Economic Review

The Indian economy's performance in 2011-12 was marked by slowing growth, high inflation and widening fiscal and current account gaps. The economy grew at its slowest pace in nine years with mining, manufacturing and construction dragging growth down. Weakening of both domestic and external demand contributed to the slowdown. Importantly, in spite of slowing growth, inflation stayed high for larger part of the year. In response, the Reserve Bank persisted with tightening till October 2011 and paused before easing in April 2012. Slowing growth, high inflation and widening twin deficits, along with global flight to safety amidst a deepening euro area crisis put pressures on the financial markets and the exchange rate during the year.

The Indian economy was one of the fastest growing economies in the post-crisis period. During 2011-12, however, there was continuous deceleration of economic activity in each of the four quarters which pushed the expansion of the economy to below potential, which is the maximum level of output that the economy can sustain without creating macroeconomic imbalances. There has been a deceleration in all sub-sectors of the economy, barring 'electricity, gas and water supply' and 'community, social and personal services'.

Growth slowed down due to multiple factors. One of the reasons was the persistence of inflation at a much higher level than the threshold for two successive years. Persistent and high inflation necessitated continued tightening of monetary policy. Recent research suggests that real interest (lending) rates explain only about one-third of GDP growth. As of March 2012, real weighted average lending rates were lower than they were in the pre-crisis period between 2003-04 and 2007-08, when investment boomed. Recession in the euro area and general uncertainty regarding the global economic climate chipped the external demand as well. Domestic policy uncertainties, governance and corruption issues amidst lack of political consensus on reforms led to a sharp deterioration in investment climate. Structural constraints emerged in key investment drivers in the infrastructure space – telecom, roads and power – which increased the disinflationary costs. High inflation kept aggregate demand and business confidence subdued.

After a sharp recovery from the global financial crisis and two successive years of robust growth of 8.4 per cent, GDP growth decelerated sharply to a nine-year low of 6.5 per cent during 2011-12. The slowdown was reflected in all sectors of the economy but the industrial sector suffered the sharpest deceleration.

The slowdown in agriculture sector growth was on account of the base effect which dragged down its contribution to GDP growth by half. In the case of industry, the sharp moderation in manufacturing sector growth along with decline in mining and quarrying output offset the improvement in 'electricity, gas and water supply' growth. The moderation in services sector growth was led by sharp deceleration in 'construction' and

'trade, hotels, transport and communication'. Despite the moderation, the predominance of the services sector remains a unique feature of the overall growth story and the process of structural change in India.

History, Major Events and Present Activities

The company was incorporated on May 11, 1994 and received certificate of commencement of business on June 16, 1994. Your company was promoted by M/s. Aryaman Holdings Limited, an overseas corporate body (OCB) established under laws of Mauritius. The company obtained registration as a Category – I Merchant Banker with effect from March 01, 1995 vide registration no. MB/INM/000006807. The registration was renewed by SEBI in 1998, 2001, 2004 and then in 2007 which was valid upto February 2010.

In the year 2007-08, M/s. Mahshri Enterprises Pvt. Ltd. took over your company by purchasing shares from Aryaman Holdings Ltd. through a Share Purchase Agreement (SPA). The acquirers – M/s. Mahshri Enterprise Pvt. Ltd. subsequently completed all formalities pertaining to the acquisition of management control of the company as required under SEBI (SAST) Regulations. The open Offer was managed by M/s. Khandwala Securities Limited. The Post Offer PA was released on January 15, 2008 and subsequently Mr. Shripal Shah our new Promoter Director was inducted as Director in the company on 24/10/2008.

The company has also obtained a fresh Merchant Banker registration certificate pursuant to the change in control of the company. SEBI has vide its letter dated 15/09/2008 granted a fresh registration number - INM000011344 which is valid upto September 14, 2013.

The company is being professionally managed and offers multi-dimensional services to clients, which include Issue Management, Project Consultancy, Loan Syndication, Corporate Advisory Services, Corporate Finance, Private Placement of Equity, Mergers and Acquisitions, Takeovers, Company Valuations, Fairness Opinions on Corporate Restructuring schemes and other financial advisory services.

Since the change in management control in 2008, the company has successfully managed 6 Public Issues aggregating to Rs. 14000.68 Lacs, 2 Rights Issue aggregating to 976.00 Lacs, acted as Syndicate Member for 6 Public Issues aggregating to Rs. 20975.01 Lacs and managed and completed 14 open offers aggregating to 14603.74 Lacs. Currently 1 Open Offer Document is filed at SEBI and is awaiting observations.

Review of Operations

On a consolidated basis, your Company has earned total revenue of Rs. 149.02 Lacs with a net profit of Rs. 40.89 Lacs during the FY 2012. The reported net profit of the Company increased by 218%, mainly due to increase in Investment Banking revenue this year owing to better cost management of the Merchant Banking division and also due increased fund based operations of the company.

Your Company's consolidated performance during the Financial Year 2011-2012 is as follows:

Year Ended	March 31, 2012	March 31, 2011
Income from Operations	114.92	133.75
Total Income	149.02	139.73
Total Expenditure	98.64	115.72
Profit before Tax	50.38	24.01
Tax on Profit	9.49	5.26
Net Profit for the period	40.89	18.74
Earnings per Share	0.37	0.17

Achievements

It gives us immense pleasure to inform our investors that we are the first lead manager to get a company listed on the SME Platform of BSE. Besides being the first, we are also the one to get 3 out of 4 companies listed on the SME Platform, with many more promising companies coming up.

Risk Factors relating to our business operations

The Company faces a variety of risks because of the business environment it operates in, which may affect its operations or financial results and many of those risks are driven by factors that your Company cannot control or predict. Capital markets worldwide, including the Indian capital markets, are exposed to several risks apart from the fundamental risk of business operations. Hence adequate risk management system has been put in place by the management to ensure the success and financial soundness of the company. However, despite the company's attempt to identify areas of potential risks and implement policies and procedures to mitigate those risks, there can be no assurance that the company will not suffer unexpected losses in its area of operations.

Capital Market risk is inherent in our business. The major sources of our revenues are derived from Merchant Banking business. Hence, like other players in the market, our business is highly sensitive to economic and political conditions prevalent in the country. Any sustained downturn in general economic conditions or Indian equity markets and a severe market fluctuations would likely result in reduced Initial Public Offerings by the Companies and net revenues and hence, will have a material adverse effect on our profitability.

System failures, delays and capacity constraints could harm our business. Even after making substantial investments in upgrading the reliability and scalability of our systems, they are vulnerable to the damage or interruption from human errors, natural disasters, power loss, computer viruses, spurious spam attacks, etc. Further, system failures and delays could occur and, inter-alia could cause unanticipated disruptions in service to our clients, slower system response time resulting in either non-processing of transactions in time or not as quickly as our clients desire. This would lead to decreased level of client service and could materially affect the level of client satisfaction.

