

DIRECTORS' REPORT

To,
The Members
MONEY MATTERS SECURITIES PRIVATE LIMITED

Your Directors present their **Fourth** Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

	2009-2010	2008-2009
	Rs.	Rs.
Turnover / Income	5,32,88,228	5,72,66,652
Expenditure	3,98,62,814	4,45,41,506
Profit Before Tax	1,34,25,414	1,27,25,146
Less: Provision for Tax - Current year	46,00,000	20,60,000
Deferred Tax (Asset)/Liability	(4,06,440)	(4,29,462)
Fringe Benefit Tax	-	1,11,900
Profit After Tax	92,31,854	1,09,82,708
Profit brought forward from previous year	3,94,34,266	2,84,51,558
Balance Carried to the Balance Sheet	4,86,66,120	3,94,34,266
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OPERATIONS

During the financial year 2009-10 the Company's broking income amounted to Rs. 97.49 Lacs as against previous year of Rs. 123.99 Lacs. During the year, your Company earned fee based income of Rs. 280.60 Lacs. The company has made efforts in building up Debt Broking team which has earned debt brokerage of Rs. 15.44 Lacs during the year. Your Directors are hopeful that the investment in the Company will result in increased earnings in the future years. A snapshot of the Company's performance is given under the head of 'Financial Results' above.

DIVIDEND

Considering the requirement of funds for business purposes, the Board decided to re-deploy the profit towards the Company's growth and hence decided not to recommend any dividend for the year.

DIRECTORS

Mr. Sachin Shahane, Mr. Nitin Khivasara and Mr. Purushottam Srinivasan, resigned as Directors of the Company with effect from 26th April, 2010. The Board has placed on record its appreciation of the invaluable services rendered by them during their respective tenures as Directors of your Company.

Mr. Sanjay Sharma, Mr. R. N. Bhardwaj and Mr. Sanjay Surana were appointed as Additional Directors of the Company with effect from 26th April, 2010. Mr. R. N. Bhardwaj, an Independent Director of the Holding Company i.e. Money Matters Financial Services Limited has been appointed as a nominee of the Holding Company. In terms of section 260 of the Companies Act, 1956, all of them will hold their respective offices only up to the date of ensuing Annual General Meeting. Being eligible, all of them offer themselves for re-appointment.

Mr. Rajesh Sharma was appointed as the Managing Director of the Company for a period of Five years with effect from 26th April, 2010 to 25th April 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- (i) that in the preparation of the accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year ended 31st March, 2010 and of the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the year ended to 31st March, 2010 on a 'going concern' basis.

APPOINTMENT OF COMPANY SECRETARY:

During the year under review, Mr. Sachin Shahane resigned as the Company Secretary with effect from 1st August, 2009.

As required under Section 383A of the Companies Act, 1956, Ms. Riddhi Kinariwala an Associate member of Institute of Company Secretaries of India, New Delhi, has been appointed as the Company Secretary with effect from 26th April, 2010.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Information on particulars of employees' remuneration as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, forms part of this report. However, as per provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company, excluding the Statement of Particulars of Employees. Any member interested in obtaining such particulars may write to the Company and the same will be provided.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

M/s. S. K. Patodia & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, will retire at the forthcoming Annual General Meeting. They have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company.

Your Company has received a special notice pursuant to the provisions of Section 190 of the Companies Act, 1956 read with Section 225 of Companies Act, 1956 from a Shareholder proposing to appoint M/s. Haribhakti & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company, in place of the retiring auditors, M/s. S. K. Patodia & Associates.

Your Directors request the Shareholders to appoint M/s. Haribhakti & Co., Chartered Accountants, as Statutory Auditors for the financial year 2010-11.

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HUMAN RESOURCE DEVELOPMENT

The Company was able to attract qualified, experienced and talented professionals across various levels, strengthening your Company's presence in the present vibrant market. This will also help the Company tap new clients, launch new products as per market requirements and achieve timely execution. Employees are vital to the Company. Our "People" Philosophy and harmonious employee relations continue to prevail in the Company. The Company continues its focus on training and development of people through internal and external management development programmers.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

With the kind of activities carried out by the Company, no particulars are required to be furnished in this report under Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption.

There was no inflow or outflow of foreign exchange during the year under review.

ACKNOWLEDGEMENTS

We take the opportunity to express our deep sense of gratitude to the Company's bankers, clients, stock exchanges, and other statutory/regulatory authorities. We would like to place on record our appreciation of the sincere efforts made by the employees at all levels of the organization. The Directors also place on record their appreciation for the advice, guidance and support given by the Holding Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-

**RAJESH SHARMA
CHAIRMAN & MANAGING DIRECTOR**

PLACE: - Mumbai

DATED: - 21st June, 2010

Auditors' Report

To,

The Members of **Money Matters Securities Private Limited**,

We have audited the attached Balance Sheet of **Money Matters Securities Private Limited** as at **31st March, 2010** and the Profit and Loss Account 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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.
2. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 accounts as required by law have been kept by the Company as it appears from our examination of those books.
 - c) The said Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

- e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of subsection (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, read together with notes appearing thereon, 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:
- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
- ii) In the case of the Profit and Loss Account, of the Profit Company for the year ended on that date.

For S.K. Patodia & Associates
Chartered Accountants
Firms Reg. No. 112723W

Sd/-

Vishnu Kant Saraf
Partner
Mem. No. : 047755

Place : Mumbai
Date : 21st June, 2010

Annexure to Auditors Report

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Money Matters Securities Private Limited** for the year ended 31st March 2010.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b) All the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the company and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- c) No major asset has been disposed off during the year.
- (ii) a) Since the company mainly engaged in the business of broking and advisory, there is no inventory in the books.
- b) In view of our comments in para (ii) (a) above, clause (ii) (b) and (c) of the said Order is not applicable to the company.
- (iii) a) The Company has not granted any loan to any party covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis.
- b) In view of our comments in para (iii) (a) above, clauses (iii) (b), (c) and (d) of the said order are not applicable to the company.
- c) The company has taken unsecured loans from one party covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount outstanding during the year was Rs.2, 800 Lacs and the year ended balance was Rs.2, 510 Lacs.
- d) The said loan is interest free and other terms and conditions are not prima facie prejudicial to the interests of the company.
- e) According to the information provided to us, the repayment of loan is regular.
- (iv) There are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) a) Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained in that section.
- b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- (vi) The company has not accepted any public deposit.
- (vii) The Company has an adequate Internal Audit system commensurate with its size and nature of its business.

- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the Company.
- (ix) According to the records of the Company, the undisputed statutory dues including Income Tax, Service Tax and Cess have regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2010 for a period more than six months from the date they became payable.
- (x) The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year and in immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of its dues to banks and financial institutions.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
- (xv) The company has not given any guarantee for loans taken by others and nature of its business.
- (xvi) The Company has not taken any Term Loan during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of 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 the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For S.K. Patodia & Associates
Chartered Accountants
Firms Reg. No. 112723W

Sd/-

Vishnu Kant Saraf
Partner

Mem No : 047755

Place : Mumbai.
Date : 21st June, 2010

Money Matters Securities Private Limited

Balance Sheet as at 31/03/2010

Particulars	Schedule	As at 31/03/2010 (Rs.)	As at 31/03/2009 (Rs.)
I. SOURCES OF FUNDS			
Shareholders Fund			
Share Capital	1	250,000,000	250,000,000
Reserves & Surplus	2	48,666,120	39,434,266
Loan Funds			
Secured Loans	3	279,008,404	-
Unsecured loans	4	251,000,000	-
Deferred Tax Liability		-	112,395
Total		828,674,524	289,546,661
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	28,597,950	27,352,192
Less : Depreciation		10,778,696	6,170,046
Net Block		17,819,254	21,182,146
Deferred Tax Assets		294,045	-
Current Assets, Loans & Advances			
Sundry Debtors	6	47,128,721	24,372,378
Cash & Bank Balances	7	447,599,779	223,894,981
Loans & Advances	8	470,274,428	57,671,178
		965,002,928	305,938,537
Less : Current Liabilities & Provisions	9	154,441,703	39,173,470
Net Current Assets		810,561,225	266,765,067
Miscellaneous Expenditure	10	-	1,599,448
(To the extent not written off or adjusted)			
Total		828,674,524	289,546,661
Singificant Accounting Policies & Notes on Accounts	16		

As per our report of even date

S K Patodia & Associates
CHARTERED ACCOUNTANTS

Firms Reg. No. 112723W

Sd/-
Vishnu Kant Saraf
Partner
Mem. No. 047755

For and on behalf of the Board

Sd/-
Chairman & Managing Director

Sd/-
Director

Sd/-

Company Secretary

Place : Mumbai
Date : 21st June, 2010

Money Matters Securities Private Limited

Profit & Loss Account for the Year ended 31/03/2010

Particulars	Schedules	Year Ended 31/03/2010 (Rs.)	Year Ended 31/03/2009 (Rs.)
A. Income			
Equity Brokerage		9,748,640	12,398,518
Brokerage from Debt Market		1,544,470	-
Corporate Advisory Services (TDS. Rs 30,95,101) (Previous Year Rs. 38,19,116)		28,060,750	25,000,000
Interest (TDS. Rs 15,23,214.02) (P.Y.Rs. 21,34,657)		12,576,514	12,531,738
Other Income	11	1,357,854	7,336,396
		53,288,228	57,266,652
B. Expenditure			
Direct Cost	12	3,589,859	2,733,150
Personnel Cost	13	16,524,692	20,911,022
Administrative & Other Expenses	14	11,884,324	10,761,026
Interest & Financial Charges	15	3,255,289	4,704,378
Depreciation		4,608,650	5,431,930
		39,862,814	44,541,506
Profit \ (Loss) before Taxation (A - B)		13,425,414	12,725,146
Less : Provision For Tax			
- Current Tax		4,600,000	2,060,000
- Deferred Tax liabilities / (Assets)		(406,440)	(429,462)
-Fringe Benefit Tax		-	111,900
Profit \ (Loss) After Tax		9,231,854	10,982,708
Balance brought forward from previous year		39,434,266	28,451,558
Balance carried to Balance Sheet		48,666,120	39,434,266
Earnings per Share (Face Value of Rs. 10 /- each)			
Basic		0.37	0.83
Diluted		0.37	0.83
Singificant Accounting Policies & Notes on Accounts	16		

