

# CORPORATE INFORMATION

## Board of Directors

### Chairman and Managing Director

Shri. Rajesh Sharma

### Wholetime Director

Shri. Suresh Gattani\*

### Non-Executive Director

Shri. Pawan Bansal\*\*

### Independent Directors

Shri. Raj Narain Bhardwaj\*\*

Dr. Bidhubhusan Samal\*\*

Shri. Vishwanath Prasad Singh\*\*

Shri. Purushottam Srinivasan\*

Shri. Sanjay Khemani\*

Shri. Pawankumar Varma\*

### Sr. Vice President and Company Secretary

Shri. Vishal Joishar

## Auditors

M/S Agarwal Gupta Nokari & Rustagi Associates

Chartered Accountants

12, Waterloo Street, Kolkata-700069.

## Bankers

Union Bank of India

Bank of India

Axis Bank

HDFC Bank

## Registered office

1-B, Court Chambers,

35, Sir Vithaldas Thackersey Marg,

New Marine Lines, Mumbai-400020.

## Registrar and Share Transfer Agent

M/s. MCS Limited

77/2A, Hazra Road, Kolkata-700029.

## 15th Annual General Meeting

Date: Tuesday, September 22, 2009

Time: 11.00 a.m.

## Venue

Kilachand Conference Room

Indian Merchants' Chamber, LNM IMC Bldg,

Opp. Churchgate Station, Churchgate, Mumbai-400020

*\* Resigned w.e.f. August 21, 2009 \*\* Appointed as Additional Director w.e.f. August 21, 2009*



“It is impossible to win the race  
unless you venture to run,  
impossible to win a victory unless  
you dare to battle.”

- *Richard M. De Vos*



The Latin term ‘**Carpe Diem**’  
means ‘Seize the day’.

The living philosophy of Money Matters.  
Which explains why we posted record  
results in 2008-09 even as India’s  
financial sector went through the most  
challenging year in living memory.

# DIRECTORS' REPORT

*Dear members*

Your Directors have pleasure in presenting their 15th Annual Report and the audited statement of accounts of the Company for the year ended March 31, 2009.

## Financial results

(Rs. in lacs)

	2008-09	2007-08
Operating profit for the year	15,426.50	629.70
Less: Depreciation	4.65	0.71
Profit before tax	15,421.85	628.99
Add/(less): Tax provision	(5,265.00)	(203.00)
FBT provision	(9.80)	(0.05)
Add/(less): Deferred tax	(2.70)	0.56
Profit after tax	10,144.35	426.50
Less: Transferred to reserve fund in terms of Section 45IC(1) of the Reserve Bank of India Act, 1934	2,028.87	85.30
Net profit	8,115.48	341.20
Add: Balance brought forward	355.64	14.44
Balance carried to balance sheet	8,471.12	355.64

## Performance of your Company

During 2008-09, your Company earned gross income of Rs. 16,975.68 lacs.

During 2008-09, Money Matters Securities Pvt. Ltd (MMSPL), the wholly-owned subsidiary of your Company, earned gross revenue of Rs. 572.67 lacs and profit after tax of Rs. 109.83 lacs from stock broking and advisory services.

Your Company promoted the wholly-owned subsidiary, Money Matters Investment Advisors Private Limited (MMIAPL), which was incorporated on April 15, 2008. MMIAPL obtained the merchant banking licence from SEBI and is involved in the advisory services. During 2008-09, MMIAPL earned gross revenue of Rs. 102.46 lacs and profit after tax of Rs. 11.88 lacs from advisory services.

Your Company also promoted the wholly-owned

subsidiary Money Matters Distribution Company Pvt. Ltd (MMDCPL). MMDCPL was incorporated on November 18, 2008. MMDCPL has not yet commenced its operations.

### **Consolidated accounts**

The consolidated financial statements of the Company prepared as per Accounting Standards 21 and other applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and Clause 32 of the Listing Agreement with the stock exchanges with its subsidiaries are annexed and form a part of the Annual Report and accounts.

The Company's operating income on a consolidated basis was Rs. 17630.39 lacs and the consolidated net profit of your Company after provision for taxation was Rs. 10265.17 lacs.

