

J. T. Shah & Co.

CHARTERED ACCOUNTANTS

To
ARMAN FINANCIAL SERVICES LIMITED
502-503 Sakar III,
Opp. Old Gujarat High Court,
Off. Ashram Road,
Ahmedabad - 380 014

We have reviewed the accompanying statement of unaudited financial results of **ARMAN FINANCIAL SERVICES LIMITED** having its Registered Office at 502-503 Sakar III, Opp. Old Gujarat High Court, Off Ashram Road, Ahmedabad - 380 014 for the period ended 31.12.2010. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India.


This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: 28.01.2011
Place: Ahmedabad



For, J. T. Shah & Company
Chartered Accountants
(Firm Regd. No. 109616W)


(J. J. Shah)
(Partner)
[M. No. 45669]

ARMAN FINANCIAL SERVICES LIMITED
PROVISIONAL BALANCE SHEET AS AT 31ST DECEMBER 2010 AND 31ST MARCH 2010

P A R T I C U L A R S	Schedule No.	31/12/2010 Rs.	31/03/2010 Rs.
<u>SOURCES OF FUNDS</u>			
1. <u>Shareholders' Funds :</u>			
(a) Share Capital	1	4,07,66,000	4,07,66,000
(b) Reserves and Surplus	2	5,22,63,803	3,75,62,587
		9,30,29,803	7,83,28,587
2. <u>Loan Funds :</u>			
(a) Secured Loans	3	38,27,06,801	18,35,81,457
(b) Unsecured Loans	4	2,07,09,723	99,07,999
		40,34,16,524	19,34,89,456
3. Deferred Tax Liability (Net)		14,73,931	13,18,282
Total.....		49,79,20,258	27,31,36,325
<u>APPLICATION OF FUNDS</u>			
1. <u>Fixed Assets</u>			
Gross Block	5	1,51,83,763	1,35,78,115
Less : Depreciation		42,23,929	35,65,398
		1,09,59,834	1,00,12,717
2. <u>Investments</u>	6	-	2,00,000
3. <u>Current Assets, Loans & Advances</u>			
(a) Current Assets	7	4,40,23,970	4,35,31,118
(b) Loans & Advances	8	45,33,04,463	22,66,75,576
		49,73,28,433	27,02,06,694
4. <u>Less : Current Liabilities & Provisions</u>			
(a) Current Liabilities	9	33,96,321	39,35,457
(b) Provisions	10	79,66,688	33,47,629
		1,13,63,009	72,83,086
Net Current Assets		48,59,65,424	26,29,23,608
5. Miscellaneous Exp		9,95,000	
		49,79,20,258	27,31,36,325
Notes to Accounts	15		-

ARMAN FINANCIAL SERVICES LIMITED

PROVISIONAL PROFIT AND LOSS ACCOUNT FOR NINE MONTHS ENDED 31ST DEC 2010 AND YEAR ENDED 31ST MAR 2010

PARTICULARS	Schedule No.	Rupees	31/12/2010 Rs.	31/03/2010 Rs.
<u>INCOME</u>				
1. Income from Operations	11	7,80,39,373		5,60,78,652
2. Other Income	12	3,245		25,950
			<u>7,80,42,617</u>	<u>5,61,04,602</u>
<u>EXPENDITURE</u>				
1. Administrative & Other Expenses	13	2,66,86,115		2,40,37,508
2. Interest	14	2,84,41,105		1,93,80,802
3. Depreciation	5	6,58,531		7,23,938
			<u>5,57,85,751</u>	<u>4,41,42,248</u>
PROFIT BEFORE TAXATION			2,22,56,866	1,19,62,354
Less : Provision for Taxation				
-- Current Tax			(74,00,000)	(37,00,000)
-- Fringe Benefit Tax			Nil	Nil
-- Deferred Tax Assets/ (Liability)			(1,55,650)	(3,81,206)
PROFIT AFTER TAXATION			<u>1,47,01,216</u>	<u>78,81,148</u>
Excess / (Short) Provision of Earlier Years			Nil	Nil
			<u>1,47,01,216</u>	<u>78,81,148</u>
Add : Balance B/F from last year			2,81,02,031	2,47,82,534
PROFIT AVAILABLE FOR APPROPRIATION			<u>4,28,03,247</u>	<u>3,26,63,682</u>
Proposed Dividend			Nil	24,45,960
Corporate Dividend Tax			Nil	4,15,691
Transfer to Special Reserve as per Sec 45(IC) of RBI Act			Nil	17,00,000
BALANCE CARRIED TO BALANCE SHEET			<u><u>4,28,03,247</u></u>	<u><u>2,81,02,031</u></u>
Basic and Diluted Earning per Shares			3.61	1.93

