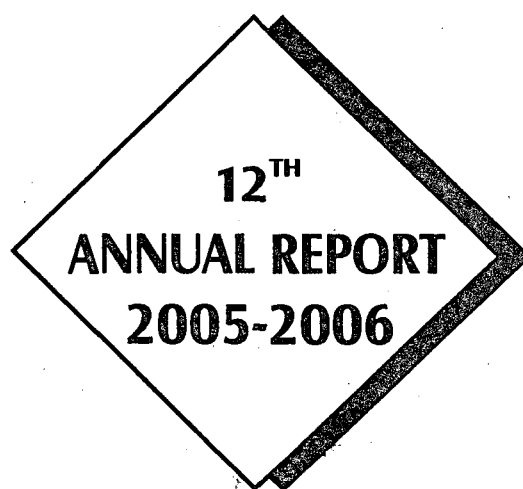


ARYAMAN

FINANCIAL SERVICES LIMITED



ARYAMAN FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS	D. S. Sharma	-	Executive Director
	Mohan Datari	-	Director
	M. V. Ramana	-	Director
	Ketan Adhvaryu	-	Director

REGISTERED OFFICE : 401, Chiranjiv Towers
43, Nehru Place,
New Delhi 110 019

CORPORATE OFFICE : 62-B, 6th Floor, 'B' Wing,
Mittal Tower, Nariman Point
Mumbai - 400 021.

AUDITORS : M/S. Thakur Vaidyanath Aiyar & Co.
Chartered Accountants
212, Deendayal Upadhyay Marg,
New Delhi.

BANKERS : State Bank Of India
The Vysya Bank Limited
State Bank of Patiala
Indusind Bank Ltd.

SHARE TRANSFER AGENT : Adroit Corporate Services Pvt. Ltd.
19, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (W), Mumbai - 400 059.

ARYAMAN FINANCIAL SERVICES LIMITED**NOTICE**

NOTICE is hereby given that the 12TH ANNUAL GENERAL MEETING of the Members of the ARYAMAN FINANCIAL SERVICES LIMITED will be held on Saturday, 31st day March 2007 at 10.00 a.m. at its registered office 401, Chiranjiv Towers, 43, Nehru Place, New Delhi 110 019 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at September 30, 2006 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri M. V. Ramana, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without any modification, the following resolution as **Ordinary Resolution-**

"RESOLVED THAT in accordance with the provision of section 257 and all other applicable provisions, if any, of the companies Act 1956 or any statutory modifications or reenactment thereof, Shri D. S. Sharma, who was appointed as Additional Director in pursuant to section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the company subject to retirement by rotation under the provisions of Article of Association of the company".

"RESOLVED FURTHER THAT in accordance with the provision of section 257 and all

other applicable provisions, if any, of the companies Act 1956 or any statutory modifications or reenactment thereof, Shri Ketan Adhvaryu , who was appointed as Additional Director in pursuant to section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the company subject to retirement by rotation under the provisions of Article of Association of the company".

**EXPLANATORY STATEMENT AS
REQUIRED BY SECTION 173(2) OF THE
COMPANIES ACT, 1956.**

ITEM NO. 4

Shri D. S. Sharma and Shri Ketan Adhvaryu were appointed as Additional Directors in accordance with the provisions of section 260 of the Companies Act, 1956 at Board Meeting held on 30th October, 2006. The Company has received notice from the shareholder of the Company under section 257 of the Companies Act, 1957 for the appointment of Shri D. S. Sharma and Shri Ketan Adhvaryu as Director of the Company, at the ensuing Annual General Meeting.

The Board recommends the approval of resolution by way of simple majority.

None of the directors except Shri D. S. Sharma and Shri Ketan Adhvaryu , are in any way concerned or interested in the said resolution at 4.

By Order of the Board
For Aryaman Financial Services Limited

D. S. Sharma
Executive Director

Place: Mumbai

ARYAMAN FINANCIAL SERVICES LIMITED**DIRECTOR'S REPORT****TO THE MEMBERS**

Your Directors present the Eleventh Annual Report and audited accounts of your Company for the financial year ended September 30, 2006.

FINANCIAL RESULTS (Rs. in lakhs)

Particulars	30 th June, 2005	30 th September, 2006
Income from operations	27.67	32.44
Less- Expenditure	35.21	18.48
Profit before Depreciation	(7.54)	13.95
Less -Depreciation	(5.03)	(5.09)
Profit before tax	(12.57)	8.87
Provision for tax	—	(0.27)
Profit after tax	(12.57)	8.60
Balance carried to	(281.42)	(293.99)
Balance Sheet	(293.99)	(285.39)

DIVIDEND

Due to absence of profits, the Director do not recommend any dividend for the year.

DEPOSITS

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

DIRECTORS

Shri M. V. Ramana, Director of the company retire by rotation and offers himself for reappointment.

The shareholders are requested to appoint to Shri D. S. Sharma and Shri Ketan Adhvaryu as Director of the company, they were appointed as additional Directors under section 260 of the Companies Act, 1956 on your Board and the Company has received notice under section 257 of the Companies Act, 1956 for their candidature for appointment of Directors of the Company.

