



ARYAMAN

FINANCIAL SERVICES LIMITED

19TH

ANNUAL REPORT

2012 - 13

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 – 22630434

BOARD OF DIRECTORS

Mr. Shripal Shah (Executive Director)
Mr. Shreyas 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, Vaiyanath Aiyar & 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.
19/20, Jafferboy Industrial Estate
1st Floor, Makwana Road,
Marol Naka, Andheri (E),
Mumbai – 400 059

NOTICE OF THE 19th ANNUAL GENERAL MEETING OF ARYAMAN FINANCIAL SERVICES LIMITED

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Aryaman Financial Services Limited will be held on Tuesday, September 24, 2013 at 11:30 a.m. 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 modification(s), the following resolution, for approving the Audited Balance Sheet and Statement of Profit and Loss together with Directors' Report and Auditors' Report for the year ended March 31, 2013, as an Ordinary Resolution:

“RESOLVED THAT the Audited Balance Sheet of the state of affairs of the company as at March 31, 2013 and the Statement of Profit and Loss for the financial year ended March 31, 2013 together with the reports of the 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 modification(s), the following resolution for re-appointment of Mr. Ram Gaud as an Ordinary Resolution:

“RESOLVED THAT Mr. Ram Gaud, 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 modification(s), 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 Mr. Shreyas Shah, 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 his candidature for the office of Director, be and is hereby appointed as a Executive Director of the Company,

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

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956(including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents or permissions as may be necessary, approval of the members of the Company be and the same is hereby given for appointment of Mr. Shreyas Shah, as

the Executive Director of the Company for the period of three years from May 29, 2013 to May 28, 2016, on the following terms and conditions:

1. Salary:
 - a. Fixed Pay not exceeding ₹12,00,000/- (Rupees Twelve Lacs only) per annum by way of salary, perquisites and other allowances
 - b. Variable Pay up to ₹18,00,000/- (Rupees Eighteen Lacs only) per annum based on the performance metrics to be defined by the Board of Directors or its Remuneration committee.
2. Remuneration to Mr. Shreyas Shah shall be subject to leave and other personal policies of the Company from time to time.
3. Re-imbursement of Expenses: the Company shall pay or reimburse to Mr. Shreyas Shah, reasonable and necessary business expenses as incurred by him, which are directly related to the performance of his duties of employment including travel, professional membership and professional development subject to documents submitted by Mr. Shreyas Shah.
4. All payments of remunerations to be made by the Company subject to this resolution shall be gross of tax and shall be subject to deduction of tax payable in accordance with the applicable law as may be from time to time.

However, the total minimum remuneration payable to Mr. Shreyas Shah as Executive Director, including all above shall not exceed the limit as provided under the provisions of Clause (1B) of Section II of Part II of Schedule XIII of the Companies Act, 1956, if any.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any year during the period of his appointment as Executive Director, Mr. Shreyas Shah be and is hereby paid the above remuneration as the Minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above-stated remuneration in accordance with provision of Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 as may be agreed to by the Board of Directors and Mr. Shreyas Shah

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps, action as may be necessary, proper and expedient to give effect to this Resolution”.

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

Date: August 26, 2013
Place: Mumbai

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 Wednesday, September 18, 2013 to Tuesday, September 24, 2013 (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 the Balance Sheet, Statement of Profit and Loss, reports of the Directors' and Auditors of the subsidiary company has 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. These documents will also be available for inspection at the registered office of the Company and the concerned subsidiary companies, during 10 a.m. to 5 p.m. on all working days upto the date of the AGM.

11. GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' initiated by the Ministry of Corporate Affairs, Government of India (MCA), by its recent circulars, enabling electronic delivery of documents including the annual report, quarterly, half yearly results to shareholders at their e-mail address previously registered with the depository participants (DPs)/company/registrars and share transfer agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses to help us in the endeavour to save trees and protect the planet. Those holding shares in demat form can register their email address with their concerned DP. Those shareholders who hold shares in physical form are requested to register their e-mail addresses with our registrar, Adroit Corporate Services Pvt. Ltd, by sending a letter, duly signed by the first/sole holder quoting details of folio no.

12. 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 TO SPECIAL BUSINESS 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 Mr. Shreyas Shah as an Additional Director of the Company with effect from May 29, 2013.

In terms of Section 260 of the Act, Mr. Shreyas Shah 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 ₹500/- proposing the candidature of Mr. Shreyas Shah for the office of Director of the Company under Section 257 of the Act.

Mr. Shreyas Shah is not disqualified from being appointed as the Executive Director in terms of Section 274(1) (g) of the Act. The Company has received the requisite Form DDA from Mr. Shreyas Shah in terms of the Companies (Disqualification of Directors under Section 274(1) (g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility of such appointment.

Except Mr. Shreyas Shah and Mr. Shripal Shah no other Director is deemed to be concerned or interested in the said resolution.

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

ITEM NO. 5

Mr. Shreyas Shah, Director of the Company was appointed as Executive Director of the Company with effect from May 29, 2013 for three years. Considering his contribution in taking the company to present stage and salaries paid to senior executives in the company, the company has to pay remuneration in line with the market.