ARMAN FINANCIAL SERVICES LIMITED

**SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DEC., 2010**

P A R T I C U L A R S	As at 31/12/2010 Rs.	As at 31/03/2010 Rs.
<u>SCHEDULE - 1</u>		
<u>SHARE CAPITAL :</u>		
<u>Authorised Capital :</u>		
5,000,000 (Prev. Year 5,000,000) Equity Shares of Rs. 10/- each	5,00,00,000	5,00,00,000
<u>Issued, Subscribed & Paid up Capital :</u>		
4,076,600 (Prev. Year 4,076,600) Equity Shares of Rs. 10/- each fully paid up	4,07,66,000	4,07,66,000
Total.....	4,07,66,000	4,07,66,000
<u>SCHEDULE - 2</u>		
<u>RESERVES AND SURPLUS :</u>		
a. <u>General Reserve :</u>		
Balance as per last Balance Sheet	6,25,556	6,25,556
b. <u>Special Reserve</u>		
Balance as per last Balance Sheet	88,35,000	71,35,000
Add: Transferred from Profit & Loss A/c.	0	17,00,000
	88,35,000	88,35,000
c. <u>Profit and Loss Account</u>		
	4,28,03,247	2,81,02,031
Total.....	5,22,63,803	3,75,62,587
<u>SCHEDULE - 3</u>		
<u>SECURED LOANS :</u>		
a. Term Loans from Banks (secured against specific book debts and personal guarantee of one of the Director)	7,56,08,187	10,04,48,826
b. Term Loans from Financial Institutions (Secured by Hypothecation of hypothecated assets and also by personal guarantee of some of the Directors)	13,24,60,437	2,10,85,142
c. Working Capital Loans form Banks (Secured by way of Mortgage of Office Premises, specific Book debt and also by personal guarantee of some of the Directors)	17,34,64,066	6,06,80,191
d. Vehicle Loan from Bank (Secured by hypothecation of Vehicle)	11,74,111	13,67,299
Total.....	38,27,06,801	18,35,81,457
<u>SCHEDULE - 4</u>		
<u>UNSECURED LOANS :</u>		
a. From Directors & their Relatives	1,57,09,723	99,07,999
b. Inter Corporate Deposit	50,00,000	
Total.....	2,07,09,723	99,07,999

ARMAN FINANCIAL SERVICES LIMITED

**SCHEDULE - 5
FIXED ASSETS :**

Sr. No.	Description of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/2010	Additions during the Year	Deduction on A/c. of Sale / Transfer or Adjustment	As at 31/12/2010	As at 01/04/2010	Provided during the Year	Deduction on A/c. of Sale / Transfer or Adjustment	As at 31/12/2010	As at 31/12/2010	As at 31/03/2010
	<u>OWN ASSETS :</u>										
1	Plant & Machinery	1,40,000	Nil	Nil	1,40,000	26,126	5,010	Nil	31,136	1,08,864	1,13,874
2	Furniture & Fixture	24,68,463	7,43,625	Nil	32,12,088	15,09,197	1,16,974	Nil	16,26,171	15,85,917	9,59,266
3	Air Conditioner	1,66,404	80,494	Nil	2,46,898	21,391	6,151	Nil	27,542	2,19,356	1,45,013
4	Electric Installation	1,57,707	16,001	Nil	1,73,708	91,681	5,677	Nil	97,358	76,350	66,026
5	Office Equipments	10,56,457	6,37,291	Nil	16,93,748	3,73,693	1,38,258	Nil	5,11,951	11,81,797	6,82,764
6	Vehicles	45,78,658	1,28,237	Nil	47,06,895	6,83,085	3,24,929	Nil	10,08,014	36,98,881	38,95,573
7	Office Building	50,10,426	Nil	Nil	50,10,426	8,60,225	61,532	Nil	9,21,757	40,88,669	41,50,201
	Total	1,35,78,115	16,05,648	0	1,51,83,763	35,65,398	6,58,531	0	42,23,929	1,09,59,834	1,00,12,717
	P.Y. Total.....	1,16,56,611	31,74,404	12,52,900	1,35,78,115	35,09,962	7,23,938	6,68,502	35,65,398	1,00,12,717	

ARMAN FINANCIAL SERVICES LIMITED

**SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DEC., 2010**

PARTICULARS	As at 31/12/2010 Rs.	As at 31/03/2010 Rs.
<u>SCHEDULE - 6</u>		
<u>INVESTMENTS :</u>		
<u>Long Term Investments (Non Trade) :</u>		
<u>Unquoted</u>		
a. Nil Shares (P.Y. 8000) of Sarvodaya Commercial Co-op Bank Ltd. of Rs. 25/- each fully paid up	0	2,00,000
Total.....	0	2,00,000