As per our report of even date

S K Patodia & Associates
CHARTERED ACCOUNTANTS
Firms Reg. No. 112723W

For and on behalf of the Board

Sd/-
Vishnu Kant Saraf
Partner
Mem. No. 047755

Sd/-
Chairman & Managing Director

Sd/-
Director

Sd/-

Place : Mumbai
Date : 21st June, 2010

Company Secretary

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year ended 31/03/2010

Particulars	As at 31/03/2010 (Rs.)	As at 31/03/2009 (Rs.)
Schedule "1" : Share Capital		
Authorised		
2,50,00,000 (Previous Year 2,50,00,000) Equity Shares of Rs. 10 /- each	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid up		
2,50,00,000 (Previous Year 2,50,00,000) Equity Shares of Rs. 10 / each fully Paid up (Of the above, 100% of the shares are held by Money Matters Financial Services Limited, the holding company and its nominees)	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Schedule "2" : Reserves & Surplus		
Profit & Loss Account	48,666,120	39,434,266
	<u>48,666,120</u>	<u>39,434,266</u>
Schedule "3" : Secured Loans		
Bank O/D with Union Bank of India (Secured against Fixed Deposit)	279,008,404	-
	<u>279,008,404</u>	<u>-</u>
Schedule "4" : Unsecured Loans		
Loan from Holding Company (Money Matters Financial Services Limited)	251,000,000	-
	<u>251,000,000</u>	<u>-</u>
Schedule "6" : Sundry Debtors		
(Unsecured and Considered good)		
Debts due for more than six months	23,767,662	24,017,935
Other Debts	23,361,059	354,443
	<u>47,128,721</u>	<u>24,372,378</u>
Schedule "7" : Cash & Bank Balances		
Cash in Hand	131,352	134,343
Balance with Schedule Bank		
Current Account	74,927,077	39,358,014
Fixed Deposit	372,541,350	128,734,602
LIC MF Mutual Fund	-	55,668,022
	<u>447,599,779</u>	<u>223,894,981</u>
Schedule "8" : Loans & Advances		
(Unsecured and considered good)		
Advance recoverable in cash or kind or for value to be received	13,409,895	21,454,113
Margin with NSE Segment	415,454,000	-
Deposits	29,609,000	29,034,000
Advance Tax & TDS	11,801,533	7,183,065
	<u>470,274,428</u>	<u>57,671,178</u>
Schedule "9" : Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors:		
Due to Micro, Small and Medium Enterprises	-	-
Due to Others	146,406,328	35,942,465
Provisions		
Provisions for Gratuity	242,920	-
Provisions for Taxation	7,792,455	3,231,005
	<u>154,441,703</u>	<u>39,173,470</u>

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year ended 31/03/2010

Particulars	As at 31/03/2010 (Rs.)	As at 31/03/2009 (Rs.)
Schedule "10" : Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Opening Balance	1,599,448	2,132,597
Less : Written off during the Year	1,599,448	533,149
	<u>-</u>	<u>1,599,448</u>
Schedule "11" : Other Income		
Profit (Loss) on Trading in Shares		
Opening Stock	-	-
Purchases	137,304,091	-
Sub Total	<u>137,304,091</u>	-
Sale	137,558,972	-
Closing Stock		-
Sub Total	<u>137,558,972</u>	-
Profit (Loss) on Trading in Shares	254,881	-
Loss in Futures & Options	(796,369)	-
Depository CDSL Charges	225	-
Long Term Capital Gain	-	5,524,707
Short Term Capital Gain - Mutual Fund	399,703	(2,674,108)
Miscellaneous Receipts	-	5,003
Dividend on LIC MF	1,499,414	4,480,794
	<u>1,357,854</u>	<u>7,336,396</u>

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year ended 31/03/2010

Particulars	As at 31/03/2010 (Rs.)	As at 31/03/2009 (Rs.)
Schedule "12" : Direct Cost		
Lease Line Charges	350,754	44,794
Software Running Exp	2,306,577	1,876,937
Exchange & Statutory Charges	549,588	438,078
V-Sat Exp	40,191	82,877
Depository Charges	341,990	285,992
Vandha A/c	759	4,472
	3,589,859	2,733,150
Schedule "13" : Personnel Cost		
Salaries & Bonus	15,989,631	20,596,205
Staff Welfare Exp.	535,061	314,817
	16,524,692	20,911,022
Schedule "14" : Administrative, Selling and Other Expenses		
Travelling & Conveyance	117,161	201,388
Printing & Stationery	43,228	431,030
Rent	6,183,000	2,461,000
Rates & Taxes	99,322	64,060
Electricity Charges	299,046	329,686
Professional Charges	79,120	18,500
Auditors Remuneration	50,000	50,000
Directors Remuneration	1,805,968	2,548,457
Staff Recruitment Expense	-	1,902,000
Business Promotions expenses	-	664,500
Telephone & Communication Expenses	620,203	863,533
Insurance Expense	111,021	137,944
Repairs & Maintenance	278,134	8,676
Payment to Jobbers	289,467	-
Franking Charges	30,070	222,120
Society Charges	93,832	93,832
Miscellaneous Expenditure Written off	1,599,448	533,149
Postage & Courier Expense	108,566	82,765
Office & Miscellaneous Expenses	76,738	148,386
	11,884,324	10,761,026
Schedule "15" : Interest & Financial Charges		
Limit Processing Charges	685,080	421,367
Bank Guarantee Charges	2,522,396	4,244,134
Bank Charges & Commission-Other	12,366	38,877
Interest to Bank	35,447	-
	3,255,289	4,704,378

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year ended 31/03/2010

Schedule 5 : Fixed Assets (At Cost Less Depreciation)

Amount (Rs.)

Particulars	Gross Block			Depreciation			Net Block	
	As on 31/03/2009	Additions during the Year	As at 31/03/2010	Upto 31/03/2009	Provided For the year	Upto 31/03/2010	As at 31/03/2010	As at 31/03/2009
Furniture & Fixtures	21,322,861	802,784	22,125,645	3,904,628	3,270,671	7,175,299	14,950,346	17,418,233
Office Equipments	1,297,881	-	1,297,881	191,336	153,920	345,256	952,625	1,106,545
Computers	4,731,450	442,974	5,174,424	2,074,082	1,184,059	3,258,141	1,916,283	2,657,368
Total	27,352,192	1,245,758	28,597,950	6,170,046	4,608,650	10,778,696	17,819,254	21,182,146
Previous Year	23,119,463	4,232,729	27,352,192	738,116	5,431,930	6,170,046	21,182,146	22,381,347

Money Matters Securities Private Limited
Cash Flow Statement For The Year Ended On 31st March, 2010

Particular	For the year ended 31st March 2010 Rs.	For the year ended 31st March 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	13,425,414	12,725,146
adjusted for:		
Depreciation	4,608,650	5,431,930
Miscellaneous Expenses w/off	1,599,448	533,149
Interest Received	(12,576,514)	(12,531,738)
Dividend Received	(1,499,414)	(4,480,794)
Long Term Capital Gain	-	(5,524,707)
Short Term Capital gain	(399,703)	2,674,108
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,157,881	(1,172,906)
adjusted for:		
Sundry Debtors	(22,756,343)	44,924,317
Loans & Advances	(407,984,782)	2,259,760
Current Liabilities & Provisions	110,706,784	(58,915,715)
CASH GENERATED FROM OPERATIONS	(314,876,461)	(12,904,544)
Taxes Paid	(4,657,018)	(8,322,226)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	(319,533,479)	(21,226,770)
Prior period adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES	(319,533,479)	(21,226,770)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,245,758)	(4,232,729)
Change in Investments	-	15,996,232
Interest Received	12,576,514	12,531,738
Dividend Received	1,499,414	4,480,794
Short Term Capital gain	399,703	(2,674,108)
Long Term Capital Gain	-	5,524,707
NET CASH USED IN INVESTING ACTIVITIES	13,229,873	31,626,634
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	50,000,000
Proceeds from Secured Loans	279,008,404	-
Proceeds from Unsecured Loans	251,000,000	-
NET CASH USED IN FINANCIAL ACTIVITIES	530,008,404	50,000,000
Net increase/decrease in Cash and Cash Equivalents	223,704,798	60,399,864
Cash and Cash Equivalents as on 01.04.2009	223,894,981	163,495,117
Cash and Cash Equivalents as on 31.03.2010	447,599,779	223,894,981

Note:-

1. Cash and cash Equivalents at the end of the year consists of Cash in hand and Balance with banks and are net of short term loans and advances from Banks as follows:-

Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	131,352	134,343
Balance with Bank	447,468,427	223,760,638
	447,599,779	223,894,981

2. Previous year's figures have been regrouped, rearranged wherever necessary in order to confirm to current year's figures.

S K Patodia & Associates
CHARTERED ACCOUNTANTS
Firm Reg.No.: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 047755

Place : Mumbai

Date : 21st June, 2010

For and on behalf of the Board

Sd/-

**Chairman &
Managing Director**

Sd/-

Director

Sd/-

Company Secretary

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

Schedule "16":- Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies

A. **Basis of Accounting**

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles

B. **Use of estimates :**

The preparation of financial statements are in conformity with generally accepted accounting principles which requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known / materialized.

C. **Recognition of Income & Expenditure**

The Company follows accrual basis of accounting and Brokerage income is recognised till the trade date. Dividend is recognized as income when right to receive payment is established by the date of balance sheet. Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

D. **Fixed Assets**

All fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition.

E. **Impairment of Fixed Assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made

F. **Depreciation**

- i) Depreciation on Fixed Assets has been provided on 'Written down Method' as per the rates specified in Scheduled XIV of the Companies Act, 1956.
- ii) Depreciation on acquired/sold during the year is provided on pro-rata basis.

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

G. Employees Benefits

The Company has adopted the revised Accounting Standard 15 – Accounting for Employee Benefits. The accounting policy followed by the Company in respect of its employee benefit schemes is set out below:

Gratuity:

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees at retirement, death while in employment or on termination of employment. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out annually for assessing liability as at the balance sheet date.

Leave Encashment:

Unutilised leave of staff is paid as at the end of the year. Accordingly, no provision is required to be made for compensated absences

H. Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are carried at cost less other than any temporary diminution in value, determined separately for each investment. Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value

I. Miscellaneous Expenditure

Preliminary expenditures are amortised in the year in which incurred.

J. Provisions and Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amounts of the obligation. A disclosure for a contingent liability if made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economic benefit will rise, asset and related income are recognised in the period in which the change occurs

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

K. Accounting for Taxation of Income :

Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

II. Notes on Accounts

A) In the opinion of the Board the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

B) Some of the sundry debtors and sundry creditors are subject to confirmation.

C) Details of Auditors remuneration is as under:-

Particulars	Amount (Rs)	
	2009-10	2008-09
Audit Fees	35,000	35,000
Tax Audit Fees	10,000	10,000
Other Services	5,000	5,000
Total	50,000	50,000

D) **Earning Per Share (As per AS – 20)**

In accordance with Accounting Standard 20- Earning per Share, the computation of earning per share is set out below:

Sr. No.	Particulars	31st March 2010	31st March 2009
i)	Weighted average number of Equity Shares of Rs. 10 each		
a)	Number of shares at the beginning of the period	2,50,00,000	62,00,000
b)	Number of shares at the end of the period	2,50,00,000	2,50,00,000
c)	Weighted average number of shares outstanding during the period	2,50,00,000	1,32,32,178

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

ii)	Net Profit after tax available for equity shareholders	92,31,854/-	1,09,82,708/-
iii)	Basic Earning Per Share (In Rs.)	0.37	0.83

The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

E) Taxes on Income

In terms of Accounting Standard 22 on "Accounting for Taxes on Income" as notified by the Companies (accounting Standard) Rules , 2006 the Company has recognized Deferred Tax Assets **Rs. 4,06,440/-** for the year ended 31st March, 2010 in the Profit & Loss A/c.

The accumulated balance in Net Deferred Tax Liability/ (Assets) comprises of:-

Particulars	Deferred Tax Liability/ (Asset) as at 1 st April 09 (Rs.)	Current Year change (Rs.)	Deferred Tax Liability/ (Asset) as at 31 st March 10 (Rs.)
Difference between Book & Tax Depreciation	1,12,395	(4,87,138)	(3,74,743)
Provision for Gratuity	Nil	80,698	80,698
Deferred Tax Liability/ (Assets) (Net)	1,12,395	(4,06,440)	(2,94,045)

F) Amounts due to Micro, Small and Medium Enterprises:

The Company has not received any intimation from the suppliers under The Micro, Small & Medium Enterprises Development Act 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

G) Retirement Benefit - Gratuity:

The company has an unfunded defined benefit gratuity plan. Every employee who has completed 5 years or more of service is eligible for a gratuity on departure at 15 days salary (last drawn salary) per each completed year of service.