### **Listing**

Your Company, at present, is listed at the following stock exchange.

1. The Bombay Stock Exchange Ltd  
P.J. Towers, Dalal Street, Fort, Mumbai - 400 001

Listing fee up to the financial year 2009-2010 have been paid to the stock exchange.

### **Strengthening of human capital**

The Company was able to attract qualified, experienced and talented professionals across various levels thereby strengthening your Company's presence in the present vibrant market. This will also help the Company in tapping new clients.

### **Dividend**

With a view to strengthen the financial leverage of the Company, the Board of Directors of your Company did not recommend payment of any dividend for the year.

### **Share capital**

During 2008-09, the Company issued 1,80,00,400 equity shares of Rs. 10 each for cash at par to the equity shareholders of the Company on rights basis in the ratio of two equity shares for every one equity shares and for every one equity shares being allotted on rights basis the allottee will also receive one detachable warrants.

The new shares, so issued, ranks pari passu with existing equity share capital of the Company and the shares and warrants are now both tradeable on the Bombay Stock Exchange Ltd.

### **Conversion of warrants**

The warrants issued by the Company during the year on rights basis shall be convertible into one equity share of face value of Rs. 10 each as per the terms mentioned in the Letter of Offer dated February 21, 2009.

Warrant exercise period shall be the period commencing after six months from the date of allotment i.e. March 27, 2009 up to 18 months from the date of allotment of the warrants.

As per the terms of the issue of warrants, the warrants shall be converted at an exercise price which is calculated as below:

Warrant exercise price shall be at a discount of 20% to the market price subject to a minimum of Rs. 10.

And market price shall be calculated as under

Market price (as adjusted for share split or issue of bonus shares) shall be the higher of the following:

- (a) The average price of the equity shares of the Company computed as the average of the weekly high and low of the closing prices of the shares of the Company during the six months immediately preceeding the month in which the exercise price is announced. The said high and low closing prices shall be the prices quoted on the exchange where the highest volumes of the shares of the Company are recorded during the said period.
- (b) Average of the weekly high and low of the closing prices of the related shares during the two weeks preceding the month in which the exercise price is announced. The said high and low closing prices shall be the prices quoted on the exchange where the highest volumes of the shares of the Company are recorded during the said period.

Provided further that, in the event of any share split or issue of bonus shares by the Company the issue price stated above shall be adjusted accordingly for the purpose

of arriving at the applicable discount to the market price for warrant exercise. The applicable exercise price valid for period of three months; would be advertised by us in English national daily, one Hindi national daily with wide circulation and a regional language daily circulated at the place where our registered office is situated. The applicable exercise price shall be advertised within three working days of the beginning of the exercise period or the expiry of the previously announced price.

### **Employee stock option**

The Board approved the Employee Stock Option Scheme, 2009 (ESOP) to be granted to the permanent employees of the Company and its subsidiaries and the appropriate resolutions for approval of the ESOP Scheme, 2009 of the Company are being moved at the ensuing Annual General Meeting, which the Board recommends for your approval.

### **Directors**

#### **Resignations of Directors**

Mr. Suresh Gattani resigned as the Wholetime Director of the Company, w.e.f. from August 21, 2009. Your Directors feel privileged to have had an association with Mr. Suresh Gattani and express their appreciation for the valuable contribution made by him during his tenure as the Director of your Company.

Mr. Sanjay Khemani resigned as the Director of the Company, w.e.f. August 21, 2009. Your Directors feel privileged to have had an association with Mr. Sanjay Khemani and express their appreciation for the valuable contribution made by him during his tenure as the Director of your Company.

Mr. Pawankumar Varma resigned as the Director of the Company, w.e.f. August 21, 2009. Your Directors feel privileged to have had an association with Mr. Pawankumar Varma and express their appreciation for the valuable contribution made by him during his tenure as the Director of your Company.

Mr. Purushottam Srinivasan resigned as the Director of the Company, w.e.f. August 21, 2009. Your Directors feel privileged to have had an association with Mr. Purushottam Srinivasan and express their appreciation for the valuable contribution made by him during his tenure as the Director of your Company.