We are exposed to credit risk with clients. We provide credit limits to clients, in connection with our Merchant Banking business. By permitting clients to make part payments, we are subject to risks inherent in extending credit to them. Failure by parties to honour their commitments on a timely basis could have a material adverse effect on the profitability of our operations.

Substantial competition could reduce our market share. There are many big Investment Bankers in the Indian financial services market and they continue to grow. There has been a substantial price competition in the industry, including various free trade offers and a declining trend in the fees charged to the clients. We expect this competitive environment to continue in the future and this would affect our results of operations.

Human Resources

The company's success is dependent on our ability to attract, retain and motivate highly talented human capital and good support staff. We accomplish this by ensuring that we have competitive compensation structure. Employees are the key to achievement of the company's objectives and strategies. The company provides employees with a fair and equitable work environment and support from the peers to develop their capabilities, trusting them with freedom to act and to take the responsibility. The company is committed to providing an environment that is encouraging and appreciative under which the employees can work to their potential and grow professionally and personally. The company continuously invests in the development of its human resources through a series of employee friendly measures aimed at talent acquisition, development, motivation and retention.

Internal Control System

The company has an Internal Control System commensurate with its requirement and size of business to ensure that the assets and interest of the company assets are safeguarded. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid down system and policies are comprehensively and frequently monitored by your company's management at all the levels of the organization. The company has established well defined written policies and processes across the

organization covering all major activities including authority for approvals. In all cases where monetary decisions are involved, various limits and authorities are in place.

The financial services business in India is well regulated and compliance intensive. The company is governed by the Companies Act, 1956 and SEBI Merchant Banker Regulation-1992.

Risk Management

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. We recognize that risk is the inherent in our business and the market in which we operate. As such the Company is committed to the creation and maintenance of strong risk management as well as rigorous control standards. The company's risk management policies encompass structured reporting and strict controls to ensure smooth running of the business and security of client's data.

Uninterrupted connectivity is vital for the company's smooth running and risk management. Technology plays an integral role in the company's business operations and we have put in place a strong business continuity plan to mitigate the risk owing to technology failure. We have a strong internal control system in a place, discussed above, as a part of our risk management process. Being in the financial services sector, we work in a highly regulated environment and strictly abide by the policies and laws prescribed by the regulatory authorities such as SEBI, BSE, NSE, ROC and RBI.

Commitment of doing what is right

Our management team and board of directors are resolved to do what, we believe, is best for our shareholders, clients and associates.

Opportunities and threats

India is an attractive investment destination and the company is a part of India's growth story, which provides us immense opportunity to strengthen and grow our business. We have enough headroom available to expand our distributor network and utilize the opportunity to educate and get wallet share of many Indians who still to do not invest in equity. However the volatility in the Indian equity markets, political uncertainty coupled with the slowdown in economy would be a threat for the company's business growth. The margin in the retail broking market is thinning and the competition is getting intense every day, thus affecting our bottom-line. More opportunities and threats that the company faces have also been discussed under different heads of this report.

Cautionary Statements

Statement in this report describing the company's objective, or outlook, opportunities, future business strategies, expectations or predictions contain certain forward looking statement within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in this statement.

Place: Mumbai

Date: August 29, 2012

For and behalf of the Board

Shripal Shah
Executive Director

CORPORATE GOVERNANCE REPORT

PHILOSOPHY ON CORPORATE GOVERNANCE

The Company strongly believes that good Corporate Governance is a pre-requisite for enhancing long-term shareholders value and considers it to be an internally driven need that does not merely need to be enforced externally. The Company is committed to the principles and features of good Corporate Governance and has consistently followed high standards of Corporate Governance in all its activities and processes.

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 if board meetings, dates on which held are as under:

The Board met 5 times during the financial year under review on April 25, 2011, August 11, 2011, September 02, 2011, November 11, 2011 and February 13, 2012. The maximum interval between any two Board Meetings was less than 4 months.

The presence of Directors at the Board meetings and the last AGM was as follows:

Name of the Director	Category	Board Meeting Attended	Whether attended last AGM
Mr. Shripal Shah	Executive	5	Yes
Mr. Mohan Datari	Independent	1	No
Mr. Ram Gaud	Independent	5	Yes
Mr. Darshit Parikh	Independent	5	Yes

None of the directors is a member of more than 10 committees or acts as the Chairman of more than five committees in all Public companies in which they are directors.

The Directorship / committee Membership is based on the disclosures received from Directors.

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.

The Audit Committee of the Company, as on date, is made up of the following Directors:

Name of the Member	Member / Chairman	Category
Mr. Darshit Parikh	Chairman	Independent
Mr. Shripal Shah	Member	Executive
Mrs. Tejal Vala	Member	Independent

Four Meetings of the Audit Committee of the Company were held during the year on May 17, 2011, September 02, 2011, November 11, 2011 and February 02, 2012.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company reviews, recommends and approves the matters connected with fixation and periodic revision of the remuneration payable to the Executive Directors.

The Remuneration Committee is made up of the following Directors as on date:

Name of the Member	Member / Chairman	Category
Mr. Darshit Parikh	Chairman	Independent
Mr. Ram M. Gaud	Member	Independent
Mrs. Tejal Vala	Member	Independent

REMUNERATION TO EXECUTIVE DIRECTOR

The details of remuneration paid / payable to the Directors for the financial year 2011-12 are as under:

Mr. Shripal Shah – Executive Director appointed w.e.f. April 01, 2011. 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.

SHARE TRANSFER AND INVESTOR GREIVANCE COMMITTEE

The Share Transfer and Investor Grievance Committee is made up of the following Directors as on date:

Name of the Member	Member / Chairman	Category
Mr. Darshit Parikh	Chairman	Independent
Mr. Ram M. Gaud	Member	Independent
Mr. Shripal Shah	Member	Executive

The Share Transfer and Investor Grievance Committee ensure that there is timely and satisfactory Redressal of all investor queries. The Committee approves, oversees and reviews all matters connected with share transfers, rematerialisation, transposition of securities, redresses shareholder's grievances.

The committee meets Quarterly.

Name & Designation of Compliance Officer: Ms. Ambreen Khan, Company Secretary of the Company is the Compliance Officer.

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 September 03, 2012.

SUBSIDIARY COMPANY

As on March 31, 2012, the Company has one wholly owned non-material unlisted subsidiary namely Aryaman Broking Limited.

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
17 th AGM	Sep 29, 2011	Thursday	10:30 AM	C/o. Thakur Research Foundation, 221-223, Deen Dayal Marg, New Delhi – 110 002.
16 th AGM	Sep 29, 2010	Wednesday	10:30 AM	290, Anarkali Complex, Jhandewalan Extn., New Delhi – 110 002.
15 th AGM	Sep 29, 2009	Monday	11:00 AM	290, Anarkali Complex, Jhandewalan Extn., New Delhi – 110 002.

Details of non-compliance

Except as disclosed in the “Auditors Report”, 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.