Consequent to the adoption of revised AS- 15 Employee Benefits issued under Companies (Accounting Standards) Amendment Rules 2008, the following disclosures have been made as required by the standard.

The following tables summarise the components of the net employee benefit expenses recognised in the profit and loss account, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

Profit and Loss Account

Net Employee Benefit Expenses (recognized in employee cost)

Particulars	2009-10 (Rs.)
Current Service Cost	400958
Interest on defined benefit obligation	55875

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

Expected return on plan assets	0
Net actuarial losses/(gains) recognised in the year	-533924
Past Service Cost	320011
Actuarial (gain)/losses	0
Total included in employee benefit expense	242920
Actual return on plan assets	NA

Balance Sheet

Details of Provision for Gratuity

Particulars	2009-10 (Rs.)
Liability at the end of the Year	242920
Fair Value of plan assets at the end of the year	0
Difference	242920
Unrecognised past service cost	0
Unrecognised transition liability	0
Amount in Balance Sheet	242920

Changes in the present value of the defined benefit obligation are as follows:

Particulars	2009-10 (Rs.)
Liability at the beginning of the Year	0
Interest Cost	55875
Current Service Cost	400958
Past Service Cost (non vested benefit)	0
Past Service Cost (vested benefit)	320011
Benefits paid	0
Actuarial (Gain)/Loss	-533924
Liability at the end of the Year	242920

The Company would not contribute any amount to gratuity in 2009-10 as the scheme is unfunded.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2009-10 (Rs.)
Investments with insurer	NA

Principal actuarial assumptions as at the balance sheet date:

Particulars	2009-10
Discount Rate	8%
Salary Escalation	5%
Employee Attrition Rate	2%

H) a) Additional information pursuant to the provision of Part II of the Schedule VI of the Companies Act 1956 to the extent applicable :

- Foreign Exchange Earnings & Outgo :

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

Particulars	2009 - 2010 (Amt. In Rs.)	2008 - 2009 (Amt. In Rs.)
Earning and Expenditure in Foreign currency	Nil	Nil

b) Information Pursuant to the Provisions of Paragraphs 3 of Part II of Schedule VI to the Companies Act, 1956 is given below:-

Particulars in respect of trading in Shares

		31-03-2010		31-03-2009	
		Shares		Shares	
Description	Unit	Quantity	Value	Quantity	Value
		Nos.	Rs.	Nos.	Rs.
A. Opening Stock:					
Shares	Nos.	0	0	---	---
B. Purchases:					
Shares	Nos.	1512871	137304091	---	---
C. Sales:					
Shares	Nos.	1512871	137558972	---	---
D. Closing Stock:					
Shares	Nos.	0	0	---	---

i) Related Party Disclosures:

i) For the year ended 31st March, 2010

a) Key Management Personnel

Rajesh Sharma	Director
Nitin Khivasara	Director
Sachin Shahane	Director

b) Holding Company

- Money Matters Financials Services Limited

c) Name of the enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise with whom the Company has entered into transactions during the year.

- Money Matters Advisory Services Private Limited
- Money Matters India Private Limited
- Dnyaneshwer Trading & Investment Private Limited.

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

(Rs. In Lakhs)			
Nature of Transactions	In relation to (a) above	In relation to (b) above	In relation to (c) above
Directors Remuneration	18.06	NIL	NIL
Rent	NIL	61.83	NIL
Brokerage	0.01	NIL	3.19
Loans & Advances	NIL	2,800.00	NIL
Balance at the end of the year			
Loans & Advances	NIL	2,510.00	NIL
Sundry Creditors	NIL	NIL	518.36

Note: Related Parties are as disclosed by the Management and relied upon by the Auditors

J) **Segment Reporting**

Basis of Preparation:

Information is given in accordance with the requirements of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India. Revenues and expenses directly attributable to the Segments are allocated to the respective segments. Those revenues and expenses which cannot be directly allocated to the Segments are apportioned on a reasonable basis. Segment Capital employed represents the net assets in that Segment. It excludes Capital reserve and tax related assets.

Business Segments:

The Company's business is organized and management reviews the performance based on the business segments. The Company's business may be divided into three major Segments.

- (A) Broking Activity
- (B) Financial Advisory Services and
- (C) Depository Services

Geographical Segments: The Company's operations are mainly confined within India. The Company does not have material earnings from business segments outside India. As such there are no reportable geographical segments. The schedules referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts.

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

INFORMATION ABOUT BUSINESS SEGMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	Broking Activity	Advisory Services	Depository Services	Unallocated	Year ended 31-03-2010
Segment Revenue	25,227,253	28,060,750	225	-	53,288,228
<i>Previous Year</i>	32,266,652	25,000,000	-	-	57,266,652
Less Inter segment Revenue	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-
Total	25,227,253	28,060,750	225	-	53,288,228
<i>Previous Year</i>	32,266,652	25,000,000	-	-	57,266,652
Result:					
Segment Result	(9,298,778)	24,598,201	(224,560)	(1,649,448)	13,425,414
<i>Previous Year</i>	(10,836,672)	23,033,669	(55,000)	583,149	12,725,146
Provision for Tax	-	-	-	4,600,000	4,600,000
<i>Previous Year</i>	-	-	-	2,060,000	2,060,000
Provision for FBT	-	-	-	-	-
<i>Previous Year</i>	-	-	-	111,900	111,900
Deffered Tax	-	-	-	(406,440)	(406,440)
<i>Previous Year</i>	-	-	-	(429,462)	(429,462)
Total Results	(9,298,778)	24,598,201	(224,560)	(5,843,008)	9,231,854
<i>Previous Year</i>	(10,836,672)	23,033,669	(55,000)	(1,159,289)	14,467,584
Capital Employed:					
Segment Assets	823,677,049	-	563,000	4,434,475	828,674,524
<i>Previous Year</i>	283,776,810	-	84,000	5,685,851	289,546,661
Segment Liabilities	530,008,404	-	-	298,666,120	828,674,524
<i>Previous Year</i>	-	-	-	289,546,661	289,546,661
Net Segment Assets	293,668,645	-	563,000	(294,231,645)	0
<i>Previous Year</i>	283,776,810	-	84,000	(283,860,810)	-
Other Information:					
Capital Expenditure	1,245,758	-	-	-	1,245,758

Money Matters Securities Private Limited

Schedules forming part of Accounts for the year 31st March, 2010

<i>Previous Year</i>	4,232,729	-	-	-	4,232,729
Depreciation	4,608,650	-	-	-	4,608,650
<i>Previous Year</i>	5,431,930	-	-	-	5,431,930

- K) The figures of the previous year have been re-arranged, re-grouped and reclassified wherever necessary.
- L) The Schedules referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts.

As per our Report of even date attached

For SK Patodia & Associates
Chartered Accountants
Firm Reg. No. : 112723W

Sd/-

Vishnu Kant Saraf
Partner

Mem. No. 047755

Place : Mumbai
Date : 21st June, 2010

For and on behalf of the Board

Sd/-

Sd/-

Chairman & Director
Managing Director

Sd/-

Company Secretary

Money Matters Securities Private Limited

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	:	161153	State Code :	11
Balance Sheet Date	:	31	03	2010
		Date	Month	Year

II. Capital raised during the year (Rs. in Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement/Promoter's Contribution	NIL
Share Application Money	NIL	Share Premium	NIL

III. Position of Mobilization and Deployment of Funds (Rs. in Thousands) 1,000

Total Liabilities	828,675	Total Assets	828,675
-------------------	---------	--------------	---------

Source of Funds:

Paid-up Capital	250,000	Share Application Money	-
Reserves & Surplus	48,666	Secured Loans	279,008
Unsecured Loans	251,000	Deffered Tax Liability	-

Application of Funds :

Net Fixed Assets	17,819	Capital Work in Progress	-
Investment	-	Net Current Assets	810,561
Miscellaneous Expenditure	-	Deffered Tax Assets	294

Money Matters Securities Private Limited

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

IV. Performance of Company (Rs. in Thousands)

Turnover and Income	53,288	Total Expenditure	39,863
Profit/Loss Before Tax + -	13,425	Profit/Loss After Tax + -	9,232
Earning Per Share in (Rs.)	0.37	Dividend Rate %	-

V. Generic Names of Three Principal Products/Services of Company (As Per monetary Terms)

Item Code No. (ITC Code)	Not Applicable
Product Description	Share Broking

As per our report of even date attached

Signatories to Schedule

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firms Reg. No. 112723W

Sd/-

Vishnu Kant Saraf
Partner
Mem. No. 047755

For and on behalf of the Board

Sd/-

Chairman & Managing Director

Sd/-

Director

Sd/-

Company Secretary

Place: Mumbai

Date : 21st June, 2010

DIRECTORS' REPORT

To,
The Members
MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED

Your Directors have pleasure in presenting their **Second** Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

	2009-2010 Rs.	2008-2009 Rs.
Turnover / Income	21,86,05,616	1,02,46,177
Expenditure	4,83,71,191	90,17,866
	-----	-----
Profit Before Tax	17,02,34,425	12,28,311
Less: Provision for Tax - Current year	5,90,00,000	-
Deferred Tax	(45,227)	-
Fringe Benefit Tax	-	40,000
	-----	-----
Profit After Tax	11,12,79,652	11,88,311
Profit brought forward from previous year	11,88,311	-
	-----	-----
Balance Carried to the Balance Sheet	11,24,67,963	11,88,311
	=====	=====

OPERATIONS

During the year 2009-10, the gross income of the Company has increased from Rs. 102.46 Lacs to Rs. 2186.06 Lacs and Profit has increased from Rs. 12.28 Lacs to Rs. 1702.34 Lacs as compared to the last financial year 2008-09.

Your Directors are hopeful that the Company would increase earnings even better in the coming years. A snapshot of the Company's performance is given under the head of 'Financial Results' above.

DIVIDEND

In anticipation of future market and business opportunities, the Board decided to re-deploy the profit towards the Company's growth and hence decided not to recommend any dividend for the year.

DIRECTORS

Mrs. Seema Sharma and Mr. Pawankumar Varma, resigned as Directors of the Company with effect from 16th July, 2009 and 31st August, 2009 respectively.

Mr. Pawan Bansal, who was appointed as the Managing Director of the Company on 1st April, 2009, has resigned as Director of the Company with effect from 1st September, 2009.

The Board has placed on record its appreciation of the invaluable services rendered by them during their respective tenures as Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- (i) that in the preparation of the accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year ended 31st March, 2010 and of the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the year ended to 31st March, 2010 on a 'going concern' basis.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Information on particulars of employees' remuneration as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, forms part of this report. However, as per provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company, excluding the Statement of Particulars of Employees.

Any member interested in obtaining such particulars may write to the Company and the same will be provided.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

M/s. S. K. Patodia & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, will retire at the forthcoming Annual General Meeting. They have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company.

Your Company has received a special notice pursuant to the provisions of Section 190 of the Companies Act, 1956 read with Section 225 of Companies Act, 1956 from a Shareholder proposing to appoint M/s. Haribhakti & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company, in place of the retiring auditors, M/s. S. K. Patodia & Associates.

Your Directors request the Shareholders to appoint M/s. Haribhakti & Co., Chartered Accountants, as Statutory Auditors for the financial year i.e. 2010-2011.

HUMAN RESOURCE DEVELOPMENT

The Company was able to attract qualified, experienced and talented professionals across various levels, strengthening your Company's presence in the present vibrant market. This will also help the Company tap new clients, launch new products as per market requirements and achieve timely execution. Employees are vital to the Company. Our "**People**" Philosophy and harmonious employee relations continue to prevail in the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

With the kind of activities carried out by the Company, no particulars are required to be furnished in this report under Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption.