AUDITORS

M/s Thakur Vidyanath Aiyar & Co, Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for the reappointment.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- While preparing annual accounts the applicable accounting standards have been followed.
- Company has selected such accounting policies and applied them consistently and made judgment that are responsible and prudent which give true and fair view of affairs of the company.
- 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 fraud and other irregularities.
- Company has prepared accounts on going concern basis.

PERSONNEL

Relations between the management and employees of company were 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 (Particular of Employees Rules) 1975 as amended.

The Board wish to place record their gratitude for their continued co-operation, assistance and guidance extended by the

ARYAMAN FINANCIAL SERVICES LIMITED

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) (e) of the Companies Act, 1956 is not applicable.

CORPORATE GOVERNANCE:

During the year under report, your Company has evolved Corporate Governance practices. The required structures for governance have been in place and the meetings are periodically held in compliance with the ideal practices prescribed under the code.

Management Discussion 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.

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 services by the Executives, Staff and Workers of the Company.

For and on the behalf of the Board

D. S. Sharma
Executive Director

M. V. Ramana
Director

Place: Mumbai

Date: 1st March, 2007

MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Merchant Banking and Financial Services market is fast growing over the last few years. Merchant Banker services includes providing merchant banking services like Public Issue Management i.e, acting as manager / lead manager to the public issues, right issues, open offer under Takeover Code, Buy Back Scheme, Portfolio Management Services, private placement of debt and equity instruments. The present position of stock market in India has opened new era for finance industry.

2. OPPORTUNITY AND THREATS

Opportunities:

Aryaman Financial Services Limited is SEBI registered Category - I. Considering present capital market conditions, your company has tremendous opportunities in its business activities especially merchant banking activities like issue management, portfolio management services, corporate debt restructuring etc.

Threats:

With the number of players coming down, we expect marginal competition.

3. SEGMENTWISE PERFORMANCE

Your Company is dealing in one segment mainly in Merchant Banking activity.

4. OUTLOOK

The growing economy and vibrant capital market conditions promise good scope for financial service sector. Your company is well prepared to seize the opportunities as and when they come. The management is generally optimistic about future operations.

5. RISKS AND CONCERNS

Company's activities are mainly dependant

ARYAMAN FINANCIAL SERVICES LIMITED

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upon conditions of primary and secondary capital market. Any adverse effect on the capital market could affect the performance and profitability of your Company.

6. INTERNAL CONTROL SYSTEMS

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

7. FINANCIAL PERFORMANCE

The company has achieved a turnover of Rs 32.44 during the year as against Rs.27.67 lacs in the corresponding previous year. During the year company incurred a profit of Rs. 8.60 as against loss of Rs.12.57 lacs in the corresponding previous year.

8. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The industrial relation remain co ordinal during the year under review.

9. CAUTIONARY STATEMENT

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

For and on the behalf of the Board

D. S. Sharma	M. V. Ramana
Executive Director	Director

Place: Mumbai

Date: 1st March , 2007

AUDITORS' REPORT

ARYAMAN FINANCIAL SERVICES LTD

We have audited the attached Balance Sheet of ARYAMAN FINANCIAL SERVICES LTD as at 30th Sept, 2006 and the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

ARYAMAN FINANCIAL SERVICES LIMITED

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c) The Balance Sheet, the Profit and loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e) On the basis of the written representations received from the directors, as on 30th Sept., 2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th Sept, 2006 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 30th Sept, 2006 ; and

b. In the case of the Profit and loss account, of the profit for the period ended on that date.

c. In the case of the Cash Flow Statement, of the cash flow for the period ended on that date.

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

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

Dated :- 01-03-2007

ANNEXURE REFERRED TO IN
PARAGRAPH 1 OF OUR REPORT OF EVEN
DATE ON THE ACCOUNTS FOR THE
PERIOD ENDED 30th SEPTEMBER, 2006.

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.

c) The company has not disposed / discarded substantial part of its fixed assets during the year.

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 Para 4 (iii) (a) the clauses (b), (c) and (d) are not applicable to the company.

c) The company has not taken any loan from Companies, Firms or other parties listed in the register maintained under section 301 of

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The Companies Act, 1956.

d) In view of our comment Para 4 (iii) (c) the clauses (f) and (g) are not applicable to the company.

iv) In our opinion and according to information and explanations given to us there are adequate 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 and on the basis of such checks carried out by us during the course of our audit, the company has an adequate internal control procedures commensurate with the size and nature of its business.

v) In respect of transactions covered under Section 301 of the Companies Act.1956

a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 301 of the Act, have been so entered.

b) As per the information and explanations given to us, there are no transactions of purchase and sales of services have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the companies Act.1956. aggregating during the year to Rs.5 Lakhs or more in respect of each party.

vi) As per the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and rules framed there under.

vii) In our opinion, the company has an internal audit system, which is commensurate with the size and nature of its business.

viii) We have been informed that the central government has not prescribed maintenance of cost records under Section 209(1)(d) of the companies Act.1956.

ix) In respect of statutory dues

a) The company has been generally regular in depositing undisputed statutory dues including Provident fund, Investors education and Protection fund, Employees state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as it 30th Sept, 2006 for a period of more than six months from the date they became payable except Income Tax(TDS Payable) Rs.73,460/-.

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

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

x) The accumulated loss of the company is not more than 50% of its net worth and the company has made profit during the financial period covered by our audit and the company had incurred cash loss in the immediately preceding financial period.