#### **Appointment of Additional Directors**

Mr. Pawan Bansal was appointed as Additional Director of the Company on August 21, 2009. In terms of Section 260 of the Companies Act, 1956, Mr. Pawan Bansal vacates the office of Director at the ensuing Annual General Meeting. The Company received notice in writing from a member proposing the candidature of Mr. Pawan Bansal for the office of Director being liable to retire by rotation.

Mr. Raj Narain Bhardwaj was appointed as Additional Director of the Company on August 21, 2009. In terms of Section 260 of the Companies Act, 1956, Mr. Raj Narain Bhardwaj vacates the office of Director at the ensuing Annual General Meeting. The Company received notice in writing from a member proposing the candidature of Mr. Raj Narain Bhardwaj for the office of Director being liable to retire by rotation.

Dr. Bidhubhusan Samal was appointed as Additional Director of the Company on August 21, 2009. In terms of section 260 of the Companies Act, 1956, Dr. Bidhubhusan Samal vacates the office of Director at the ensuing Annual General Meeting. The Company received notice in writing from a member proposing the candidature of Dr. Bidhubhusan Samal for the office of Director being liable to retire by rotation.

Mr. Vishwanath Prasad Singh was appointed as Additional Director of the Company on August 21, 2009. In terms of Section 260 of the Companies Act, 1956, Mr. Vishwanath Prasad Singh vacates the office of Director at the ensuing Annual General Meeting. The Company received notice in writing from a member proposing the candidature of Mr. Vishwanath Prasad Singh for the office of Director being liable to retire by rotation.

Appropriate resolutions for appointment of the aforesaid Directors of the Company are being moved at the ensuing Annual General Meeting, which the Board recommends for your approval.

The Board recommends appointment of aforesaid Directors.

In pursuance of Clause 49 of the Listing Agreement the Board nominated Mr. Raj Narain Bhardwaj on the Board of the subsidiaries Money Matters Securities Pvt. Ltd (upon

receipt of approval from NSE & BSE), Money Matters Investment Advisors Pvt. Ltd and Dr. Bidhubhusan Samal on the Board of the subsidiaries Money Matters Distribution Company Pvt. Ltd and Money Matters Capital Pvt. Ltd.

### **Reserve Bank of India directions**

During 2008-09, the Company did not accept any deposits from the public and there were no deposits due for repayment or renewal. The Company complied with the directives issued by the Reserve Bank of India under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

### **Subsidiary companies**

The financial statement along with the report of the Board of Directors of the Company's wholly-owned subsidiaries namely Money Matters Securities Pvt. Ltd (MMSPL), Money Matters Investment Advisors Pvt. Ltd (MMIAPL) and Money Matters Distribution Company Pvt. Ltd (MMDCPL) for the year ended March 31, 2009 are attached along with the statement pursuant to Section 212 of the Companies Act, 1956 with respect to the said subsidiaries. As Money Matters Capital Pvt. Ltd (MMCPL) the wholly-owned subsidiary of your Company was recently incorporated on August 11, 2009, the financial statement and its report is not attached. The review of performance of the subsidiaries is as under:

#### **1. Money Matters Securities Private Limited (MMSPL)**

MMSPL is carrying on a business of a stock broking and is a registered member of BSE (Cash Segment) and NSE (Cash and FNO segment). To cope up with the growing competition and offer a variety of financial product available in the market to the clients, MMSPL also took a membership of currency derivatives of NSE and wholesale debt market of BSE.

#### **2. Money Matters Investment Advisors Private Limited (MMIAPL)**

MMIAPL was incorporated on April 15, 2008 for undertaking merchant banking activity. During the year, MMIAPL obtained merchant banking license issued by the Securities and Exchange Board of India (SEBI) under the SEBI (Merchant Bankers) Regulations, 1992.

#### **3. Money Matters Distribution Company Private Limited (MMDCPL)**

MMDCPL was incorporated on November 18, 2008 for carrying on the business of distribution of Insurance and Mutual Fund products. The Company is yet to commence its business operations.

#### **4. Money Matters Capital Private Limited (MMCPL)**

MMCPL was incorporated on August 11, 2009 for carrying on the business of financing, money lending, bill discounting, factoring corporate lending and other types of lending activities with or without securities.