There was no inflow or outflow of foreign exchange during the year under review.

: 4 :

ACKNOWLEDGEMENTS

We take the opportunity to express our deep sense of gratitude to the Company's bankers, clients, stock exchanges, and other statutory/regulatory authorities. We would like to place on record our appreciation of the sincere efforts made by the employees at all levels of the organization. The Directors also place on record their appreciation for the advice, guidance and support given by the Holding Company, Money Matters Financial Services Ltd.

For and on behalf of the Board

Sd/-

**Rajesh Sharma
Chairman**

**PLACE: - Mumbai
DATED: - 1st July, 2010**

Auditors' Report

To,
The Members of **Money Matters Investment Advisors Private Limited,**

We have audited the attached Balance Sheet of **Money Matters Investment Advisors Private Limited** as at **31st March, 2010** and also the annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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.
2. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
3. 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 accounts as required by law have been kept by the Company as it appears from our examination of such books.
 - c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and

the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

- e) On the basis of written representation received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2010 from being appointed as 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 read together with other notes thereon give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010 and
- ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S K Patodia & Associates.

Chartered Accountants

Firm Reg. No.: 112723W

Sd-

Place : Mumbai
Date : 1st July, 2010

Vishnu Kant Saraf

Partner

Mem. No. : 047755

Annexure to Auditors Report

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Money Matters Investment Advisors Private Limited** for the year ended March 31, 2010.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the assets have been physically verified by the management in accordance with a phased program of verification, which in our opinion is reasonable, considering the size of the company and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- c) There was no substantial disposal of fixed assets during the year.
- (ii) a) The company does not have any inventories. Hence, the provision of clause 4 (ii) of the said order is not applicable to the company.
- (iii) a) The company has not granted unsecured loan to any party covered in the register maintained under Section 301 of the Companies Act 1956.
- b) In view of our comments in Para (iii) (a) above, clauses (iii) (b), (c) and (d) of the said order are not applicable to the company.
- c) The Company has taken unsecured loan from holding company covered in the register maintained under section 301 of the Companies Act, 1956 on call basis. The maximum amount outstanding during the year was Rs. 2873.85 Lacs and the year end balance was Rs. 2500.00 Lacs.
- d) The said loan is interest free and other terms and conditions are not prima facie prejudicial to the interests of the company.
- e) According to the information provided to us, the repayment of loan is regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) According to the information and explanation provided by the management, we are of the opinion that there are no transactions with reference to contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the Company.

- (ix) According to the records of the Company, the undisputed statutory dues including Income Tax, Service Tax and Cess have regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at March 31, 2010 for a period more than six months from the date they became payable.
- (x) Since, the company has been registered for a period of less than 5 years, the provision of clause 4(x) of the said Order is not applicable to the company.
- (xi) The Company has not availed any loan from banks and financial institutions. Hence, there is no question of default in repayment of dues and therefore the provision of this clause is not applicable to the Company.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures or Other Securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) In respect of investments, the company has maintained proper records and timely entries have been made therein and are held in its own name.
- (xv) The company has not given any guarantees for loan taken by others from banks and financial institutions.
- (xvi) The Company has not taken any Term Loan during the year.
- (xvii) On an overall examination of the balance sheet of the company, we report that no funds raised on Short-term basis have been used for Long term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year
- (xx) The Company has not raised any money by way of 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 the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For S K Patodia & Associates.

Chartered Accountants

Firm Reg. No.: 112723W

Sd/-

Place : Mumbai
Date : 1st July, 2010

Vishnu Kant Saraf

Partner

Mem No : 047755

Money Matters Investment Advisors Private Limited

Balance Sheet as at 31st March, 2010

Particulars	Schedules	As at 31.3.2010 (Rs.)	As at 31.3.2009 (Rs.)
I. SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	50,000,000	50,000,000
Reserves & Surplus	2	112,467,964	1,188,311
Loan Funds			
Unsecured loans	3	250,000,000	2,968,000
		<u>412,467,964</u>	<u>54,156,311</u>
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	475,100	-
Less : Depreciation		<u>153,278</u>	<u>-</u>
Net Block		321,822	-
Deferred Tax Assets			
		45,227	-
Current Assets, Loans & Advances			
Sundry Debtors	5	125,139,450	-
Cash & Bank Balances	6	330,924,725	50,040,510
Loans & Advances	7	<u>38,896,695</u>	<u>3,763,217</u>
		494,960,870	53,803,727
Less : Current Liabilities & Provisions	8	<u>82,859,955</u>	<u>54,190</u>
Net Current Assets		412,100,915	53,749,537
Miscellaneous Expenditure			
(To the extent not written off or adjusted)	9	-	406,774
		<u>412,467,964</u>	<u>54,156,311</u>
Significant Accounting Policies & Notes on Accounts	13		

As per our report of even date

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 44739

Place : Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma
Director

Place : Mumbai

Date : 1st July, 2010

Sd/-

Sanjay Khemani
Director

Money Matters Investment Advisors Private Limited

Profit & Loss Account for the Year ended 31st March, 2010

Particulars	Schedules	Year Ended 31.03.2010 (Rs.)	Period Ended 31.03.2009 (Rs.)
A. Income			
Income from Operations (TDS Rs. 239.71 lacs, PY Rs. 7.81 lacs)		211,847,737	6,250,000
Other Income	10	6,757,879	3,996,177
		218,605,616	10,246,177
B. Expenditure			
Personnel Costs	11	44,641,459	8,388,222
Administrative & Other Expenses	12	3,302,541	629,644
Depreciation		427,191	-
		48,371,191	9,017,866
Profit before Tax (A - B)		170,234,425	1,228,311
Less : Provision for Tax			
- Current Tax		59,000,000	-
- Deferred Tax Liabilities / (Assets)		(45,227)	-
- Fringe Benefit Tax		-	40,000
Profit After Tax		111,279,652	1,188,311
Balance brought forward from previous year		1,188,311	-
Balance carried to Balance Sheet		112,467,964	1,188,311
Earnings per share (Face Value of Rs. 10/- each)			
Basic (Rs.)		22.26	0.24
Diluted (Rs.)		22.26	0.24
Significant Accounting Policies & Notes on Accounts	13		

As per our report of even date

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 47755

Place : Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma
Director

Sd/-

Sanjay Khemani
Director

Place : Mumbai

Date : 1st July, 2010

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts as at 31st March,2010

Particulars	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule "1" : Share Capital		
Authorised		
50,00,000 (Previous Year 50,00,000) Equity Shares of Rs. 10/- each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up		
50,00,000 (Previous Year 50,00,000) Equity Shares of Rs. 10/- each fully paid up (Of the above, 100% of the shares are held by Money Matters Financial Services Limited, the holding company and its nominees)	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Schedule "2" : Reserves & Surplus		
Profit & Loss Account	112,467,964	1,188,311
	<u>112,467,964</u>	<u>1,188,311</u>
Schedule "3" : Unsecured Loans		
Loan from Holding Company (Money Matters Financial Services Ltd.)	250,000,000	2,968,000
	<u>250,000,000</u>	<u>2,968,000</u>
Schedule "5" : Sundry Debtors		
(Unsecured and Considered good)		
Debts due for more than six months	59,250	-
Other Debts	125,080,200	-
	<u>125,139,450</u>	<u>-</u>
Schedule "6" : Cash & Bank Balances		
Cash in Hand	157,222	32,704
Balance with Schedule Bank :		
Current Account	25,767,503	7,806
Fixed Deposit	305,000,000	50,000,000
	<u>330,924,725</u>	<u>50,040,510</u>
Schedule "7" : Loans & Advances		
(Unsecured and considered good)		
Advance recoverable in cash or kind or for value to be received	4,192,658	2,505,303
Advance Tax & FBT	34,704,036	1,257,914
	<u>38,896,695</u>	<u>3,763,217</u>
Schedule "8" : Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors (Refer Note No. "H", Schedule "13 ")		
- Due to Micro, Small and Medium Enterprises	-	-
- Due to others	-	-
Other Liabilities	23,819,955	14,190
Provisions		
Provision for Taxation	59,040,000	40,000
	<u>82,859,955</u>	<u>54,190</u>
Schedule "9" : Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Opening Balance	406,774	508,468
Less : Written off during the Year	406,774	101,694
	<u>-</u>	<u>406,774</u>

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts for the year ended 31st March,2010

Particulars	Year Ended 31.03.2010 (Rs.)	Period Ended 31.03.2009 (Rs.)
Schedule "10" : Other Income		
Interest Income (TDS 4.72 Lacs, PY Rs.4.37 Lacs)	5,417,284	2,120,636
Dividend on Mutual Funds	1,066,682	1,875,541
Profit on Sale of Fixed Assests	273,913	-
	<u>6,757,879</u>	<u>3,996,177</u>
Schedule "11" : Personnel Costs		
Staff Emoluments	44,608,034	8,343,535
Staff Welfare Expenses	33,425	44,687
	<u>44,641,459</u>	<u>8,388,222</u>
Schedule "12" : Administrative and Other Expenses		
Communication Costs	94,250	-
Rent, Rates & Taxes	8,060	-
Travelling & Conveyance	348,216	325,423
Vehicle Expenses	66,435	-
Printing & Stationery	2,001	15,102
Legal & Professional Charges	2,192,880	180,284
Software Expenses	150,587	-
Auditors Remuneration	20,000	5,000
Miscellaneous Expenses	9,542	1,510
Bank Charges	3,795	631
Preliminary Expenses written off	406,774	101,694
	<u>3,302,541</u>	<u>629,644</u>

Money Matters Investment Advisors Private Limited
Cash Flow Statement For The Year Ended On 31st March, 2010

Particular	For the year ended 31st March 2010 Rs.	For the period ended 31st March 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	170,234,425	1,228,311
adjusted for:		
Depreciation	427,191	-
Miscellaneous Expenses w/off	406,774	101,694
Interest Received	(5,417,284)	(2,120,636)
Dividend Received	(1,066,682)	1,875,541
Profit on Sale of Fixed Assests	(273,913)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	164,310,512	1,084,910
adjusted for:		
Sundry Debtors	(125,139,450)	-
Loans & Advances	(1,687,355)	(2,505,303)
Current Liabilities & Provisions	23,805,765	14,190
CASH GENERATED FROM OPERATIONS	61,289,472	(1,406,203)
Taxes Paid	(33,446,122)	(1,257,914)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	27,843,349	(2,664,117)
Prior period adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES	27,843,349	(2,664,117)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,123,270)	-
Sale of Fixed Assets	2,648,170	-
Interest Received	5,417,284	2,120,636
Dividend Received	1,066,682	(1,875,541)
NET CASH USED IN INVESTING ACTIVITIES	6,008,866	245,095
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	50,000,000
Miscellaneous Expenditure	-	(508,468)
Proceeds from Unsecured Loans	247,032,000	2,968,000
NET CASH USED IN FINANCIAL ACTIVITIES	247,032,000	52,459,532
Net increase/decrease in Cash and Cash Equivalentents	280,884,215	50,040,510
Cash and Cash Equivalentents as on 01.04.2009	50,040,510	-
Cash and Cash Equivalentents as on 31.03.2010	330,924,725	50,040,510

Note:-

1. Cash and cash Equivalents at the end of the year consists of Cash in hand and Balance with banks and are net of short term loans and advances from Banks as follows:-

Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	157,222	32,704
Balance with Bank	330,767,503	50,007,806
	<u>330,924,725</u>	<u>50,040,510</u>

2. Previous year's figures have been regrouped, rearranged wherever necessary in order to confirm to current year's figures.

