

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 30.06.2011. 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 provide 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: 06.08.2011
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 30TH JUNE, 2011

P A R T I C U L A R S	Schedule No.	30/06/2011 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	<u>6,37,50,104</u>	<u>5,18,92,822</u>
		10,45,16,104	9,26,58,822
2. <u>Loan Funds :</u>			
(a) Secured Loans	3	36,63,15,063	38,59,07,008
(b) Unsecured Loans	4	<u>2,75,80,020</u>	<u>1,02,71,379</u>
		39,38,95,083	39,61,78,387
3. Deferred Tax Liability (Net)		<u>7,62,073</u>	<u>8,04,329</u>
Total.....		<u><u>49,91,73,260</u></u>	<u><u>48,96,41,538</u></u>
<u>APPLICATION OF FUNDS</u>			
1. <u>Fixed Assets</u>			
Gross Block	5	1,57,26,015	1,54,41,429
Less : Depreciation		<u>47,28,574</u>	<u>44,75,875</u>
		1,09,97,441	1,09,65,554
2. <u>Investments</u>	6	Nil	Nil
3. <u>Current Assets, Loans & Advances</u>			
(a) Current Assets	7	3,59,96,371	4,48,11,493
(b) Loans & Advances	8	<u>46,61,21,826</u>	<u>44,53,89,428</u>
		50,21,18,197	49,02,00,921
4. <u>Less : Current Liabilities & Provisions</u>			
(a) Current Liabilities	9	30,79,056	42,98,427
(b) Provisions	10	<u>1,08,63,322</u>	<u>72,26,509</u>
		1,39,42,378	1,15,24,936
Net Current Assets		48,81,75,819	47,86,75,985
		<u><u>49,91,73,260</u></u>	<u><u>48,96,41,538</u></u>
Notes to Accounts	15		

ARMAN FINANCIAL SERVICES LIMITED

VISIONAL PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED 30TH JUNE 2011 & YEAR ENDED 31ST MARCH

PARTICULARS	Schedule No.	Rupees	30/06/2011 Rs.	31/03/2010 Rs.
<u>INCOME</u>				
1. Income from Operations	11	3,89,34,624		11,42,13,741
2. Other Income	12	-		11,393
			<u>3,89,34,624</u>	<u>11,42,25,134</u>
<u>EXPENDITURE</u>				
1. Administrative & Other Expenses	13	83,91,063		4,36,61,409
2. Interest & Finance Charges	14	1,27,75,836		4,29,34,020
3. Depreciation	5	2,52,699		9,10,477
			<u>2,14,19,598</u>	<u>8,75,05,905</u>
PROFIT BEFORE TAXATION			1,75,15,026	2,67,19,228
Less : Provision for Taxation				
-- Current Tax			(57,00,000)	(91,00,000)
-- Deferred Tax Assets/ (Liability)			42,256	5,13,953
PROFIT AFTER TAXATION			<u>1,18,57,282</u>	<u>1,81,33,182</u>
Add : Balance B/F from last year			<u>3,87,82,267</u>	<u>2,81,02,031</u>
PROFIT AVAILABLE FOR APPROPRIATION			<u>5,06,39,549</u>	<u>4,62,35,213</u>
Proposed Dividend				32,61,280
Corporate Dividend Tax thereon				5,41,666
Transfer to Special Reserve as per Sec 45(IC) of RBI Act				36,50,000
BALANCE CARRIED TO BALANCE SHEET			<u><u>5,06,39,549</u></u>	<u><u>3,87,82,267</u></u>
Basic and Diluted Earning per Shares			3	4
Notes to Accounts	15			

ARMAN FINANCIAL SERVICES LIMITED

**SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30TH JUNE, 2011**

PARTICULARS	As at 30/06/2011 Rs.	As at 31/03/2011 Rs.
<u>SCHEDULE - 1</u>		
<u>SHARE CAPITAL :</u>		
<u>Authorised Capital :</u>		
15,000,000 (Prev. Year 5,000,000) Equity Shares of Rs. 10/- each	15,00,00,000	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	1,24,85,000	88,35,000
Add: Transferred from Profit & Loss A/c.		36,50,000
	1,24,85,000	1,24,85,000
c. <u>Profit and Loss Account</u>		
	5,06,39,549	3,87,82,266
Total.....	6,37,50,104	5,18,92,822
<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)	4,52,30,304	6,00,02,577
b. Term Loans from Financial Institutions (Secured by Hypothication of hypothicated assets and also by personal guarantee of some of the Directors)	13,42,75,052	12,21,53,566
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)	18,57,71,397	20,26,43,934
d. Vehicle Loan from Bank (Secured by hypothecation of Vehicle)	10,38,310	11,06,931
Total.....	36,63,15,063	38,59,07,008
<u>SCHEDULE - 4</u>		
<u>UNSECURED LOANS :</u>		
a. From Directors & their Relatives	1,75,80,020	1,80,639
b. From Inter Corporate Deposit	1,00,00,000	1,00,90,740
Total.....	2,75,80,020	1,02,71,379