GENERAL SHAREHOLDER INFORMATION

AGM will be held on Friday, September 28, 2011 at 11:30 A.M. at the Jawaharlal Nehru National Youth Centre, 219, Deen Dayal Upadhyaya Marg, New Delhi 110 002.

Financial Year of the Company: April 1, 2011 to March 31, 2012

Date of Book Closure: September 22, 2011 to September 28, 2012 (Both days inclusive)

The Shares of the Company are listed on Bombay Stock Exchange Limited (BSE), Delhi Stock Exchange Limited 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 (₹)	Low (₹)
Apr-11	23.00	20.50
May-11	22.50	18.00
Jun-11	22.25	19.05
Jul-11	21.50	17.50
Aug-11	20.95	17.50
Sep-11	20.00	17.10
Oct-11	20.30	18.00
Nov-11	22.20	18.00
Dec-11	23.00	19.60
Jan-12	24.00	20.00
Feb-12	23.60	19.10
Mar-12	27.70	21.00

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

Month	BSE Sensex	Closing price of AFSL Shares (₹)
Apr-11	19135.96	20.90
May-11	18503.28	21.75
Jun-11	18845.87	20.15
Jul-11	18197.20	20.50
Aug-11	16676.75	19.40
Sep-11	16453.76	19.00
Oct-11	17705.01	18.80
Nov-11	16123.46	20.75
Dec-11	15454.92	22.00
Jan-12	17193.55	22.05
Feb-12	17752.68	21.25
Mar-12	17404.20	25.35

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, 1st 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 24, 2012 is given below:

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	Total No. of Shares held	% of Shares held
Up to – 100	695	49.93	60510	0.55
101 – 500	458	32.90	120648	1.10
501 – 1000	93	6.68	76026	0.69
1001 – 2000	45	3.23	67149	0.61
2001 – 3000	23	1.65	56453	0.51
3001 – 4000	7	0.50	26265	0.24
4001 – 5000	5	0.36	22764	0.21
5001 – 10000	15	1.08	114147	1.04
10001 --20000	18	1.29	281318	2.56
20001 --50000	17	1.22	652697	5.95
50000 & Above	16	1.15	9497023	86.53
Total	1392	100.00	10975000	100.00

Outstanding GDRs / ADRs / Convertible Warrants as on August 31, 2012:

There is no Outstanding GDRs / ADRs / Convertible Warrants till date.

Particular of shares held in physical/electronic form as on August 24, 2012

Category	Holders	No. of Shares	% of shares
Physical Mode	839	421260	3.84
Electronic Mode			
NSDL	347	1839707	16.46
CDSL	206	8714033	79.40
Total	1392	10975000	100.00

Dematerialization of shares and liquidity: 96.02% shares have been dematerialized.

ADDRESS FOR CORRESPONDENCE

Registered Office	Corporate Office
C/o Thakur Research Foundation, 221 – 223, Deen Dayal Marg, New Delhi 110 002.	60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001. Tel.: 022 – 2261 8264 / 8635 Fax: 022 – 2263 0434 Email: info@afsl.co.in aryaman_limited@rediffmail.com Website: www.afsl.co.in

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Aryaman Financial Services Limited,

We have examined the compliance of conditions of Corporate Governance by Aryaman Financial Services Ltd. for the year March 31, 2012 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.

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 Jng & Co, (Company Secretaries)

Place: Mumbai
Date: August 29, 2012
CP. No. 8108

(Jigarkumar Gandhi)
Proprietor

AUDITORS' REPORT

We have audited the attached Balance Sheet of ARYAMAN FINANCIAL SERVICES LTD as at March 31, 2012, the Statement of Profit and Loss for the year ended March 31, 2012 and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We 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), issued by the Central Government in terms of subsection (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and as per information and explanations given during the course of our audit, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; to the extent applicable.
- e) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012, 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, 2012;
 - b. In the case of Statement of Profit and Loss, of the Profit for the year ended on March 31, 2012; and
 - c. In the case of Cash Flow Statement, of the cash flow for the year ended on March 31, 2012.

For **Thakur, Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm Regn. No. 000038N

(C.V. Parameswar)
Partner

Membership No. 11541

Place: Mumbai
Dated: August 04, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012.

- 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 (a) above the clauses 4(iii) (b), (c) and (d) are not applicable to the Company.
 - c) The Company has not taken 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 (c) above the clauses 4(iii)(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, 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 Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom 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 2012 for a

period of more than six months from the date they became payable.

- b) Based on the information made available to us and explanations 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)	20.10

- 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 not incurred cash loss in the current financial year.
- xi. Based on our audit procedures and according to the information and explanation given to us the Company has not borrowed any money from financial institutions or banks nor has the Company issued any debentures.
- 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 and 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 an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no fund raised on a short term basis which have been used for long term investment.
- xviii. The Company has not 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.
- 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
 Firm Regn. No. 000038N

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

Place: Mumbai
 Dated: August 04, 2012

ARYAMAN FINANCIAL SERVICES LTD
BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31 March 2012 (Rs.)	As at 31 March 2011 (Rs.)
I. EQUITY AND LIABILITIES			
Shareholders's Funds			
Share Capital	1	109,750,000.00	109,750,000.00
Reserves and Surplus	2	24,792,688.00	21,499,436.00
		134,542,688.00	131,249,436.00
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	3	553,204.00	543,313.00
		553,204.00	543,313.00
Current Liabilities			
Trade Payables	4	174,450.00	120,193.00
Other Current Liabilities	5	781,056.00	20,734,897.00
Short-Term Provisions	6	2,817,470.00	2,855,300.00
		3,772,976.00	23,710,390.00
TOTAL		138,868,868.00	155,503,139.00
II. ASSETS			
Non-Current Assets			
Fixed Assets	7		
(i) Tangible Assets		8,527,085.00	8,570,422.00
(ii) Intangible Assets		1,328,421.00	1,660,526.00
Non-Current Investments	8	68,825,370.00	68,825,370.00
Long-Term Loans and Advances	9	7,500,701.00	4,882,170.00
		86,181,577.00	83,938,488.00
Current Assets			
Trade receivables	10	16,309,907.00	16,380,879.00
Cash and Cash Equivalents	11	8,847,646.00	25,127,843.00
Short-Term Loans and Advances	12	27,529,738.00	30,055,929.00
		52,687,291.00	71,564,651.00
TOTAL		138,868,868.00	155,503,139.00

Significant Accounting Policies and
Notes on Financial Statements

1 to 19

As per our attached report of even date

By Order of the Board

FOR THAKUR, VAIDYANATH AIYAR & CO.
 Chartered Accountants
 Firm Registration No.: 000038N