S K Patodia & Associates
CHARTERED ACCOUNTANTS
Firm Reg.No.: 112723W

Sd/-

Vishnu Kant Saraf
Partner
Mem. No. 047755

Place : Mumbai
Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma
Director

Sd/-

Sanjay Khemani
Director

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

Schedule "13":- Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies

A. **Basis of Accounting**

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles

B. **Use of estimates :**

The preparation of financial statements are in conformity with generally accepted accounting principles which requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known / materialized.

C. **Recognition of Income & Expenditure**

The Company follows accrual basis of accounting. Dividend is recognized as income when right to receive payment is established by the date of balance sheet. Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

D. **Fixed Assets**

All fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition.

E. **Impairment of Fixed Assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

F. **Depreciation**

- i) Depreciation on Fixed Assets has been provided on 'Written down Method' as per the rates specified in Scheduled XIV of the Companies Act, 1956.
- ii) Depreciation on fixed assets acquired/sold during the year is provided on pro-rata basis.

G. **Employees Benefits**

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

The Company has adopted the revised Accounting Standard 15 – Accounting for Employee Benefits. The accounting policy followed by the Company in respect of its employee benefit schemes is set out below:

Gratuity:

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees at retirement, death while in employment or on termination of employment. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out annually for assessing liability as at the balance sheet date.

Leave Encashment:

Unutilised leave of staff is paid as at the end of the year. Accordingly, no provision is required to be made for compensated absences

H. Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are carried at cost less other than any temporary diminution in value, determined separately for each investment. Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value

I. Miscellaneous Expenditure

Preliminary expenditures are amortised in the year in which incurred.

J. Provisions and Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amounts of the obligation. A disclosure for a contingent liability if made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economic benefit will rise, asset and related income are recognised in the period in which the change occurs

K. Accounting for Taxation of Income :

Current taxes

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

II. Notes on Accounts

A) The figures for the previous year are for the period from 15th April, 2008 to 31st March, 2009 i.e. less than 12 months. Hence, the figures for the previous year are not comparable.

B) In the opinion of the Board the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

C) Details of Auditors remuneration is as under:-

	Amount (Rs)	
Particulars	2009-10	2008-09
Statutory Audit Fees	15,000	5,000
Tax Audit Fees	5,000	-
Total	20,000	5,000

D) **Earning Per Share (As per AS – 20)**

In accordance with Accounting Standard 20- Earning per Share, the computation of earning per share is set out below:

Sr. No.	Particulars	31st March 2010	31st March 2009
i)	Weighted average number of Equity Shares of Rs. 10 each		
a)	Number of shares at the beginning of the period	50,00,000	0
b)	Number of shares at the end of the period	50,00,000	50,00,000
c)	Weighted average number of shares outstanding during the period	50,00,000	50,00,000
ii)	Net Profit after tax available for equity shareholders	11,12,79,652/-	11,88,311/-
iii)	Basic Earning Per Share (In Rs.)	22.26	0.24

The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

E) Taxes on Income

In terms of Accounting Standard 22 on "Accounting for Taxes on Income" as notified by the Companies (accounting Standard) Rules , 2006 the Company has recognized Deferred Tax Assets **Rs. 45,227/-** for the year ended 31st March, 2010 in the Profit & Loss A/c.

The accumulated balance in Net Deferred Tax Liability/ (Assets) comprises of:-

Particulars	Deferred Tax Liability/ (Asset) as at 1 st April 09 (Rs.)	Current Year change (Rs.)	Deferred Tax Liability/ (Asset) as at 31 st March 10 (Rs.)
Difference between Book & Tax Depreciation	Nil	43,778	43,778
Provision for Gratuity	Nil	(89,005)	(89,005)
Deferred Tax Liability/ (Assets) (Net)	Nil	(45,227)	(45,227)

F) Investments:

(a) Additional information in respect of Non Trade, Unquoted (Mutual Funds) Current Investments

	March 31, 2010		March 31, 2009	
	Quantity	Amount	Quantity	Amount
Investments at the beginning of the year				
Mutual Fund	Nil	Nil	Nil	Nil
Investment made during the year				
Mutual Fund	22,506,307	236,774,914	9,765,179	102,197,111
Investments redeemed / sold during the year				
Mutual Fund	22,506,307	236,774,914	9,765,179	102,197,111
Investment as at the year end				
Mutual Fund	Nil	Nil	Nil	Nil

(b) Detailed Quantitative information in respect of Non Trade, Unquoted, Current Investment

Name of the Unit/Company	Type	Investment		Sales/Redemption	
		No of Units	Rupees	No of Units	Rupees
LIC MF Liquid Fund	Daily				
	Dividend	11,949,639	131,208,232	11,949,639	131,208,232
		(4,637,615)	(50,921,475)	(4,637,615)	(50,921,475)
LIC MF Saving Plus Fund	Daily				
	Dividend	10,556,668	105,566,682	10,556,668	105,566,682
		(5,127,636)	(51,275,636)	(5,127,636)	(51,275,636)

(Figures in respect of previous years are stated in brackets)

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

G) Amounts due to Micro, Small and Medium Enterprises:

The Company has not received any intimation from the suppliers under The Micro, Small & Medium Enterprises Development Act 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

H) Retirement Benefit - Gratuity:

The company has an unfunded defined benefit gratuity plan. Every employee who has completed 5 years or more of service is eligible for a gratuity on departure at 15 days salary (last drawn salary) per each completed year of service.

Consequent to the adoption of revised AS- 15 Employee Benefits issued under Companies (Accounting Standards) Amendment Rules 2008, the following disclosures have been made as required by the standard.

The following tables summarise the components of the net employee benefit expenses recognised in the profit and loss account, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

Profit and Loss Account

Net Employee Benefit Expenses (recognized in employee cost)

Particulars	2009-10 (Rs.)
Current Service Cost	1,55,188
Interest on defined benefit obligation	17,759
Expected return on plan assets	0
Net actuarial losses/(gains) recognised in the year	21,013
Liability at the beginning of the Year	0
Past Service Cost	73965
Actuarial (gain)/losses	0
Total included in employee benefit expense	2,67,925
Actual return on plan assets	NA

Balance Sheet

Details of Provision for Gratuity

Particulars	2009-10 (Rs.)
Liability at the end of the Year	2,67,925
Fair Value of plan assets at the end of the year	0
Difference	2,67,925
Unrecognised past service cost	0
Unrecognised transition liability	0
Amount in Balance Sheet	2,67,925

Changes in the present value of the defined benefit obligation are as follows:

Particulars	2009-10 (Rs.)
-------------	---------------

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

Liability at the beginning of the Year	0
Interest Cost	17,759
Current Service Cost	1,55,188
Past Service Cost (non vested benefit)	0
Past Service Cost (vested benefit)	73965
Benefits paid	0
Actuarial (Gain)/Loss	21013
Liability at the end of the Year	2,67,925

The Company would not contribute any amount to gratuity in 2009-10 as the scheme is unfunded.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2009-10 (Rs.)
Investments with insurer	NA

Principal actuarial assumptions as at the balance sheet date:

Particulars	2009-10
Discount Rate	8%
Salary Escalation	5%
Employee Attrition Rate	2%

Note: The Company has introduced the Defined Benefit Plan for the first time during the Year. No Provisions for gratuity were recognized in the books in the Previous Years. Thus the Company has recognized the liability on account of Gratuity arising in the previous years as Past Service Cost and has included it in the net expense recognized during the year as these benefits have already vested in accordance with Para 94 to 99 of AS 15. Further the figures for the previous years could not be provided as the Plan was introduced for the first time during the year.

H) Additional information pursuant to the provision of Part II of the Schedule VI of the Companies Act 1956 to the extent applicable:

- Foreign Exchange Earnings & Outgo :

Particulars	2009 - 2010 (Amt. In Rs.)	2008 - 2009 (Amt. In Rs.)
Earning and Expenditure in Foreign currency	Nil	Nil

I) **Related Party Disclosures:**

a) **Key Management Personnel**

Mr. Rajesh Sharma Director
Mr. Pawan Bansal - Managing Director (From 01-04-2009 upto 31-08-2009)

b) **Holding Company**

Money Matters Investment Advisors Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

Money Matters Financial Services Limited

(Rs. In Lakhs)

Nature of Transactions	In relation to (a) above	In relation to (b) above
Loan taken	Nil	3082.34
Loan repaid	Nil	612.02
Salary Paid	31.25	Nil
Amount outstanding as at 31st March :		
Loans Payable	Nil	2500.00

Note: Related Parties are as disclosed by the Management and relied upon by the Auditors

J) Segment Reporting

The Company is engaged in the business of Advisory Services which is the only business segment in the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, and hence is considered to constitute a single primary segment. Therefore, Segment Information as required by Accounting Standard - 17 is not applicable.

- K)** The figures of the previous period have been re-arranged, re-grouped and reclassified wherever necessary.
- L)** The Schedules referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts.

As per our Report of even date attached

For S. K. Patodia & Associates
Chartered Accountants
Firm Reg. No. : 112723W

Sd/-

Vishnu Kant Saraf
Partner
Mem. No. 047755

Place : Mumbai
Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Director

Sd/-

Director

Money Matters Investment Advisors Private Limited

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	:	U65990MH2008PTC181188	State Code :	11
Balance Sheet Date	:	31	03	2010
		Date	Month	Year

II. Capital raised during the year (Rs. in Thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement/Promoter's Contribution
Nil	Nil
Share Application Money	Securities Premium
Nil	Nil

III. Position of Mobilization and Deployment of Funds (Rs. in Thousands)

Total Liabilities	Total Assets
412,468	412,468
Source of Funds:	
Paid-up Capital	Share Application Money
50,000	-
Reserves & Surplus	Secured Loans
112,468	-
Unsecured Loans	Deferred Tax Liability
250,000	-

Money Matters Investment Advisors Private Limited

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

Application of Funds :

Net Fixed Assets	Capital Work in Progress
322	-
Investments	Net Current Assets
-	412,101
Miscellaneous Expenditure	Deferred Tax Assets
-	45

IV. Performance of Company. (Rs. in Thousands)

Turnover and Income	Total Expenditure
218,606	48,371
Profit/Loss Before Tax + -	Profit/Loss After Tax + -
170,234	111,280
Earning Per Share in (Rs.)	Dividend Rate %
22.26	-

V. Generic Names of Three Principal Products/Services of Company (As Per monetary Terms)

Item Code No. (ITC Code)	Not Applicable
Product Description	Merchant Banking and Financial Advisory

As per our report of even date attached

Signatories to Schedule

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 44739

Place : Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma

Director

Place : Mumbai

Date : 1st July, 2010

Sd/-

Sanjay Khemani

Director

DIRECTORS' REPORT

To,
The Members
MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED

Your Directors present their **Second** Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

	2009-2010	2008-2009
	Rs.	Rs.
Turnover / Income	1,99,139	19,599
Expenditure	4,22,389	1,07,969
	-----	-----
Profit / (Loss) Before Tax	(2,23,250)	(88,370)
Less: Provision for Tax - Current year	-	-
	-----	-----
Profit / (Loss) After Tax	(2,23,250)	(88,370)
Profit / (Loss) brought forward from previous year	(88,370)	-
	-----	-----
Balance Carried to the Balance Sheet	(3,11,620)	(88,370)
	=====	=====

OPERATIONS

During the year 2009-10, the gross income of the Company has increased from Rs. 19,599/- to Rs. 1,99,139/- but due to increase in expenditure, the Company has incurred loss which has increased from Rs. 88,370/- to Rs. 2,23,250/- on year-on-year basis.