SCHEDULE - 7

CURRENT ASSETS :

(Considered Good unless otherwise stated)

STOCK IN TRADE :

(As Certified by Directors)

a. 150 Shares (Prev. Year 150) of Ausom Enterprise Ltd. (Formerly (known as Core Emblich Ltd.) of Rs. 10/- each fully paid up	2,532	2,532
b. 400 Shares (Prev. Year 400) of Rolta India Ltd. of Rs. 10/- each fully paid up	61,800	71,580
c. 100 Shares (Prev. Year 100) of Rolatainer Ltd. of Rs. 10/- each fully paid up	25,070	32,785
d. 80 Shares (Prev. Year 80) of Silverline Ltd. of Rs. 10/- each fully paid up	426	428
e. 32 Shares (Prev. Year 32) of Silverline Animation Ltd. of Rs. 10/- each fully paid up	289	320
f. 660 Shares (Prev. Year 660) of Pentamedia Graphics Ltd. of Rs. 1/- each fully paid up	1,412	1,709
g. 45,000 Shares (Prev. Year 20,000) of Sanara Media Ltd. of Rs. 1/- each fully paid up	9,450	16,650
h. 800 Shares (Prev. Year 800) of Shreerama Multi Ltd. of Rs. 5/- each fully paid up	5,800	4,280
i. 100 Shares (Prev. Year 100) of Trygen Technology Ltd. of Rs. 10/- each fully paid up	2,680	2,030
j. 1 Shares (Prev. Year 1) of Reliance Capital Ltd. of Rs. 10/- each fully paid up	226	226
k. 254 Shares (Prev. Year 127) of Reliance Ind. Ltd. of Rs. 10/- each fully paid up	1,20,767	1,20,767
l. 70 (Prev. Year 70) of BGR Energy Ltd. of Rs. 10/- each fully paid up	33,600	33,600
m. 27 Shares (Prev. Year 27) of Reliance Comm. Ltd. of Rs. 5/- each fully paid up	3,918	4,589
n. 2 Shares (Prev. Year 2) of Reliance Infrastructure Ltd. of Rs. 10/- each fully paid up	1,272	1,272
o. 27 Shares (Prev. Year 27) of Reliance Natural Resources Ltd of Rs. 5/- each fully paid up	122	122
p. 5 Shares (Prev. Year 5) of Chola Mandalam Fin. Ltd. of Rs. 10/- each fully paid up	749	469
q. 5 Shares (Prev. Year 5) of Ashok Leyland Fin. Ltd. of Rs. 1/- each fully paid up	178	178

ARMAN FINANCIAL SERVICES LIMITED

**SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DEC., 2010**

PARTICULARS	As at 31/12/2010 Rs.	As at 31/03/2010 Rs.
r. 5 Shares (Prev. Year 5) of First Leasing of Rs. 10/- each fully paid up	213	213
s. 5 Shares (Prev. Year 5) of HDFC Bank Ltd. of Rs. 10/- each fully paid up	3,594	3,594
t. 5 Shares (Prev. Year 5) of ICICI Bank Ltd. of Rs. 10/- each fully paid up	2,498	2,498
u. 5 Shares (Prev. Year 5) of Indusind Bank Ltd. of Rs. 10/- each fully paid up	159	159
v. 5 Shares (Prev. Year 5) of Kotak Mahindra Bank Ltd. of Rs. 10/- each fully paid up	1,222	1,222
	2,77,977	3,01,222
<u>SUNDRY DEBTORS :</u>		
<u>Unsecured, Considered good unless otherwise stated</u>		
a. <u>Outstanding for a period exceeding six months :</u>		
<u>Good</u>		
Secured	31,59,881	39,16,336
Unsecured	13,48,647	11,16,003
	45,08,528	50,32,339
Doubtful	Nil	Nil
	45,08,528	50,32,339
b. <u>Others :</u>		
<u>Good</u>		
-- Secured	27,28,448	25,42,397
-- Unsecured	3,60,111	2,07,625
	30,88,559	27,50,022
Doubtful	Nil	Nil
	30,88,559	27,50,022
	75,97,087	77,82,361
<u>CASH AND BANK BALANCES :</u>		
a. Cash on Hand	2,35,788	1,06,712
b. <u>Balance with Scheduled Banks</u>		
- In Current A/c.	6,73,107	9,389
c. <u>Balance with Non-scheduled Banks</u>		
- In Current A/c.	7,86,502	9,23,617
- Fixed Deposit A/c.	3,44,53,509	3,44,07,816
	3,61,48,906	3,54,47,534
Total.....	4,40,23,970	4,35,31,118