Shripal Shah Ram Gaud
Executive Director Director

Ambreen Khan
Company Secretary

C.V. Parameswar
 Partner
 Membership No: 11541

Mumbai, August 4, 2012

Mumbai, August 4, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	For the year ended 31 March 2012 (Rs.)	For the year ended 31 March 2011 (Rs.)
I. INCOME			
Revenue From Operations (gross)	14	11,492,159.00	13,374,614.00
		<u>11,492,159.00</u>	<u>13,374,614.00</u>
II. Other Income	15	1,247,681.00	598,274.00
III. Total Revenue (I + II)		<u>12,739,840.00</u>	<u>13,972,888.00</u>
IV. EXPENSES			
Employee Benefits expenses	16	4,593,314.00	2,511,304.00
Finance Costs	17	7,380.00	5,862.00
Depreciation and Amortization Expenses		66,337.00	64,455.00
Other Expenses	18	4,017,878.00	8,496,255.00
Total Expenses		<u>8,684,909.00</u>	<u>11,077,876.00</u>
V. PROFIT BEFORE TAX		4,054,931.00	2,895,012.00
VI. Tax Expenses			
Current Tax		751,788.00	536,735.00
Deferred Tax		9,891.00	(10,307.00)
		<u>761,679.00</u>	<u>526,428.00</u>
VII. PROFIT FOR THE YEAR (V - VI)		<u>3,293,252.00</u>	<u>2,368,584.00</u>
Earning per Equity Share of face value of Rs 10 each		0.30	0.22
Basic and Diluted (in Rs)		0.30	0.22

**Significant Accounting Policies and
Notes on Financial Statements**

1 to 19

As per our attached report of even date

By Order of the Board

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

Shripal Shah

Executive Director

Ram Gaud

Director

C.V. Parameswar

Partner

Membership No: 11541

Ambreen Khan

Company Secretary

Mumbai, August 4, 2012

NOTES TO THE FINANCIAL STATEMENTS

1. SHARE CAPITAL

AUTHORISED:

1,10,00,000 Equity Share of Rs 10/- each
 (1,10,00,000)

ISSUED, SUBSCRIBED & FULLY PAID UP

1,09,75,000 Equity Share of Rs 10/- each
 (1,09,75,000)

TOTAL

As at 31 March 2012 (Rs.)	As at 31 March 2011 (Rs.)
1,10,00,000	1,10,00,000
1,09,75,000.00	1,09,75,000.00
1,09,75,000.00	1,09,75,000.00

The Reconciliation of the number of shares outstanding is set out below:

Shares outstanding at the beginning of the year
 Shares outstanding at the end of the year

No. of Shares	No. of Shares
10975000	10975000
10975000	10975000

The details of Shareholders holding more than 5% share

Mahshri Enterprises Pvt.Ltd.

No. of Share	% held	No. of Share	% held
7183030	65.45	7183030	65.45

2. RESERVES AND SURPLUS

Capital Reserves
 Securities Premium Reserve
 General Reserve:
 Surplus in Statement of Profit and Loss
 Balance as per last account
 Add: Net Profit for the year
 Closing Balance

TOTAL

651750.00	651750.00
22,930,519.00	22,930,519.00
26,100,000.00	26,100,000.00
(28,182,833.00)	(30,551,418.00)
3,293,252.00	2,368,585.00
(24,889,581.00)	(28,182,833.00)
24,792,688.00	21,499,436.00

3 DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability
 On account of Depreciation
 Deferred Tax Assets

TOTAL

553,204.00	543,313.00
-	-
553,204.00	543,313.00

NOTES TO THE FINANCIAL STATEMENTS

		As at 31 March 2012 (Rs.)	As at 31 March 2011 (Rs.)
4	TRADE PAYABLES		
	Others	174,450.00	120,193.00
	TOTAL	174,450.00	120,193.00
5	OTHER CURRENT LIABILITIES		
	Deposits from clients	-	13,150,000.00
	Advance From Customers	189,861.00	2,147,553.00
	Other payables	591,195.00	5,437,344.00
	(Includes ASBA Commision & Expenses payable)		
	TOTAL	781,056.00	20,734,897.00
	There is no amount due and outstanding as on 31st March, 2012, to be credited to Investors Education and Protection Fund.		
6	SHORT TERM PROVISIONS		
	Provision for Employee Benefits		
	Salary & Reimbursements	383,485.00	245,465.00
	Provision for Taxation	2,433,985.00	2,609,835.00
	TOTAL	2,817,470.00	2,855,300.00

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 March 2012 (Rs.)	As at 31 March 2011 (Rs.)
8 NON CURRENT INVESTMENTS		
TRADE INVESTMENT		
In Equity Shares of Subsidiary Company		
Unquoted fully paid up		
68,82,537 Aryaman Broking Ltd of Rs. 10/-each (68,82,537)	68,825,370.00	68,825,370.00
TOTAL	68,825,370.00	68,825,370.00
 Aggregate amount of Unquoted Investments	 68,825,370.00	 68,825,370.00
 9 LONG TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
Security Deposits	3,375,500.00	1,875,500.00
Other Loans and Advances		
Tax Deducted At Source	4,125,201.00	3,006,670.00
TOTAL	7,500,701.00	4,882,170.00
 10 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, Considered good	16,256,230.00	16,370,379.00
	16,256,230.00	16,370,379.00
 Outstanding for a period less than six months		
Other Debts-Unsecured Considered good	53,677.00	10,500.00
TOTAL	16,309,907.00	16,380,879.00

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 March 2012 (Rs.)	As at 31 March 2011 (Rs.)
11 CASH AND CASH EQUIVALANTS		
Cash & Cash Equivalants		
Balance with Banks;	192,625.00	2,405,598.00
Cash on hand	56,483.00	489,368.00
Fixed Deposit with HDFC	8,598,538.00	22,232,877.00
TOTAL	8,847,646.00	25,127,843.00
12 SHORT TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
Loans and Advances to related parties {Refer Note Note 19(B) (5)}	17,043,546.00	-
Shares held against portfolio Commitment	10,179,130.00	15,447,551.00
Others	307,062.00	14,608,378.00
(Includes Prepaid expenses & Interest Accrued on FD)		
TOTAL	27,529,738.00	30,055,929.00
13 Contingent Liabilities and Commitments (to the extent not provided for)		
Claims against the compney not acknowledged as debt - disputed tax	253000.00	315000.00

ARYAMAN FINANCIAL SERVICES LTD

Note-7

FIXED ASSETS

(Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2011	Additions/ Adjustment	Deductio ns/ Adjustme nt	Balance as at 31 March 2012	Balance as at 01 April 2011	Adjustment / Deductions	For the year	Upto 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
TANGIBLE ASSETS										
OWN ASSETS:										
Freehold Land	8,342,965.00	-	-	8,342,965.00	-	-	-	-	8,342,965.00	8,342,965.00
Furniture, Fixture	13,644.00	-	-	13,644.00	4,493.00	-	712.00	5,205.00	8,439.00	9,151.00
Office Equipment	20,771.00	-	-	20,771.00	2,992.00	-	904.00	3,896.00	16,875.00	17,779.00
Computer	399,298.00	23,000.00	-	422,298.00	198,771.00	-	64,721.00	263,492.00	158,806.00	200,527.00
Total (A)	8,776,678.00	23,000.00	-	8,799,678.00	206,256.00	-	66,337.00	272,593.00	8,527,085.00	8,570,422.00
INTANGIBLE ASSETS										
Company Stock Exchange								-		
Corporate Membership	1,660,526.00	-	-	1,660,526.00	-	332,105.00	-	332,105.00	1,328,421.00	1,660,526.00
Total (B)	1,660,526.00	-	-	1,660,526.00	-	332,105.00	-	332,105.00	1,328,421.00	1,660,526.00
Total (A+B)	10,437,204.00	23,000.00	-	10,460,204.00	206,256.00	332,105.00	66,337.00	604,698.00	9,855,506.00	10,230,948.00
Previous Year	10,401,804.00	35,400.00	-	10,437,204.01	141,801.00	-	64,455.00	206,256.01	10,230,948.00	10,260,003.00