ARMAN FINANCIAL SERVICES LIMITED

SCHEDULE - 5
FIXED ASSETS :

Sr. No.	Description of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/2011	Additions during the Year	Deduction on A/c. of Sale / Transfer or Adjustment	As at 30/06/2011	As at 01/04/2011	Provided during the Year	Deduction on A/c. of Sale / Transfer or Adjustment	As at 30/06/2011	As at 30/06/2011	As at 31/03/2011
	OWN ASSETS :										
1	Plant & Machinery	1,40,000	Nil	Nil	1,40,000	32,776	1,658	Nil	34,434	1,05,566	1,07,224
2	Furniture & Fixture	32,12,088	33,550	Nil	32,45,638	16,74,312	48,420	Nil	17,22,732	15,22,906	15,37,776
3	Air Conditioner	2,69,898	Nil	Nil	2,69,898	30,457	3,195	Nil	33,652	2,36,246	2,39,441
4	Electric Installation	1,73,708	Nil	Nil	1,73,708	99,394	2,056	Nil	1,01,450	72,258	74,314
5	Office Equipments	19,17,518	2,51,036	Nil	21,68,554	5,79,309	66,972	Nil	6,46,281	15,22,273	13,38,209
6	Vehicles	47,17,791	Nil	Nil	47,17,791	11,17,732	1,10,036	Nil	12,27,768	34,90,023	36,00,059
7	Office Building	50,10,426	Nil	Nil	50,10,426	9,41,895	20,362	Nil	9,62,257	40,48,169	40,68,531
	Total	1,54,41,429	2,84,586	Nil	1,57,26,015	44,75,875	2,52,699	Nil	47,28,574	1,09,97,441	1,09,65,554
	P.Y. Total.....	1,35,78,115	18,63,314	Nil	1,54,41,429	35,65,398	9,10,477	Nil	44,75,875		--

ARMAN FINANCIAL SERVICES LIMITED
SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30TH JUNE, 2011

P A R T I C U L A R S	As at 30/06/2011 Rs.	As at 31/03/2010 Rs.
<u>SCHEDULE - 6</u>		
<u>INVESTMENTS :</u>		
<u>Long Term Investments (Non Trade) :</u>	Nil	Nil
Total.....	Nil	Nil
<u>SCHEDULE - 7</u>		
<u>CURRENT ASSETS :</u>		
<u>(Considered Good unless otherwise stated)</u>		
<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		22,83,856
Unsecured		1,67,022
	-	24,50,878
Doubtful	Nil	Nil
		24,50,878
b. <u>Others :</u>		
<u>Good</u>		
-- Secured	13,880	27,52,228
-- Unsecured		18,525
	13,880	27,70,753
Doubtful	Nil	Nil
		13,880
		27,70,753
		13,880
		52,21,631
<u>CASH AND BANK BALANCES :</u>		
a. Cash on Hand	2,61,094	5,38,180
b. <u>Balance with Scheduled Banks</u>		
- In Current A/c.	8,94,067	8,83,668
c. <u>Balance with Non-scheduled Banks</u>		
- In Current A/c.	51,04,177	37,22,040
(Maximum Debit Balance at any time during the year Rs. 74465173/-) (Prev. Year Rs. 56349215/-)		
- Fixed Deposit A/c.	2,97,23,153	3,44,45,974
(Maximum Debit Balance at any time during the year Rs39874158/-) (Prev. Year Rs. 35229940/-)		
Total.....		3,59,82,491
		3,59,96,371
		4,48,11,493