ARMAN FINANCIAL SERVICES LIMITED

**SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DEC., 2010**

PARTICULARS	As at 31/12/2010 Rs.	As at 31/03/2010 Rs.
<u>SCHEDULE - 8</u>		
<u>LOANS AND ADVANCES :</u>		
<u>Considered good unless otherwise stated</u>		
a. <u>Secured</u>		
Loan Secured by Hypothecation of Assets (Refer Note No. 13 of the "Schedule 15")	21,81,21,430	13,61,65,484
Loan secured by Assets	1,95,40,175	4,73,72,058
	23,76,61,605	18,35,37,542
b. <u>Unsecured</u>		
Loans to Companies, Firms & Individuals (Refer Note No. 14 of the "Schedule 15")	20,22,54,017	4,07,90,426
c. Advances recoverable in cash or kind or for value to be received (Unsecured)	19,85,560	8,74,261
d. Deposits	77,85,765	11,51,134
e. Advances to Staff	2,30,980	1,95,800
f. Advance Income-Tax & TDS	33,86,536	1,26,413
Total.....	45,33,04,463	22,66,75,576
<u>SCHEDULE - 9</u>		
<u>CURRENT LIABILITIES :</u>		
a. Sundry Creditors	28,24,750	34,78,283
b. Security Deposits	1,68,991	1,40,526
c. Others	1,48,332	2,42,058
d. Unclaimed Dividend	2,54,248	74,590
Total.....	33,96,321	39,35,457
<u>SCHEDULE - 10</u>		
<u>PROVISIONS</u>		
a. Provision for NPA	5,66,688	4,85,978
b. Provision for Dividend		24,45,960
c. Corporate Tax on Dividend		4,15,691
d. Provision for Taxation	74,00,000	
Total.....	79,66,688	33,47,629

ARMAN FINANCIAL SERVICES LIMITED

SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DEC., 2010

PARTICULARS	As at 31/12/2010 Rs.	As at 31/03/2010 Rs.
<u>SCHEDULE - 11</u>		
<u>INCOME FROM OPERATIONS :</u>		
a. Interest Income	7,56,50,150	5,50,68,001
b. Income from Loan	24,10,671	8,94,144
c. Share Trading Income	-23,246	1,16,507
Total.....	<u>7,80,37,575</u>	<u>5,60,78,652</u>
<u>SCHEDULE - 12</u>		
<u>OTHER INCOME :</u>		
a. Profit on Sale of investment	Nil	Nil
b. Dividend	3,245	25,950
Total.....	<u>3,245</u>	<u>25,950</u>
<u>SCHEDULE - 13</u>		
<u>ADMINISTRATIVE AND OTHER EXPENSES :</u>		
a. Payment made to Employees		
- Salary and Bonus	51,07,586	55,33,069
- Staff Welfare Expenses	<u>2,61,235</u>	<u>1,88,578</u>
	53,68,821	57,21,647
b. Rent, Rates and Taxes	8,68,365	2,47,749
c. Electricity Expenses	2,73,968	1,64,458
d. Security & Recovery Expenses	3,41,576	7,44,370
e. Insurance	5,83,934	56,611
f. Repairs to		
(a) Building		20,364
(b) Plant & Machinery	Nil	Nil
(c) Others	<u>4,11,131</u>	<u>1,93,212</u>
	4,11,131	2,13,576
g. Printing, Stationery & Advertisement	8,30,401	7,75,715
h. Postage & Telephone Expenses	8,93,518	5,68,120
i. Travelling, Conveyance & Vehicle Maintenance	11,52,948	5,17,416
j. Legal & Professional Expenses	42,06,469	35,09,527
k. Sales Incentive Exp.	15,25,708	28,25,502
l. Marketing Expenses	79,45,057	38,66,314
m. Remuneration to Auditors	Nil	2,21,078
n. Director's Sitting Fees	1,39,000	1,49,000
o. Loss on Sale of Fixed Assets	Nil	1,77,398
p. Bad Debts & Irrecoverables W/off (Net)	12,88,913	31,93,378
q. Provision for N.P.A. (Net)	80,710	3,013
r. Sundry Balance Written Off	1,61,699	8,45,895
s. General Expenses	<u>6,13,897</u>	<u>2,36,741</u>
Total.....	<u>2,66,86,115</u>	<u>2,40,37,508</u>
<u>SCHEDULE - 14</u>		
<u>INTEREST PAID</u>		
Banks	2,07,71,723	1,55,92,479
Other Interest and Bank Charges	<u>76,45,022</u>	<u>37,88,323</u>
Total.....	<u>2,84,16,745</u>	<u>1,93,80,802</u>