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31 March 2012 (Rs.)	For the year ended 31 March 2011 (Rs.)
14 REVENUE FROM OPERATIONS		
Merchant Banking Fees	11492159.00	13,374,614.00
	11,492,159.00	13,374,614.00
15 OTHER INCOME		
Interest Income	1,245,394.00	556,767.00
Other Non-Operating Income	2,287.00	41,507.00
TOTAL	1,247,681.00	598,274.00
16 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	4,513,325.00	2,447,062.00
Staff Welfare Expenses	79,989.00	64,242.00
TOTAL	4,593,314.00	2,511,304.00
17 FINANCE COST		
Interest Expenses /Bank charges	7,380.00	5,862.00
	7,380.00	5,862.00
18 OTHER EXPENSES		
Establishment Expenses		
Rates and Taxes	22,500.00	12,380.00
Telephone Expenses	111,121.00	135,791.00
Professional Charges	444,350.00	273,957.00
Write offs/ portfolio (Net)	2,029,286.00	6,499,311.00
Member ship -SEBI Licence	211,481.00	327,684.00
Commission & Brokerage	260,419.00	104,783.00
Electricity Charges	187,049.00	188,775.00
Miscellaneous Expenditure	641,672.00	863,074.00
Payment to Auditors		
Statutory Auditors:		
Audit Fees (excluding service tax)	60,000.00	60,000.00
For Taxation Matter	15,000.00	15,000.00
For Company Law Matters	5,000.00	15,500.00
Other Services	30,000.00	-
TOTAL	4,017,878.00	8,496,255.00

NOTE-19**NOTES TO FINANCIAL STATEMENTS.****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.
- 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) All Assets and liabilities are presented as current or non-current as per the company's normal operating cycle and other criteria set out in the revised schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets of processing and the realization the company has ascertained its operating cycle as 12 months for the purpose of current / non-current assets / liabilities
- 6) **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) Some of the debit/credit balances are subject to confirmation and reconciliation.
- 2) In view of the number of employees being below the stipulated numbers, the Payment of Bonus and payment of Gratuity Act are not applicable to the company for the year.
- 3) The advance given to Cochin Stock Exchange towards Corporate membership has been written off to the extent of Rs.3,32,105/-, to arrive at the current value, as estimated by the Management.
- 4) Income/Expenditure in foreign currency:

Details	Amount (Rs.)	Amount (Rs.) (P.Y.)
Expenditure	NIL	NIL
Income	NIL	NIL

5) .RELATED PARTY DISCLOSURES:

- I. As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

1. List of related parties where control exist and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1.	Aryaman Broking Ltd	Subsidiary Company
2.	Vardhman Investments	Firm in which Directors Relative has substantial interest
3.	Mahshri Enterprises Pvt Ltd	Promoter

2. Key Management personnel and their relatives.

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

a) Mr. Shripal Shah	Key Managerial Personnel
b) Mr. D.S.Sharma	Key Managerial Personnel

II Transactions during the year with related parties:

Sr. No.	Name of party	Nature of Transactions	Transaction during the year	Balance as at 31.3.2012
1	Aryaman Broking Ltd	Interest received	10,30,364 (NIL)	NIL (NIL)
		Unsecured Loan	1,70,43,546 (NIL)	1,70,43,546 (NIL)
2	Vardhman Investments	Deposit Against Office Premises	15,00,000 (18,75,000)	33,75,000 (18,75,000)
3	D.S.Sharma	Professional Fees	11,667 (6,06,075)	NIL (6,06,075)

3. Till the year ended 31st March, 2011, the company was using pre – revised Schedule VI of the Companies Act, 1956, for preparation & presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classifications.

For Thakur, Vaidyanath Aiyar & Co
Chartered Accountants
Firm Regn. 000038N

By Order of the Board

Shripal Shah
Executive Director

Ram Gaud
Director

Ambreen Khan
Company Secretary

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

Place: Mumbai
Dated: August 4, 2012

**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.	59009
	State Code No.	55
	Balance Sheet Date	31.03.2012
II	Capital Raised During the year	(Rs. In Thousands)
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement - Equity Shares	Nil
III	Position of Mobilisation and Deployment of Funds	(Rs. In Thousands)
	Total Liabilities	138869
	Total Assets	138869
	Sources of Funds	
	Paid - up Capital	109750
	Reserves & Surplus	24793
	Secured Loans	0
	Unsecured Loans	0
	Current Liabilities	955
	Short Term Provisions	2817
	Deferred Tax liability (Net)	553
	Application of Funds	
	Net Fixed Assets	9855
	Investments	68825
	Net Current Assets	52687
	Misc. Expenditure	Nil
IV	Performance of the Company	(Rs. In Thousands)
	Turnover (Gross Receipts)	12740
	Total Expenditure	8685
	Profit (+) / Loss (-) before Tax	4055
	Fringe Benefit Tax	0
	Provision for Tax	752
	Deferred Tax	10

	Profit (+) / Loss (-) after Tax	3293
	Earnings per share (Rs.)	0.30
	Dividend (%)	Nil
V	Generic names of the 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 our Report of even date
For Thakur, Vaidyanath Aiyar & Co
 Chartered Accountants
 Firm Regn. 000038N