Your Directors are hopeful that the Company will increase earnings in the future years. A snapshot of the Company's performance is given under the head of 'Financial Results' above.

DIVIDEND

In view of losses incurred during the year, your Directors do not recommend payment of any dividend on equity shares.

DIRECTORS

Mrs. Seema Sharma, resigned as Director of the Company with effect from 21st July, 2009.

The Board has placed on record its appreciation of the invaluable services rendered by her during her tenure as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- (i) that in the preparation of the accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year ended 31st March, 2010 and of the loss of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the year ended to 31st March, 2010 on a 'going concern' basis.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

During the year under review, there were no employees drawing remuneration in excess of the amount prescribed under section 271(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

M/s. S. K. Patodia & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, will retire at the forthcoming Annual General Meeting. They have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company.

Your Company has received a special notice pursuant to the provisions of Section 190 of the Companies Act, 1956 read with Section 225 of the said Act from a Shareholder proposing to appoint M/s. Haribhakti & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company, in place of the retiring auditors, M/s. S. K. Patodia & Associates.

Your Directors request the Shareholders to appoint M/s. Haribhakti & Co., Chartered Accountants, as Statutory Auditors for the financial year i.e. 2010-2011.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

With the kind of activities carried out by the Company, no particulars are required to be furnished in this report under Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption.

There was no inflow or outflow of foreign exchange during the year under review.

ACKNOWLEDGEMENTS

We take the opportunity to express our deep sense of gratitude to the Company's bankers, clients, stock exchanges, and other statutory/regulatory authorities. We would like to place on record our appreciation of the sincere efforts made by the employees at all levels of the organization. The Directors also place on record their appreciation for the advice, guidance and support given by the Holding Company, Money Matters Financial Services Ltd.

For and on behalf of the Board

Sd/-

**Rajesh Sharma
Chairman**

PLACE: - Mumbai

DATED: - 1st July, 2010

Auditors' Report

To,

The Members of **Money Matters Distribution Company Private Limited,**

We have audited the attached Balance Sheet of **Money Matters Distribution Company Private Limited** as at **31st March, 2010** and the Profit and Loss Account and 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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.
2. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
3. Further to our comments in the Annexure referred to above, we report that:
 - d) 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.
 - e) In our opinion, proper books of accounts as required by law have been kept by the Company as it appears from our examination of such books.
 - f) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - h) On the basis of written representation received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956

- i) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
- ii) In the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date, and
- iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For S K Patodia & Associates.
Chartered Accountants
Firm Reg. No.: 112723W

Sd/-
Vishnu Kant Saraf
Partner
Mem. No. : 047755

Place : Mumbai
Date : 1st July, 2010

Annexure to Auditors Report

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Money Matters Distribution Company Private Limited** for the year ended 31st March 2010.

- (i) a) The Company does not have any fixed assets. Hence, the provision of clause 4 (i) of the said Order is not applicable to the Company.
- (ii) a) The Company does not have any inventories. Hence, the provision of clause 4 (ii) of the said Order is not applicable to the Company.
- (iii) a) The company has not granted unsecured loan to any party covered in the register maintained under Section 301 of the Companies Act 1956.
 - b) In view of our comments in Para (iii) (a) above, clauses (iii) (b), (c) and (d) of the said order are not applicable to the company.
 - c) The Company has not taken unsecured loan from any party covered in the register maintained under Section 301 of the Companies Act 1956.
 - d) In view of our comments in Para (iii) (c) above, clause (iii) (f) & (g) of the said Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) According to the information and explanation provided by the management, we are of the opinion that there are no transactions with reference to contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the Company.
- (ix) According to the records of the Company, the undisputed statutory dues including Income Tax, Service Tax and Cess have regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2010 for a period more than six months from the date they became payable.
- (x) Since, the company has been registered for a period of less than 5 years, the provision of clause 4(x) of the said Order is not applicable to the company.
- (xi) The Company has not availed any loan from banks and financial institutions. Hence, there is no question of default in repayment of dues and therefore the provision of this clause is not applicable to the Company.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures or Other Securities.

- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) In respect of investments, the company has maintained proper records and timely entries have been made therein and are held in its own name.
- (xv) The company has not given any guarantees for loan taken by others from banks and financial institutions.
- (xvi) The Company has not taken any Term Loan during the year.
- (xvii) On an overall examination of the balance sheet of the company, we report that no funds raised on Short-term basis have been used for Long term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year
- (xx) The Company has not raised any money by way of 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 the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For S K Patodia & Associates.

Chartered Accountants

Firm Reg. No.: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem No : 047755

Place : Mumbai

Date : 1st July, 2010

Money Matters Distribution Company Private Limited

Balance Sheet as at 31st March, 2010

Particulars	Schedules	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
I. SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	5,000,000	5,000,000
		<u>5,000,000</u>	<u>5,000,000</u>
II. APPLICATION OF FUNDS			
Investments	2	4,668,738	4,469,599
Current Assets, Loans & Advances			
Cash & Bank Balances	3	25,157	39,128
		<u>25,157</u>	<u>39,128</u>
Less : Current Liabilities & Provisions	4	5,515	4,258
Net Current Assets		<u>19,642</u>	<u>34,871</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	5	-	407,160
Profit & Loss Account		311,620	88,370
		<u>5,000,000</u>	<u>5,000,000</u>
Significant Accounting Policies & Notes on Accounts	7		

As per our report of even date

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No. 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 047755

Place : Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma

Director

Place : Mumbai

Date : 1st July, 2010

Sd/-

Sanjay Khemani

Director

Money Matters Distribution Company Private Limited

Profit & Loss Account for the year ended 31st March, 2010

Particulars	Schedules	Year Ended 31-Mar-10 (Rs.)	Period Ended 31-Mar-09 (Rs.)
A. Income			
Dividend Income		199,139	19,599
		199,139	19,599
B. Expenditure			
Administrative & Other Expenses	6	422,389	107,969
		422,389	107,969
Loss Before Tax (A - B)		(223,250)	(88,370)
Less : Provision For Tax			
- Current Tax		-	-
Loss After Tax		(223,250)	(88,370)
Balance brought forward from previous year		(88,370)	-
Balance carried to Balance Sheet		(311,620)	(88,370)
Earnings per Share			
Basic		(0.04)	(0.02)
Diluted		(0.04)	(0.02)
Significant Accounting Policies & Notes on Accounts	7		

As per our report of even date

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No. 112723W

sd/-

Vishnu Kant Saraf

Partner

Mem. No. 047755

Place : Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma

Director

Sd/-

Sanjay Khemani

Director

Place : Mumbai

Date : 1st July, 2010

Money Matters Distribution Company Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Schedule "1" : Share Capital		
Authorised :		
50,00,000 (Previous Year 50,00,000) Equity Shares of Rs. 10/- each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up :		
50,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10/- each, Re. 1/- per share paid-up (Of the above, 100% of the shares are held by Money Matters Financial Services Limited, the holding company and its nominees)	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
Schedule "2" : Investments		
Longterm :		
Mutual Funds		
LIC Liquid Fund - Daily Dividend Plan Nil (Previous Year 4,07,063.624) Units Fair Value Rs.Nil (Previous Year Rs.44,69,599/-)	-	4,469,599
LIC Saving Plus - Daily Dividend Plan 4,66,873.844 (Previous Year Nil) Units Fair Value Rs. 4668738/- (Previous Year Rs.Nil)	4,668,738	-
	<u>4,668,738</u>	<u>4,469,599</u>
Schedule "3" : Cash & Bank Balances		
Cash in Hand	-	-
Balance with Schedule Bank :		
Current Account	25,157	39,128
	<u>25,157</u>	<u>39,128</u>
Schedule "4" : Current Liabilities & Provisions		
Current Liabilities		
Other Liabilities	5,515	4,258
	<u>5,515</u>	<u>4,258</u>
Schedule "5" : Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Opening Balance	407,160	508,950
Less : Written off during the Year	407,160	101,790
	<u>-</u>	<u>407,160</u>

Money Matters Distribution Company Private Limited

Schedules forming part of Accounts for the year ended 31st March, 2010

Particulars	Year Ended 31-Mar-10 (Rs.)	Period Ended 31-Mar-09 (Rs.)
Schedule "6" : Administrative and Other Expenses		
Rent, Rates & Taxes	1,800	1,067
Legal & Professional Charges	7,914	1,500
Bank Charges	-	855
Auditors Remuneration	5,515	2,758
Miscellaneous Expenditure written off	407,160	101,790
	422,389	107,969

Money Matters Distribution Company Private Limited
Cash Flow Statement for the year ended 31st March, 2010

Particular	For the year ended 31st March 2010 Rs.	For the year ended 31st March 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	(223,249)	(88,370)
adjusted for:		
Miscellaneous Expenditure written off	407,160	101,790
Dividend Received	(199,139)	(19,599)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(15,229)	(6,179)
adjusted for:		
Current Liabilities & Provisions	1,258	4,258
CASH GENERATED FROM OPERATIONS	(13,971)	(1,922)
Taxes Paid	-	-
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	(13,971)	(1,922)
Prior period adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES	(13,971)	(1,922)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Change in Investments	(199,139)	(4,469,599)
Dividend Received	199,139	19,599
NET CASH USED IN INVESTING ACTIVITIES	0	(4,450,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Preliminary Expenditure	-	(508,950)
Proceeds from Issue of Shares	-	5,000,000
NET CASH USED IN FINANCIAL ACTIVITIES	-	4,491,050
Net increase/(decrease) in Cash and Cash Equivalents	(13,971)	39,128
Cash and Cash Equivalents as on 01.04.2009	39,128	-
Cash and Cash Equivalents as on 31.03.2010	25,157	39,128

Note:-

1. Cash and cash Equivalents at the end of the year consists of Cash in hand and Balance with banks and are net of short term loans and advances from Banks as follows:-

Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	-	-
Balance with Bank	25,157	39,128
	<u>25,157</u>	<u>39,128</u>

2. Previous year's figures have been regrouped, rearranged wherever necessary in order to confirm to current year's figures.

S K Patodia & Associates
CHARTERED ACCOUNTANTS
Firm Reg.No.: 112723W

Sd/-
Vishnu Kant Saraf
Partner
Mem. No. 047755

For and on behalf of the Board

Sd/-	Sd/-
Rajesh Sharma Director	Sanjay Khemani Director

Place : Mumbai
Date : 1st July, 2010

Money Matters Distribution Company Private Limited

Schedules forming part of the Accounts for the year ended March 31, 2010

Schedule : "7"

Significant Accounting Policies and Notes forming parts of Accounts

I. Significant Accounting Policies:

1. **Basis of Accounting :**

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

2. **Use of estimates :**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known / materialized.

3. **Recognition of Income & Expenditure**

The Company follows accrual basis of accounting. Dividend is recognized as income when right to receive payment is established by the date of balance sheet.

4. **Investments**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

5. **Provisions and Contingent Liabilities:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amounts of the obligation. A disclosure for a contingent liability if made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Money Matters Distribution Company Private Limited

Schedules forming part of the Accounts for the year ended March 31, 2010

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economic benefit will rise, asset and related income are recognised in the period in which the change occurs.

6. **Miscellaneous Expenditure:**

Preliminary Expenses have been written off in the year in which they are incurred.

7. **Accounting for Taxation of Income:**

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date

II. **Notes to Accounts:**

- 1) The figures for the previous year are for the period from 18th November, 2008 to 31st March, 2009 i.e. less than 12 months. Hence, the figures for the previous year are not comparable.
- 2) Remuneration to Auditors comprises of:

Particulars	2009-2010	2008-2009
Statutory Audit Fees	5,515	2758
Total	5,515	2,758

- 3) **Taxes on Income:**

Money Matters Distribution Company Private Limited

Schedules forming part of the Accounts for the year ended March 31, 2010

No provision for Taxation for the year has been made as the Company does not have any taxable income during the year.