ARMAN FINANCIAL SERVICES LIMITED

SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30TH JUNE, 2011

P A R T I C U L A R S	As at 30/06/2011 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 Hypothication of Assets (Refere Note No. 14 of the "Schedule 15")	22,59,01,704	20,85,55,958
Individual Loans Secured by Assets (Secured by Hypothcation of vehicles) (Refere Note No. 14 of the "Schedule 15")		1,22,37,591
b. <u>Unsecured</u>		
Loans to Companies, Firms & Individuals (Refere Note No. 15 of the "Schedule 15")	22,53,23,703	21,15,38,064
c. Advances recoverable in cash or kind or for value to be received (Unsecured)	12,15,740	26,91,684
d. Deposits	1,34,81,774	1,02,01,986
e. Advances to Staff	1,98,905	1,64,145
Total.....	46,61,21,826	44,53,89,428
<u>SCHEDULE - 9</u>		
<u>CURRENT LIABILITIES :</u>		
a. Sundry Creditors	22,70,889	35,15,356
b. Security Deposits	3,97,506	2,54,491
c. Others Liabilities	1,61,153	2,79,072
d. Unclaimed Dividend	2,49,508	2,49,508
Total.....	30,79,056	42,98,427
<u>SCHEDULE - 10</u>		
<u>PROVISIONS</u>		
a. Provision for Proposed Dividend	32,61,280	32,61,280
b. Provision for Corporate Dividend Tax on Proposed Dividend	5,41,666	5,41,666
c. Provision for NPA	3,58,493	3,33,013
d. Contingent Provision against standered Asset	11,35,000	11,00,000
e. Provision for Taxation	55,66,883	19,90,550
Total.....	1,08,63,322	72,26,509

ARMAN FINANCIAL SERVICES LIMITED

**SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30TH JUNE, 2011**

P A R T I C U L A R S	For the year ended on 30/06/2011 Rs.	For the year ended on 31/03/2010 Rs.
<u>SCHEDULE - 11</u>		
<u>INCOME FROM OPERATIONS :</u>		
a. Interest Income	3,83,33,114	11,03,77,866
b. Income from Loan	6,01,510	37,32,197
c. Share Trading Income		1,03,677
Total.....	3,89,34,624	11,42,13,741
<u>SCHEDULE - 12</u>		
<u>OTHER INCOME :</u>		
a. Dividend		11,393
Total.....	-	11,393
<u>SCHEDULE - 13</u>		
<u>ADMINISTRATIVE AND OTHER EXPENSES :</u>		
a. Payment made to Employees		
- Salary and Bonus	43,52,922	1,45,98,890
- Staff Welfare Expenses	57,130	4,02,106
	44,10,052	1,50,00,996
b. Rent, Rates and Taxes	3,52,964	15,45,917
c. Electricity Expenses	53,565	3,84,874
d. Security & Recovery Expenses	1,72,650	6,06,517
e. Insurance	2,54,803	13,86,746
f. Repairs to		
(a) Building	53,653	3,79,262
(b) Plant & Machinery	Nil	Nil
(c) Others		1,25,453
	53,653	5,04,715
g. Printing, Stationery & Advertisement	1,14,274	10,59,046
h. Postage & Telephone Expenses	1,78,424	12,60,889
i. Travelling, Conveyance & Vehicle Maintenance	2,03,595	13,94,220
j. Legal & Professional Expenses	5,08,686	70,76,983
k. Sales Incentive Exp.	5,59,716	35,01,400
l. Marketing Expenses	9,10,136	41,81,682
m. Remuneration to Auditors		1,83,208
n. Director's Sitting Fees	55,000	1,80,000
o. Loss on Sale of Fixed Assets	Nil	Nil
p. Bad Debts & Irrecoverables W/off (Net)	2,40,278	32,78,492
q. Provision for N.P.A. (Net)	25,480	(1,52,965)
r. Contingent Provision on Standard Asset	35,000	11,00,000
s. Sundry Balance Written Off	42,419	7,23,843
t. General Expenses	2,20,368	4,44,848
Total.....	83,91,063	4,36,61,411

ARMAN FINANCIAL SERVICES LIMITED

SCHEDULES "1 TO 15" FORMING THE PART OF FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30TH JUNE, 2011

P A R T I C U L A R S	For the year ended on 30/06/2011 Rs.	For the year ended on 31/03/2010 Rs.
<u>SCHEDULE - 14</u>		
<u>INTEREST & FINANCE CHARGES</u>		
OnTerm Loans	78,83,806	1,41,94,406
On Other Loans	47,87,724	2,68,41,147
Bank Charges	1,04,306	18,98,466
Total.....	<u>1,27,75,836</u>	<u>4,29,34,020</u>