By Order of the Board

Shripal Shah
 Executive Director

Ram Gaud
 Director

Ambreen Khan
 Company Secretary

C.V. Parameswar
 Partner
 Membership No. 11541

Place: Mumbai
 Dated: August 4, 2012

ARYAMAN FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended		Year ended
	31st March, 2012		31st March, 2011
	(Rs. In lacs)		(Rs. In lacs)
A) CASHFLOW FROM OPERATING ACTIVITES			
Net profit(+)/Loss(-) before Tax		40.55	28.95
Adjustment for :			
Depreciation	0.66		0.64
Other Non Cash	3.32		0
Dividend Received	0		(0.01)
		3.98	0.63
		44.53	29.58
Operating Profit(+)/Loss(-) before working capital changes			
Adjustment for :			
(Increase)/Decrease in current Assets	0.21		709.26
Increase/(Decrease) in current Liabilities	(197.82)		169.75
		(197.61)	879.01
Taxes paid		(9.27)	0
Net Cash flow from operating activities		(162.35)	908.59
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
Fixed Assets (Net)	(0.23)		(0.35)
Dividend Received	0		0.01
Deposits	0		
Investments	0		(683.25)
Share Application Money	0		0
Net Cash used in Investment activities		(0.23)	(683.59)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Advance against equity	0		(6.52)
Security premium	0		0
Capital Reserve	0		6.52
Issue of Shares	0		0
		0	0
Net Cash Flow during the Year (A+B+C)		(162.58)	225.00
Cash and Cash Equivalents (Opening Balance)		251.28	26.28
Cash and Cash Equivalents (Closing Balance)		88.70	251.28
As per report of even date			
For Thakur, Vaidyanath Aiyar & Co.		For and on behalf of the Board	
Chartered Accountants			
Firm Reg. No. 000038N			
		Shripal Shah	Ram Gaud
		Executive	Director
		Director	
			Ambreen Khan
			Company
			Secretary
C.V. Parameswar			
Partner			
M.No. 11541			
Place:- Mumbai			
Dated:-04-08-2012			

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 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-12	100.00%	Nil	Nil	7.96	2.10	Nil

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 31st March, 2012 and also the consolidated Statement of Profit and Loss and the Cash Flow Statement for the year 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.863.93 Lacs as at March 31, 2012 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 31st March 2012;
- b) In the case of the consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on 31st March 2012 ; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on 31st March 2012.

For **Thakur, Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm Regn. No. 000038N

(C.V. Parameswar)
Partner

Membership No. 11541

Place: Mumbai
Dated: August 04, 2012

ARYAMAN FINANCIAL SERVICES LTD
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31 March 2012 (Rs)	As at 31 March 2011 (Rs.)
I. EQUITY AND LIABILITIES			
Shareholders's Funds			
Share Capital	1	109,750,000.00	109,750,000.00
Reserves and Surplus	2	25,002,251.00	20,913,392.00
		134,752,251.00	130,663,392.00
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	3	553,204.00	543,313.00
		553,204.00	543,313.00
Current Liabilities			
Trade Payables	4	174,450.00	120,193.00
Other Current Liabilities	5	884,092	20,739,897.00
Short-Term Provisions	6	3,029,274.00	2,866,330.00
		4,087,816.00	23,726,420.00
TOTAL		139,393,271.00	154,933,125.00
II. ASSETS			
Non-Current Assets			
Fixed Assets	7		
(i) Tangible Assets		8,527,085.00	8,570,422.00
(ii) Intangible Assets		1,328,421.00	1,660,526.00
Long-Term Loans and Advances	8	27,600,701.00	24,882,170.00
Other Non Current Assets	9	150,336.00	176,866.00
		37,606,543.00	35,289,984.00
Current Assets			
Current Investments	10	52,144,157.00	48,055,500.00
Trade receivables	11	16,309,907.00	16,380,879.00
Cash and Cash Equivalents	12	8,882,898.00	25,150,893.00
Short-Term Loans and Advances	13	24,449,826.00	30,055,929.00
		101,786,788.00	119,643,201.00
TOTAL		139,393,271.00	154,933,125.00

Significant Accounting Policies and
Notes on Financial Statements 1 to 20

As per our attached report of even date

FOR THAKUR,VAIDYANATH AIYAR & CO.
 Chartered Accountants
 Firm Registration No.: 000038N

By Order of the Board

Shripal Shah Ram Gaud
 Executive Director Director

C.V. Parameswar
 Partner
 Membership No: 11541

Ambreen Khan
 Company Secretary

Mumbai, August 4, 2012

Mumbai, August 4, 2012

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31ST MARCH, 2012**

Particulars	Note No.	As at 31 March 2012 (Rs)	As at 31 March 2011 (Rs.)
I. INCOME			
Revenue From Operations (gross)	15	11,492,159.00	13,374,614.00
II. Other Income	16	3,409,609.00	598,274.00
III. Total Revenue (I + II)		<u>14,901,768.00</u>	<u>13,972,888.00</u>
IV. EXPENSES			
Employee Benefits expenses	17	4,593,314.00	2,511,304.00
Finance Costs	18	1,039,026.00	7,012.00
Depreciation and Amortization Expenses		92,867.00	123,410.00
Other Expenses	19	4,138,732.00	8,930,415.00
Total Expenses		<u>9,863,939.00</u>	<u>11,572,141.00</u>
V. PROFIT BEFORE TAX		5,037,829.00	2,400,747.00
VI. Tax Expenses			
Current Tax		939,079.00	536,735.00
Deferred Tax		9,891.00	(10,307.00)
		948,970.00	526,428.00
VII. PROFIT FOR THE YEAR (V - VI)		<u>4,088,859.00</u>	<u>1,874,319.00</u>

Earning per Equity Share of face value of Rs.10 each
Basic and Diluted (in Rs.)

0.37

0.17

Significant Accounting Policies and
Notes on Financial Statements

1 to 20

As per our attached report of even date

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No.: 000038N

By Order of the Board

Shripal Shah Ram Gaud
Executive Director Director

C.V. Parameswar
Partner
Membership No: 11541

Ambreen Khan
Company Secretary

Mumbai, August 4, 2012

NOTES TO THE FINANCIAL STATEMENTS

1. SHARE CAPITAL

AUTHORISED:

1,10,00,000 Equity Share of Rs. 10/- each
 (1,10,00,000)

ISSUED, SUBSCRIBED & FULLY PAID UP

1,09,75,000 Equity Share of Rs. 10/- each
 (1,09,75,000)

TOTAL

	As at 31 March 2012 (Rs)	As at 31 March 2011 (Rs)
	1,10,00,000	1,10,00,000
	1,09,75,000.00	1,09,75,000.00
	1,09,75,000.00	1,09,75,000.00

The reconciliation of the number of shares outstanding is set out below:

Shares outstanding at the beginning of the year
 Shares outstanding at the end of the year

No. of Shares	No. of Shares
10975000	10975000
10,975,000	10,975,000

The details of Shareholders holding more than 5% share

Mahshri Enterprises Pvt.Ltd.