4) Earnings Per Share :

In accordance with Accounting Standard 20 – Earning per Share notified by Companies (Accounting standard), Rules, 2006, computation of earning per share is set out below:

Sr. No.	Particulars	2009-2010	2008-2009
A	Weighted average number of Equity Shares of Rs. 10 each		
(i)	Number of Shares at the beginning of the year	50,00,000	Nil
(ii)	Number of Shares at the end of the year	50,00,000	50,00,000
(iii)	Weighted average number of Equity Shares outstanding during the year (Re. 1/- per share paid up)	50,00,000	50,00,000
B	Net Profit / (loss) after tax available for equity shareholders (Rs.)	(2,23,250)	(88,370)
C	Basic Earning Per Share (In Rs.) (B/A (iii))	(0.04)	(0.02)

5) Investments

(a) Additional information in respect of Non Trade, Unquoted (Mutual Funds) Current Investments

	March 31, 2010		March 31, 2009	
	Quantity	Amount	Quantity	Amount
Investments at the beginning of the year				
Mutual Fund	407,064	4,469,599	Nil	Nil
Investment made during the year				
Mutual Fund	467,781	4,678,657	411,618	4,519,599
Investments redeemed / sold during the year				
Mutual Fund	407,971	4,479,518	4,554	50,000
Investment as at the year end				
Mutual Fund	466,874	4,668,738	407,064	4,469,599

(b) Detailed Quantitative information in respect of Non Trade, Unquoted, Current Investment/dealing in

Money Matters Distribution Company Private Limited

Schedules forming part of the Accounts for the year ended March 31, 2010

securities

Name of the Unit/Company	Type	Investment		Sales/Redemption	
		No of Units	Rupees	No of Units	Rupees
LIC MF Liquid Fund	Daily				
	Dividend	861 (411618)	9,462 (4519599)	407,925 (4554)	4,479,062 (50000)
LIC MF Saving Plus Fund	Daily				
	Dividend	466,920 (Nil)	4,669,195 (Nil)	46 (Nil)	457 (Nil)

(Figures in respect of previous years are stated in brackets)

6) **Amounts due to Micro, Small and Medium Enterprises:**

The Company has not dealt with any suppliers under The Micro, Small & Medium Enterprises Development Act 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act is not applicable to the Company.

7) **Related Party Disclosures** As required under Accounting Standard 18 "Related Party Disclosures" issued by the ICAI.

a) **Key Management Personnel**

Mr. Rajesh Sharma Director

b) **Holding Company**

Money Matters Financial Services Limited

Nature of Transactions	In relation to (a) above	In relation to (b) above
Advance taken	Nil	5000
Advance repaid	Nil	5000

Note: Related Parties are as disclosed by the Management and relied upon by the Auditors

8) There is no Additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956 requiring disclosure for the Company for the year under report.

9) **Segment Reporting**

The Company is engaged in the business of Financing Activity which is the only business segment in the context of Accounting Standard 17 on Segment

Money Matters Distribution Company Private Limited

Schedules forming part of the Accounts for the year ended March 31, 2010

Reporting, issued by the Institute of Chartered Accountants of India, and hence is considered to constitute a single primary segment. Therefore, Segment Information as required by Accounting Standard - 17 is not applicable.

- 10) The Schedules referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts.
- 11) Figures of the previous year have been re-grouped, reclassified and/or re-arranged, wherever necessary to conform to current year's classification.

As per our report of even date attached

For S. K. Patodia & Associates

Chartered Accountants

Firm Reg. No. : 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 047755

Place : Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Sd/-

Director

Director

Place : Mumbai

Date : 1st July, 2010

Money Matters Distribution Company Private Limited

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	:	U65999MH2008PTC188287	State Code :	11
Balance Sheet Date	:	31	03	2010
		Date	Month	Year

II. Capital raised during the year (Rs. in Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement/Promoter's Contribution	Nil
Share Application Money	Nil	Securities Premium	Nil

III. Position of Mobilization and Deployment of Funds (Rs. in Thousands)

Total Liabilities	5,000	Total Assets	5,000
Source of Funds:			
Paid-up Capital	5,000	Share Application Money	-
Reserves & Surplus	-	Secured Loans	-
Unsecured Loans	-	Deferred Tax Liability	-
Application of Funds :			
Net Fixed Assets	-	Capital Work in Progress	-
Investment	4,669	Net Current Assets	20

Money Matters Distribution Company Private Limited

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

Profit & loss	Deferred Tax Assets
312	-

IV. Performance of Company. (Rs. in Thousands)

Turnover and Income	Total Expenditure
199	422
Profit/Loss Before Tax + -	Profit/Loss After Tax + -
(223)	(223)
Earning Per Share in (Rs.)	Dividend Rate %
(0.04)	-

V. Generic Names of Three Principal Products/Services of Company (As Per monetary Terms)

Item Code No. (ITC Code)	Not Applicable
Product Description	Not Applicable

As per our report of even date attached

Signatories to Schedules

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No. 112723W

Sd/-

Vishnu Kant Saraf

Partner

Memo No. 047755

Place: Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma

Director

Sd/-

Sanjay Khemani

Director

Place: Mumbai

Date : 1st July, 2010

DIRECTORS' REPORT

To,
The Members
MONEY MATTERS CAPITAL PRIVATE LIMITED

Your Directors present their **First** Annual Report together with the Audited Accounts for the period ended 31st March, 2010.

FINANCIAL RESULTS

	2009-2010
	Rs.
Turnover / Income	4,73,865
Expenditure	3,97,603

Profit Before Tax	76,262
Less: Provision for Tax - Current year	33,000

Profit After Tax	43,262

Balance Carried to the Balance Sheet	43,262
	=====

OPERATIONS

The Company was incorporated on 11th August, 2009 and this is the first accounting year under review. During the year, the Company earned gross income of Rs. 4.73 Lacs.

Your Directors are hopeful that the Company will increase earnings in the future years. A snapshot of the Company's performance is given under the head of 'Financial Results' above.

DIVIDEND

Due to the growing market and business opportunities, the Board decided to re-deploy the profit towards the Company's growth and hence decided not to recommend any dividend for the period.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- (i) that in the preparation of the accounts for the period ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the period ended 31st March, 2010 and of the profit of the Company for the period under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the period ended to 31st March, 2010 on a 'going concern' basis.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

During the year under review, there were no employees drawing remuneration in excess of the amount prescribed under section 271(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

PUBLIC DEPOSITS

During the period under review, the Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

M/s. S. K. Patodia & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, will retire at the forthcoming Annual General Meeting. They have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company.

Your Company has received a special notice pursuant to the provisions of Section 190 of the Companies Act, 1956 read with Section 225 of the said Act from a shareholder proposing to appoint M/s. Haribhakti & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company, in place of the retiring auditors, M/s. S. K. Patodia & Associates.

: 3:

Your Directors request the Shareholders to appoint M/s. Haribhakti & Co., Chartered Accountants, as Statutory Auditors for the financial year i.e. 2010-2011.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

With the kind of activities carried out by the Company, no particulars are required to be furnished in this report under Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption.

There was no inflow or outflow of foreign exchange during the year under review.

ACKNOWLEDGEMENTS

We take the opportunity to express our deep sense of gratitude to the Company's bankers, clients, stock exchanges, and other statutory/regulatory authorities. We would like to place on record our appreciation of the sincere efforts made by the employees at all levels of the organization. The Directors also place on record their appreciation for the advice, guidance and support given by the Holding Company, Money Matters Financial Services Ltd.

For and on behalf of the Board

Sd/-

**Rajesh Sharma
Chairman**

PLACE: - Mumbai

DATED: - 1st July, 2010

Auditors' Report

To,
The Members of **Money Matters Capital Private Limited**,

We have audited the attached Balance Sheet of **Money Matters Capital Private Limited** as at **31st March, 2010** and also the annexed Profit and Loss Account for the period ended on that date. 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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.
2. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
3. 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 accounts as required by law have been kept by the Company as it appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

- e) On the basis of written representation received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2010 from being appointed as 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 read together with other notes thereon give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
- ii) In the case of the Profit and Loss Account, of the Profit of the Company for the period ended on that date, and
- iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

For S K Patodia & Associates.

Chartered Accountants

Firm Reg. No.: 112723W

Sd/-

Place : Mumbai
Date : 1st July, 2010

Vishnu Kant Saraf

Partner

Mem. No. : 047755

Annexure to Auditors Report

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Money Matters Capital Private Limited** for the period ended 31st March 2010.

- (i) a) The Company does not have any fixed assets. Hence, the provision of clause 4 (i) of the said Order is not applicable to the Company.
- (ii) a) The Company does not have any inventories. Hence, the provision of clause 4 (ii) of the said Order is not applicable to the Company.
- (iii) a) The company has not granted unsecured loan to any party covered in the register maintained under Section 301 of the Companies Act 1956.
 - b) In view of our comments in Para (iii) (a) above, clauses (iii) (b), (c) and (d) of the said order are not applicable to the company.
 - c) The Company has not taken unsecured loan from any party covered in the register maintained under Section 301 of the Companies Act 1956.
 - d) In view of our comments in Para (iii) (c) above, clause (iii) (f) & (g) of the said Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) According to the information and explanation provided by the management, we are of the opinion that there are no transactions with reference to contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the Company.
- (ix) According to the records of the Company, the undisputed statutory dues including Income Tax, Service Tax and Cess have regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2010 for a period more than six months from the date they became payable.
- (x) Since, the company has been registered for a period of less than 5 years, the provision of clause 4(x) of the said Order is not applicable to the company.

- (xi) The Company has not availed any loan from banks and financial institutions. Hence, there is no question of default in repayment of dues and therefore the provision of this clause is not applicable to the Company.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures or Other Securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) In respect of investments, the company has maintained proper records and timely entries have been made therein and are held in its own name.
- (xv) The company has not given any guarantees for loan taken by others from banks and financial institutions.
- (xvi) The Company has not taken any Term Loan during the period.
- (xvii) On an overall examination of the balance sheet of the company, we report that no funds raised on Short-term basis have been used for Long term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the period
- (xx) The Company has not raised any money by way of public issue during the period.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period.

For S K Patodia & Associates.

