



ARYAMAN

FINANCIAL SERVICES LIMITED

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BOARD OF DIRECTORS

P.V.R. Murthy - Director
Virender Ganda - Director
Mohan Datari - Director

REGISTERED OFFICE

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

CORPORATE OFFICE

: 34, Atlanta,
3rs Floor, Nariman Point,
Mumbai - 400021.

AUDITORS

: M/s. Thakur Vaidynath Aiyar & Co.
Chartered Accountants
212, Deendayal Upadhyay Marg,
New Delhi.

BANKERS

: 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 - 400059.

ARYAMAN FINANCIAL SERVICES LIMITED**NOTICE**

Notice is hereby given that the TENTH ANNUAL GENERAL MEETING OF THE shareholders of **ARYAMAN FINANCIAL SERVICES LIMITED** will be held at registered office New Delhi on Tuesday 30th September, 2004 at 11:30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the period ended March 31st, 2004 and the Balance Sheet as at that date and the Directors's and Auditors Report thereon.
2. To consider and appoint a Director in the place of Shri Mohan Datari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Registered Office : By the Order of the Board of Directors
401, Chiranjiv Towers
43, Nehru Place, **P.V.R. Murthy** **Mohan Datari**
New Delhi - 1100019. Director Director

Mumbai

Dated : 1st September, 2004.

NOTES

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before holding the meeting.
- c. The register of Members and the Share Transfer Books of the Company will remain closed 30th September, 2004 (both days inclusive)
- d. A copy of the explanatory statement under section 173 (2) of the Companies Act 1956 is annexed herewith.

DIRECTOR'S REPORT**TO THE MEMBERS**

Your Directors present the Tenth Annual Report and Audited Accounts of your Company for the year ended 31st March, 2004.

(Rs. in Lakhs)

1. FINANCIAL RESULTS

	31st March, 2004	31st March, 2003
Income from Operations	81.44	34.98
Less Expenditure	86.73	40.27
Profit before Depreciation	(5.29)	(5.29)
Less Depreciation	6.49	5.26
Profit before Tax	(11.78)	(10.55)
Provision for Tax	—	—
Balance Carried to	(269.64)	(259.09)
Balance Sheet	(281.41)	(269.64)

2. DIVIDEND

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

3. DEPOSITS

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

4. DIRECTORS

Shri Mohan Datari, Director of the Company retires by rotations but offers himself for re-appointment. The Share holders are requested to re-appoint him as Director of the Company.

5. DIRECTORS RESPONSIBILITIES STATEMENT.

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

- i) While preparing Annual Accounts, the applicable Accounting Standards have been followed.
- ii) Company has selected such accounting policies and applied them consistently and made Judgement that are reasonable and prudent which gives true and fair view of affairs of the Company.

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- iii) 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.
- iv) Company has prepared accounts on a going concern basis.

6. AUDITORS

- I. Messrs Thakur Vaidyanath Aiyar & Co., Chartered Accountants, retire at the forthcoming annual general meeting and are eligible for re-appointment.
- II. Comments made by the Auditors in their Report are self-explanatory and therefore do not call for any further explanation.

7. PERSONNEL

- I. Relations between the management & employees were Co-ordial. Your Directors wish to place on record appreciation of services rendered by all the members of staff. 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.
- II. The Board wishes to place on record their gratitude for their continued co-operation, assistance and guidance extended by Banks, Client, Stock Exchange Members and Associates.

8. 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 are not applicable.

For and on behalf of the Board

P.V.R Murthy
Director

Mohan Datari
Director

Place : Mumbai
Dated : 1st September, 2004

AUDITORS' REPORT**ARYAMAN FINANCIAL SERVICES LTD**

We have audited the attached Balance Sheet of **ARYAMAN FINANCIAL SERVICES LTD** as at 31st March, 2004 and also the Profit and Loss Account 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. 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 order 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;
- c) The Balance Sheet, 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 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 31st March, 2004, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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- 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 :
- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004; and
 - In the case of the Profit and loss account, of the loss for the year ended on that date.
 - In the case of Cash Flow statement, of the cash flows for the year ended on that date.

For **THAKUR VAIDYANATH AIYAR & CO.**
Chartered Accountants,

Place :- Mumbai (C.V. Parameswar)
Partner
Dated :- 01-09-2004 M.No.11541

**ANNEXURE REFERRED TO IN
PARAGRAPH 1 OF OUR REPORT OF
EVEN DATE ON THE ACCOUNTS FOR
THE YEAR ENDED 31st MARCH, 2004.**

- In respect of Fixed Assets
 - The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - 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.
 - The company has disposed / discarded some of its fixed assets during the year. As explained to us and in our opinion, the sales / discarding of fixed assets does not form substantial part of fixed assets during the year and the going concern status of the company is not affected.
- 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.
- In respect of loans, Secured or 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 :
 - The company has neither accepted nor granted any loan to Companies, Firms or other parties listed in the register maintained under section 301 of The Companies Act, 1956.
 - In view of our comment in (a) above, Para 4 (iii) (b), (c) and (d) are not applicable to the company.
- 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 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.
- In respect of transactions covered under Section 301 of the Companies Act.1956
 - 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.
 - 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.
- 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.
- In our opinion, the company has an internal audit system, which is commensurate with the size and nature of its business.
- 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.
- In respect of statutory dues
 - 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, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2004 for a

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

- 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 Which the matter Pertains to	Forum where dispute is pending	Amounts (Rs in Lakhs)
Income Tax	1997 - 1998	CIT (Appeals)	26.53

- x. The accumulated loss the company is not more than 50% of its net worth and the company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanation given to us we are of the opinion that the company has not defaulted in repayments of dues to the financial institution, banks or debenture holders.
- xii. In our opinion and according to the information and explanations given to us no loans and advances have been granted by the company on the basis of security by way of pledge of the 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 has maintained proper records of the transaction and contracts for dealing or trading in shares. The company has not dealt / traded into any transaction of securities, debenture or other securities. We are informed that the shares are held by the company in its own name.
- xv. In our opinion and according to the information & explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The company has not raised any term loans during the year.
- xvii. On the basis of our examination of cash flow statement it appears that the funds raised on short term basis are not used for long term basis and vice versa.
- xviii. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the companies Act.1956.

- xix. The company has not issued any debentures during the year and therefore para 4 (xix) of the order is not applicable to the company.
- xx. The company has not raised any money by way public issue during the 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 instances of fraud on or by the company during the year, nor have we been informed of such case by the management.

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

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

Place : Mumbai
Date : 01-09-2004

MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Financial Service sector is going through unprecedented downturn. The new avenues in the field of Corporate debt re-structuring and asset recovery for banks and Financial Institutions and focusing on Mergers and Acquisitions.

2. OPPORTUNITIES AND THREATS

Opportunities:

Concentrating in News areas of Financial related activities like Mergers and Acquisitions Market Corporate debt re-structuring and asset recovery for banks and Financial Institutions

Threats:

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

3. SEGMENTWISE PERFORMANCE

Merchant Banking activity has almost come to a standstill.