No. of Share	% held	No. of Share	% held
7183030	65.45	7183030	65.45

2. RESERVES AND SURPLUS

Capital Reserves
 Securities Premium Reserve
 General Reserve:
 Surplus in Statement of Profit and Loss
 Balance as per last account
 Add: Net Profit for the year
 Closing Balance

TOTAL

651,750.00	651,750.00
22,930,519.00	22,930,519.00
26,100,000.00	26,100,000.00
(28,768,877.00)	(30,643,197.00)
4,088,859.00	1,874,320.00
(24,680,018.00)	(28,768,877.00)
25,002,251.00	20,913,392.00

3 DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability
 On account of Depreciation
 Deferred Tax Assets

TOTAL

553,204.00	543,313.00
553,204.00	543,313.00

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 March 2012 (Rs)	As at 31 March 2011 (Rs)
4 TRADE PAYABLES	-	-
Others	174,450.00	120,193.00
TOTAL	174,450.00	120,193.00
5 OTHER CURRENT LIABILITIES		
Deposits from clients	-	13,150,000.00
Advance From Customers	189,861.00	2,147,553.00
Other payables	694,231.00	5,442,344.00
(Includes ASBA Commission and Expenses payable)		
TOTAL	884,092.00	20,739,897.00
There is no amount due and outstanding as on 31st March, 2012, to be credited to Investors Education and Protection Fund.		
6 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Salary & Reimbursements	383,485.00	245,465.00
Others	-	-
Provision for Taxation	2,621,276.00	2,609,835.00
Others	24,513.00	11,030.00
TOTAL	3,029,274.00	2,855,300.00

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 March 2012 (Rs)	As at 31 March 2011 (Rs)
8 LONG TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
Security Deposits	23,475,500.00	21,875,500.00
Other Loans and Advances	-	-
Tax Deducted At Source	4,125,201.00	3,006,670.00
TOTAL	27,600,701.00	24,882,170.00
9 OTHER NON-CURRENT ASSETS		
Others		
Unamortized Expenses	150,336.00	176,866.00
TOTAL	150,336.00	176,866.00
10 CURRENT INVESTMENTS		
TRADE INVESTMENT		
In Equity Shares		
Quoted fully paid up		
23800000 (23462000) Indra Deco Ltd	9,466,907.00	9,395,500.00
200000 (200000) Zenith Birla Ltd	6,075,000.00	6,075,000.00
70000 (70000) Birla Machinery & Tools Ltd	1,085,000.00	1,085,000.00
165000(NIL) BB Realty.	4,017,250.00	-
In Equity Shares of other Company	-	-
210000 Overskud Multi Asset Mgt Pvt Ltd of Rs. 10/-each (210000)	31,500,000.00	31,500,000.00
TOTAL	52,144,157.00	48,055,500.00
Aggregate amount of Quoted Investments	20,644,157.00	16,555,500.00
Market Value of Quoted Investments	7,131,700.00	7,279,820.00
Aggregate amount of Unquoted Investments	31,500,000.00	31,500,000.00

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 March 2012 (Rs)	As at 31 March 2011 (Rs)
11 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, Considered good	16,256,230.00	16,370,379.00
Outstanding for a period less than six months		
Other Debts-unsecured Considered good	53,677.00	10,500.00
TOTAL	16,309,907.00	16,380,879.00
12 CASH AND CASH EQUIVALANTS		
Cash & Cash Equivalants		
Balance with Banks;	227,877.00	2,428,648.00
Cash on hand	56,483.00	489,368.00
Others		
Fixed Deposit with HDFC/SBI	8,598,538.00	22,232,877.00
TOTAL	8,882,898.00	25,150,893.00
13 SHORT TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
Loans and Advances to related parties	-	-
Shares held against portfolio Commitment	10,179,130.00	15,447,551.00
Others	-	-
Advance against Trading Operation	13,799,107.00	-
Advance Income Tax/Refund Due	164,527.00	-
Other Advance	307,062.00	14,608,378.00
(Includes Prepaid Expenses and Interest Accrued on FD)		
TOTAL	24,449,826.00	30,055,929.00
14		
Contingent Liabilities and Commitments		
(to the extent not provided for)	-	-
Claims against the compney not acknowledged as debt - disputed tax Liability	253,000.00	315,000.00

ARYAMAN FINANCIAL SERVICES LTD

Note-7

FIXED ASSETS

(Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2011	Additions/ Adjustment	Deducti ons/ Adjust ment	Balance as at 31 March 2012	Balance as at 01 April 2011	Adjustment / Deductions	For the year	Upto 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
TANGIBLE ASSETS										
OWN ASSETS:										
1. Freehold Land	8,342,965.00	-	-	8,342,965.00	-	-	-	-	8,342,965.00	8,342,965.00
2. Furniture, Fixtures	13,644.00	-	-	13,644.00	4,493.00	-	712.00	5,205.00	8,439.00	9,151.00
3. Office Equipments	20,771.00	-	-	20,771.00	2,992.00	-	904.00	3,896.00	16,875.00	17,779.00
4. Computer	399,298.00	23,000.00	-	422,298.00	198,771.00	-	64,721.00	263,492.00	158,806.00	200,527.00
Total (A)	8,776,678.00	23,000.00	-	8,799,678.00	206,256.00	-	66,337.00	272,593.00	8,527,085.00	8,570,422.00
INTANGIBLE ASSETS										
Cochin Stock Exchange Corporate Membership	1,660,526.00	-	-	1,660,526.00	-	332,105.00	-	332,105.00	1,328,421.00	1,660,526.00
Total (B)	1,660,526.00	-	-	1,660,526.00	-	332,105.00	-	332,105.00	1,328,421.00	1,660,526.00
Total (A+B)	10,437,204.00	23,000.00	-	10,460,204.00	206,256.00	332,105.00	66,337.00	604,698.00	9,855,506.00	10,230,948.00
Previous Year	10,401,804.00	35,400.00	-	10,437,204.01	141,801.00	-	64,455.00	206,256.01	10,230,948.00	10,260,003.00

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 March 2012 (Rs)	As at 31 March 2011 (Rs)
15 REVENUE FROM OPERATIONS		
Merchant Banking Fees	11,492,159.00	13,374,614.00
TOTAL	11,492,159.00	13,374,614.00
16 OTHER INCOME		
Interest Income	2,890,656.00	556,767.00
Other Non-Operating Income	518,953.00	41,507.00
TOTAL	3,409,609.00	598,274.00
17 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	4,513,325.00	2,447,062.00
Staff Welfare Expenses	79,989.00	64,242.00
TOTAL	4,593,314.00	2,511,304.00
18 FINANCE COST		
Interest Expenses /Bank charges	1,039,026.00	7,012.00
	1,039,026.00	7,012.00

NOTES TO THE FINANCIAL STATEMENTS

19 OTHER EXPENSES

Establishment Expenses

	As at 31 March 2012 (Rs)	As at 31 March 2011 (Rs)
Rates and Taxes	22,500.00	12,380.00
Telephone Expenses	111,121.00	135,791.00
Professional Charges	444,350.00	273,957.00
Write offs /portfolio (Net)	2,029,286.00	6,499,311.00
Member ship -SEBI Licence	211,481.00	327,684.00
Commission & Brokerage	260,419.00	104,783.00
Electricity Charges	187,049.00	188,775.00

Miscellaneous Expenditure	749,043.00	1,297,234.00
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Payment to Auditors'

Statutory Auditors:

Audit Fees (excluding servi	73,483.00	60,000.00
For Taxation Matter	15,000.00	15,000.00
For Company Law Matters	5,000.00	15,500.00
Other Services,	30,000.00	-

TOTAL

4,138,732.00	8,930,415.00
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NOTE-20**NOTES TO FINANCIAL STATEMENTS****A. SIGNIFICANT ACCOUNTING POLICIES: -**

- 1) The consolidated financial statements relate to Aryaman Financial Services Ltd ('the Company') and its subsidiary company. The financial statement of the company and its subsidiary company are combined on a line – by- line basis by adding together the book values of like items of assets, liabilities, income & expenses, after fully eliminating intra-group balances and intra-group transaction in accordance with Accounting Standard (AS) 21-'Consolidated Financial Statements'
- 2) Accounts are prepared on Historical Cost Convention accruing for incomes, expenditures, assets and liabilities.
- 3)
 - 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.
- 4) (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.