Chartered Accountants

Firm Reg. No.: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem No : 047755

Place : Mumbai

Dated : 1st July, 2010

Money Matters Capital Private Limited
Balance Sheet as at 31st March, 2010

Particulars	Schedules	As at 31.03.2010 (Rs.)
I. SOURCES OF FUNDS		
Shareholders Funds		
Share Capital	1	25,000,000
Reserves & Surplus	2	43,262
Total		25,043,262
II. APPLICATION OF FUNDS		
Investments	3	4,784,149
Current Assets, Loans & Advances		
Cash & Bank Balances	4	20,107,912
Loans & Advances	5	189,716
Less: Current Liabilities & Provisions	6	38,515
Net Current Assets		20,259,113
Miscellaneous Expenditure		
(To the extent not written off or adjusted)	7	-
Total		25,043,262
Singificant Accounting Policies & Notes on Accounts	10	

As per our report of even date

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg No.: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 047755

Place : Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma

Director

Sd/-

Seema Sharma

Director

Place : Mumbai

Date : 1st July, 2010

Money Matters Capital Private Limited

Profit & Loss Account for the period ended 31st March, 2010

Particulars	Schedules	Period Ended 31.03.2010 (Rs.)
A. Income		
Income from Operations	8	473,865
		<u>473,865</u>
B. Expenditure		
Administrative and Other Expenses	9	397,603
		<u>397,603</u>
Profit before Tax (A - B)		76,262
Less : Provision For Tax		
- Current Tax		33,000
Profit After Tax		<u>43,262</u>
Balance brought forward from previous year		-
Balance carried to Balance Sheet		<u>43,262</u>
Earnings per share (Face Value of Rs.10/- each)		
Basic (Rs.)		0.02
Diluted (Rs.)		0.02
Singificant Accounting Policies & Notes on Accounts	10	

As per our report of even date

S K Patodia & Associates
CHARTERED ACCOUNTANTS

Firm Reg No.: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 047755

Place : Mumbai

Date : 1st July, 2010

For and on behalf of the Board

Sd/-

Rajesh Sharma

Director

Sd/-

Seema Sharma

Director

Place : Mumbai

Date : 1st July, 2010

Money Matters Capital Private Limited

Schedules forming part of Accounts for the period ended 31st March, 2010

Particulars	As at 31.03.2010 (Rs.)
Schedule "1" : Share Capital	
Authorised :	
50,00,000 Equity Shares of Rs. 10/- each	50,000,000
	<u>50,000,000</u>
Issued, Subscribed and Paid up :	
25,00,000 Equity Shares of Rs.10/- each fully Paid up (Of the above, 100% of the shares are held by Money Matters Financial Services Limited, the holding company and its nominees)	25,000,000
	<u>25,000,000</u>
Schedule "2" : Reserves & Surplus	
Profit & Loss Account	43,262
	<u>43,262</u>
Schedule "3" : Investments (Refer Note No. "F", Schedule "10")	
Longterm :	
Mutual Funds	
4,78,415 Units of LIC MF Saving Plus - Daily Dividend Plan (Fair Value Rs.47,84,149/-)	4,784,149
	<u>4,784,149</u>
Schedule "4" : Cash & Bank Balances	
Cash in Hand	-
Balance with Schedule Bank :	
Current Account	107,912
Fixed Deposit	20,000,000
	<u>20,107,912</u>
Schedule "5" : Loans & Advances	
(Unsecured and considered good)	
Advance recoverable in cash or kind or for value to be received	170,744
Advance Tax & TDS	18,972
	<u>189,716</u>
Schedule "6" : Current Liabilities & Provisions	
Current Liabilities	
Other Liabilities	5,515
Provisions	
Provision for Taxation	33,000
	<u>38,515</u>
Schedule "7" : Miscellaneous Expenditure	
(To the extent not written off or adjusted)	
Opening Balance	-
Add : Incurred during the year	384,603
Less : Written off during the year	384,603
	<u>-</u>

Money Matters Capital Private Limited

Schedules forming part of Accounts for the period ended 31st March, 2010

Particulars	Period Ended 31.03.2010 (Rs.)
Schedule "8" : Income from Operations	
Dividend on Mutual Funds	284,149
Interest on Bank FD (TDS Rs. 18972/-)	189,716
	<u>473,865</u>
Schedule "9" : Administrative and Other Expenses	
Auditors Remuneration	5,515
Filing Fees	7,374
Bank Charges	111
Miscellaneous Expenditure written off	384,603
	<u>397,603</u>

Money Matters Capital Private Limited
Cash Flow Statement for the period ended 31st March, 2010

Particular	For the period ended 31st March 2010 Rs.	For the year ended 31st March 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	76,262	552,600,693
adjusted for:		
Interest Received	(189,716)	1,467,786
Misscellaneous Expenditure written off	384,603	
Dividend Received	(284,149)	(7,801,871)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(13,000)	546,266,608
adjusted for:		
Loans & Advances	(170,744)	(31,502,588)
Current Liabilities & Provisions	5,515	(135,237,345)
CASH GENERATED FROM OPERATIONS	(178,229)	379,526,677
Taxes Paid	(18,972)	(220,353,128)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	(197,201)	159,173,549
Prior period adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES	(197,201)	159,173,549
B. CASH FLOW FROM INVESTING ACTIVITIES		
Change in Investments	(4,784,149)	(55,981,999)
Interest Received	189,716	
Dividend Received	284,149	7,801,871
NET CASH USED IN INVESTING ACTIVITIES	(4,310,284)	7,801,871
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	25,000,000	
Misscellaneous Expenditure written off	(384,603)	-
NET CASH USED IN FINANCIAL ACTIVITIES	24,615,397	-
Net increase/(decrease) in Cash and Cash Equivalents	20,107,912	166,975,419
Cash and Cash Equivalents as on 01.04.2009	-	3,867,996
Cash and Cash Equivalents as on 31.03.2010	20,107,912	102,283,079

Note:-

1. Cash and cash Equivalents at the end of the year consists of Cash in hand and Balance with banks and are net of short term loans and advances from Banks as follows:-

Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	-	253,267
Balance with Bank	20,107,912	102,029,812
	<u>20,107,912</u>	<u>102,283,079</u>

S K Patodia & Associates
CHARTERED ACCOUNTANTS
Firm Reg.No.: 112723W

For and on behalf of the Board

Sd/-

Sd/-

Sd/-

Vishnu Kant Saraf
Partner
Mem. No. 047755

Rajesh Sharma
Director

Seema Sharma
Director

Place : Mumbai
Date : 1st July, 2010

Money Matters Capital Private Limited

Schedules forming part of Accounts for the period ended 31st March, 2010

Schedule "10":- Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies

A. **Basis of Accounting**

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles

B. **Use of estimates :**

The preparation of financial statements are in conformity with generally accepted accounting principles which requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known / materialized.

C. **Recognition of Income & Expenditure**

The Company follows accrual basis of accounting. Dividend is recognized as income when right to receive payment is established by the date of balance sheet. Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

D. **Investments**

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are carried at cost less other than any temporary diminution in value, determined separately for each investment. Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value

E. **Miscellaneous Expenditure**

Preliminary expenditures are amortised in the year in which incurred.

F. **Provisions and Contingencies**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amounts of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Money Matters Capital Private Limited

Schedules forming part of Accounts for the period ended 31st March, 2010

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economic benefit will rise, asset and related income are recognised in the period in which the change occurs

G. Accounting for Taxation of Income :

Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

II. Notes on Accounts

A) The company is incorporated on August 11, 2009 and current year figures are for the period from 11th August, 2009 to 31st March, 2010.

B) In the opinion of the Board the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

C) Details of Auditors remuneration is as under:-

	Amount (Rs)
Particulars	2009-10
Statutory Audit Fees	5,515
Total	5,515

D) **Earning Per Share (As per AS – 20)**

In accordance with Accounting Standard 20- Earning per Share, the computation of earning per share is set out below:

Sr. No.	Particulars	31st March 2010
i)	Weighted average number of Equity Shares of Rs. 10 each	
a)	Number of shares at the beginning of the period	Nil
b)	Number of shares at the end of the period	25,00,000

Money Matters Capital Private Limited

Schedules forming part of Accounts for the period ended 31st March, 2010

c) Weighted average number of shares outstanding during the period	25,00,000
ii) Net Profit after tax available for equity shareholders	43,262/-
iii) Basic Earning Per Share (In Rs.)	0.02

The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

E) Investments:

(a) Additional information in respect of Non Trade, Unquoted (Mutual Funds)/Quoted (equity Shares) Current Investments / Dealing in securities

	March 31, 2010	
	Quantity	Amount
Investments at the beginning of the year		
Mutual Fund	Nil	Nil
Investment made during the year		
Mutual Fund	6,026,399	63,275,390
Investments redeemed / sold during the year		
Mutual Fund	5,547,984	58,491,241
Investment as at the year end		
Mutual Fund	478,415	4,784,149

(b) Detailed Quantitative information in respect of Non Trade, Unquoted, Current Investment/dealing in securities

Name of the Unit/Company	Type	Investment		Sales/Redemption	
		No of Units	Rupees	No of Units	Rupees
LIC MF Floating Rate Fund-Short Term Plan	Daily Dividend	2,475,425	24,754,246	2,475,425	24,754,246
LIC MF Liquid Fund	Daily Dividend	3,072,559	33,736,995	3,072,559	33,736,995
LIC MF Savings Plus Fund	Daily Dividend	478,415	4,784,149	-	-

F) Amounts due to Micro, Small and Medium Enterprises:

The Company has not received any intimation from the suppliers under The Micro, Small & Medium Enterprises Development Act 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

H) Additional information pursuant to the provision of Part II of the Schedule VI of the Companies Act 1956 to the extent applicable:

- Foreign Exchange Earnings & Outgo :

Money Matters Capital Private Limited

Schedules forming part of Accounts for the period ended 31st March, 2010

Particulars	2009 - 2010 (Amt. In Rs.)	2008 - 2009 (Amt. In Rs.)
Earning and Expenditure in Foreign currency	Nil	Nil

I) Related Party Disclosures:

a) Key Management Personnel

Mr. Rajesh Sharma

b) Holding Company

Money Matters Financial Services Limited

(Rs. In Lakhs)

Nature of Transactions	In relation to (a) above	In relation to (b) above
Equity Contribution	Nil	250.00
Reimbursement of expenses paid	Nil	4.17
Amount outstanding as at 31st March 2010 :		
Equity Share Capital	Nil	250.00

Note: Related Parties are as disclosed by the Management and relied upon by the Auditors.

J) Segment Reporting

The Company is engaged in the business of Financing Activity which is the only business segment in the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, and hence is considered to constitute a single primary segment. Therefore, Segment Information as required by Accounting Standard - 17 is not applicable.

K) The Schedules referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts.

As per our Report of even date attached

For S. K. Patodia & Associates

Chartered Accountants

Firm Reg. No. : 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem. No. 047755

For and on behalf of the Board

Sd/-

Sd/-

Rajesh Sharma
Director

Seema Sharma
Director

Place : Mumbai

Date : 1st July, 2010

Money Matters Capital Private Limited

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. : U65999MH2009PTC194826 State Code : 11

Balance Sheet Date : 31 03 2010
Date Month Year

II. Capital raised during the year (Rs. in Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement/Promoter's Contribution	25,000
Share Application Money	Nil	Securities Premium	Nil

III. Position of Mobilization and Deployment of Funds (Rs. in Thousands)

Total Liabilities	25,043	Total Assets	25,043
Source of Funds:			
Paid-up Capital	25,000	Share Application Money	Nil
Reserves & Surplus	43	Secured Loans	Nil
Unsecured Loans	Nil	Deferred Tax Liability	Nil
Application of Funds :			
Net Fixed Assets	Nil	Capital Work in Progress	Nil

Money Matters Capital Private Limited

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

Investments	4,784	Net Current Assets	20,259
Miscellaneous Expenditure	-	Deferred Tax Assets	Nil

IV. Performance of Company. (Rs. in Thousands)

Turnover and Income	474	Total Expenditure	398
Profit/Loss Before Tax + -	76	Profit/Loss After Tax + -	76
Earning Per Share in (Rs.)	0.02	Dividend Rate %	0

V. Generic Names of Three Principal Products/Services of Company (As Per monetary Terms)

Item Code No. (ITC Code)	Not Applicable
Product Description	Not Applicable

As per our report of even date attached

Signatories to Schedule

S K PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg No.: 112723W

Sd/-

Vishnu Kant Saraf

Partner

Mem No. 047755

Place: Mumbai

Date : 1st July, 2010

For and on behalf of the Board.

Sd/-

Rajesh Sharma

Director

Sd/-

Seema Sharma

Director

Place: Mumbai

Date : 1st July, 2010