The Board of Directors had approved his remuneration and his appointment as Executive Director of the Company w.e.f May 29, 2013 the remuneration have become in excess of what has been prescribed under the Companies Act, 1956 and hence same would require the approval of the members.

The proposed remuneration was approved by the Remuneration Committee and Board of Directors in their respective meetings held on May 29, 2013.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE XIII, PART II, SECTION II (1B) (iv)

I: General Information:

1. **Nature of Industry:** The Company is engaged in Merchant Banking and other advisory services.
2. **Date of Commencement of Commercial Production:** NA
3. **Financial Performance based on Given Indicators:** The financial data as per last audited Balance Sheet as on March 31, 2013 is as under:

(₹ in Lacs)

Particulars	For Year ended 31.03.2013	For Year ended 31.03.2012
Income from Operations	323.68	127.38
Other Income	0.03	0.02
Total Revenue	323.71	127.40
Operating and Administrative Expenses	270.91	86.12
Operating Profit before Interest, Depreciation and Tax	52.80	41.28
Finance Cost	0.91	0.07
Depreciation and amortisation	1.55	0.66
Profit / (loss) Before Tax	50.34	40.55
Provision for Tax (including deferred Tax)	0.44	0.09
Profit / (loss) After Tax	40.40	32.93
Earnings per equity share (EPS) (in ₹)	0.37	0.30

4. **Export Performance and Net Foreign Exchange collaborations:** The Foreign Exchange earning of the Company for the period ended March 31, 2013 was NIL.

5. **Foreign Investments or Collaborators:** The Company has not made any allotment to foreign investors.

II: Information about the Appointee:

1. **Brief Profile of Appointee:** Mr. Shreyas Shah completed his BMS from Mumbai University and he also completed LLB (Gen.) from Mumbai University. Mr. Shreyas Shah has over 5 years of experience in Capital Markets.
2. **Past Remuneration:** NA
3. **Recognition and Award received in past:** He has received Recognition from his past employers for his services.
4. **Job Profile and Suitability:** Mr. Shreyas Shah is responsible for overall business strategy and direction for the organization. He is also responsible for new initiatives, strategic alliances etc. Mr. Shreyas Shah shall exert his full time energy to his duties as Executive Director and shall report to the Board and shall be responsible for developing and recommending to the Board, the business plan and staffing plans.
5. **Remuneration proposed :** Details given in Item No. 5 of the accompanying Notice
6. **Comparative Remuneration in the Industry:** Remuneration proposed for Mr. Shreyas Shah is based on his experience, job profile and responsibilities. No comparable remuneration in industry data is available with us for similar size and nature of business.
7. **Material Pecuniary Relationship:** Mr. Shreyas Shah is the brother of our Promoter Director Mr. Shripal Shah and apart from holding the office of an Executive Director of the Company, Mr. Shreyas Shah has no pecuniary relationship with the Company.

III: Other information:

1. **Reason for inadequate Profit and measures taken for improvement:** The Company has initiated steps to scale up the operations in coming years. This industry is highly working capital intensive industry. The

Company is exploring various alternatives to augment additional working capital requirement to scale up the operations. Company has chalked out ambitious growth plans to scale up operations and profitability.

2. **Expected Increase in Profits in Measurable Terms:** The Company has all infrastructure ready to scale the operations. Our profitability is directly linked to sales and hence increase in business is very important.

The appointment can be terminated by either party by giving 6 months notice.

The above may also be treated as an abstract of the terms of appointment of the Executive Director as required under Section 302 of the Companies Act, 1956.

The Directors recommend to the shareholders the adoption of the above resolution as a Special Resolution contained in the notice.

Except Mr. Shreyas Shah and Mr. Shripal Shah, no other Director is deemed to be concerned or interested in the said resolution.

Registered Office

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

Date: August 26, 2013
Place: Mumbai

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 19th 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, 2013. The financial results are summarized as under:

Standalone Financial Results		(₹ in Lacs)	
Particulars	31-Mar-13	31-Mar-12	
Total Income	323.71	127.40	
Less: Expenditure	271.82	86.19	
Profit before Depreciation	51.89	41.21	
Less: Depreciation	1.55	0.66	
Profit before Tax	50.34	40.55	
Provision for Taxation	9.95	7.62	
Profit after Tax	40.39	32.93	
Closing Balance of P&L Account	(208.50)	(248.90)	

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

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ram Gaud, Independent Director of the Company retires by rotation and offers himself for re- appointment.

The Board of Directors at its meeting held on May 29, 2013 appointed Mr. Shreyas Shah as an Additional Director of the Company and Mr. Shreyas Shah will hold office upto the date of this Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member of the Company with requisite deposit signifying his intention to propose Mr. Shreyas Shah as the Director of the Company.

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

The appointment / re-appointment forms part of the notice convening the Annual General Meeting and the resolutions are recommended for the member's approval.

AUDITORS AND AUDITOR'S REPORT

M/s Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, the statutory auditors of the Company, retires at the ensuring 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.