- 5) Miscellaneous Expenditure are written off as follows:
 - (a) Preliminary Expenses, Pre – Operative expenses (Other than (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.
 - (d) Subsidiary company is writing off pre-operative expenses over 5 years.
- 6) **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.

- 7) All Assets and liabilities are presented as current or non-current as per the company's normal operating cycle and other criteria set out in the revised schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets of processing and the realization the company has ascertained its operating cycle as 12 months for the purpose of current / non-current assets / liabilities

B. NOTES

- 1) The Subsidiary Company considered in the Consolidated Financial Statements are:

Name of the Subsidiary	: Aryaman Broking Ltd.
Country of Incorporation	: India.
Proportion of Ownership Interest	: 100%

- 2) Some of the debit/credit balances are subject to confirmation and reconciliation.
- 3) In view of the number of employees being below the stipulated numbers, the Payment of Bonus and payment of Gratuity Act are not applicable to the company for the year.
- 4) The advance given to Cochin Stock Exchange towards Corporate Membership has been written off to the extent of Rs 332105/-, to arrive at the current value as estimated by the management.
- 5) Income/Expenditure in foreign currency:

Details	Amount (Rs.)	Amount (Rs.) (P.Y.)
Expenditure	NIL	NIL
Income	NIL	NIL

6) RELATED PARTY DISCLOSURES:

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

1) List of related parties where control exist and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1.	Vardhman Investments	Firm in which Directors Relative has substantial interest
2.	Mahshri Enterprises Pvt Ltd	Promoter
3.	Mr. DS Sharma	Key Managerial Personnel
4.	Mr. Shripal Shah	Key Managerial Personnel

II) Transactions during the year with related parties:

Sr. No.	Name of party	Nature of Transactions	Transaction during the year	Balance as at 31.3.2012
1	Vardhman Investments	Deposit Against Office Premises	15,00,000 (18,75,000)	33,75,000 (18,75,000)
2	D.S.Sharma	Professional Fees	11,667 (6,06,075)	NIL (6,06,075)

- 7) Till the year ended 31st March, 2011, the Company was using pre – revised Schedule VI of the Companies Act, 1956, for preparation & presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The Company has reclassified previous years figures to conform to this year's classification.

For Thakur, Vaidyanath Aiyar & Co
Chartered Accountants
Firm Regn. 000038N

By Order of the Board

Shripal Shah
Executive Director

Ram Gaud
Director

Ambreen Khan
Company Secretary

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

Place: Mumbai
Dated: August 4, 2012

ARYAMAN FINANCIAL SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
	(Rs. In lacs)		(Rs. In lacs)	
A) CASHFLOW FROM OPERATING ACTIVITES				
Net profit(+)/Loss(-) before Tax		50.38		24.01
Adjustment for :				
Depreciation	0.66		0.64	
Other Non Cash	3.58		0.59	
Dividend Received	0		(0.01)	
		4.24		1.22
		54.62		25.23
Operating Profit(+)/Loss(-) before working capital changes				
Adjustment for :				
(Increase)/Decrease in current Assets	(139.43)		122.81	
Increase/(Decrease) in current Liabilities	(26.28)		123.6	
		(165.71)		246.41
Taxes paid		(9.27)		0
Net Cash flow from operating activities		(120.36)		271.64
B) CASH FLOW FROM INVESTMENT ACTIVITIES				
Fixed Assets (Net)	(0.23)		(0.35)	
Dividend Received	0		0.01	
Deposits	-1		50	
Investments	-40.88		(96.41)	
Share Application Money	0		0	
Net Cash used in Investment activities		(42.11)		(46.75)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Advance against equity	0		0.00	
Security premium	0		0	
Capital Reserve	0		0	
Issue of Shares	0		0	0
		0		0
Net Cash Flow during the Year (A+B+C)		(162.47)		224.89
Cash and Cash Equivalents (Opening Balance)		251.52		26.62
Cash and Cash Equivalents (Closing Balance)		89.05		251.51
As per report of even date				
For Thakur, Vaidyanath Aiyar & Co.		For and on behalf of the Board		
Chartered Accountants				
Firm Reg. No. 000038N				
		Shripal Shah	Ram Gaud	Ambreen Khan
		Executive	Director	Company
		Director		Secretary
C.V. Parameswar				
Partner				
M.No. 11541				
Place:- Mumbai				
Dated:-04-08-2012				



ARYAMAN FINANCIAL SERVICES LIMITED

Registered Office: C/o Thakur Research Foundation, 221-223, Deen Dayal Marg, New Delhi 110 002.

ATTENDANCE SLIP

Eighteenth Annual General Meeting on Friday, September 28, 2012

DP ID.....

Folio No/Client ID.....

Full name of the shareholder/proxy attending the meeting

.....
(First Name)

.....
(Second Name)

.....
(Surname)

FIRST HOLDER / JOINT HOLDER / PROXY
(Strike out whichever is not applicable)

Full name of first holder.....
(If joint holder/proxy attending) (First Name) (Second Name) (Surname)

.....
Signature of the Shareholder / Proxy

ARYAMAN FINANCIAL SERVICES LIMITED

Registered Office: C/o Thakur Research Foundation, 221-223, Deen Dayal Marg, New Delhi 110 002.

PROXY FORM

Eighteenth Annual General Meeting on Friday, September 28, 2012

DP ID.....

Folio No/Client ID.....

I/We.....of.....

being a member(s) of Aryaman Financial Services Limited hereby

appoint.....of.....or.....failing
him/her.....of..... as my/our
proxy to attend and vote for me/us and on my/our behalf at the eighteenth Annual General Meeting of the Company
to be held on September 28, 2012 At 11.30 a.m., at Jawaharlal Nehru National Youth Centre, 219, Deen Dayal
Upadhyaya Marg, New Delhi-110 002 and at any adjournment thereof.

Signed thisday of.....2012

Signature.....

Note:

1. The proxy need not be a member of the Company
2. The proxy form duly signed across 15 paise Revenue stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.
3. The proxy need not be a member of the Company
4. The proxy form duly signed across 15 paise Revenue stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.

Affix 15
Paise
Revenue
Stamp

BOOK POST

If undelivered please return to:

Adroit Corporate Services Pvt. Ltd.
Unit: Aryaman Financial Services Ltd.

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