### **Auditors**

M/s. Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants, retire as statutory auditors of the Company at the ensuing Annual General Meeting and gave their consent for reappointment.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s. Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

### **Auditors' Report**

The statutory auditors of the Company submitted their report on the accounts of the Company for the accounting year ended March 31, 2009 which is self-explanatory and requires no comments or explanation under Section 217(3) of the Companies Act, 1956.

### **Corporate Governance**

As required by Clause 49 of the Listing Agreement with the stock exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report.

### **Conservation of energy, technology absorption, foreign exchange earnings and outgo**

Since your Company does not own manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure

of particulars in the Report of Board of Directors) Rules, 1988 were not applicable. The Company has foreign exchange earnings and there was no foreign exchange outgo during the year as mentioned herein under

Additional Information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of

Schedule VI to The Companies Act, 1956 (to the extent applicable) are as under

(a) Earning in

foreign currency : Rs. 40,54,765 previous year (Nil)

(b) Expenditure in

foreign currency : Rs. Nil previous year (Nil)

### Additional disclosures

In line with the requirements of the Accounting Standards of the Institute of Chartered Accountants of India, your Company made additional disclosures in respect of related party transactions, segment reporting, earning per share and deferred tax assets/liabilities.

### Directors' responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Management your Directors state that

- i) In the preparation of the annual accounts, the applicable accounting standards were followed
- ii) They selected such accounting policies and applied them consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year under review
- iii) They took proper and sufficient care to maintain 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) They prepared the annual accounts on a going concern basis.

### Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and rules framed thereunder

Following is the statement of employees in receipt of remuneration exceeding the limits prescribed under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975

Sl. No.	Name	Designation	Qualification	Age (years)	Date of joining	Experience	Remuneration (Rs.)	Previous employment
1	Mr. Vishal Joishar	Vice President and Company Secretary	CS, L.L.B	34	May 16, 2008	14 years	27,03,816	DSP Merrill Lynch Ltd
2	Mr. Pawan Bansal	Head - Business Development	CA, CS, ICWA	42	December 15, 2008	18 years	8,50,00,000	Morgan Stanley India Company Pvt. Ltd
3	Mr. Karan Bagga	Senior Vice President	MBA	37	July 1, 2008	13 years	32,31,334	IDFC SSKI Pvt. Ltd

### Acknowledgement

Your Directors take this opportunity to thank its bankers, regulatory authorities and business associates for their valuable support and above all its valued customers, who by their patronage have helped the Company to reach new heights every year. Your Directors also place on record their deep appreciation for the employees of the Company for their commitment and contribution as well. Your involvement as shareholders is also valued and your Directors look forward to your continuing support.

For and on behalf of the Board

Place: Mumbai  
Dated: August 21, 2009

**Rajesh Sharma**  
*Chairman and Managing Director*

# MANAGEMENT DISCUSSION AND ANALYSIS

## Macro-economic environment

The performance of the Company should be reviewed in the backdrop of the global financial crisis. Unlike the US and European economies, the slowdown in India was not led by the financial sector but by the external sector. Slowdown in trade, constricted global liquidity and consequent slowdown in investment plans of companies combined to result in a lower GDP growth for the Indian economy. The Indian economy growth declined from 9% in 2007-08 to 6.7% in 2008-09.

Foreign Institutional Investors (FIIs) withdrew around US\$13 billion from the Indian markets. Market capitalisation declined and consequent redemption of mutual fund holdings pressurised liquidity in the equity markets.

India's central and state governments have taken several fiscal stimulus measures in the form of tax cuts and spending programmes to address the slowdown. The RBI has reduced its policy rates (LAF Repo rates) by 400 basis points since September 2008 and injected significant liquidity into the markets.

## Outlook for 2009-2010

While the worst is over, the economic situation in the developed economies is unlikely to improve significantly. We expect the external sector's performance to continue to remain muted for FY10 despite the large fiscal stimulus measures undertaken by various governments. Inflationary pressures are likely to gradually build up through the year, preventing the interest rates from seeing a major decline.

## Indian debt market

Debt capital markets in India comprises trading of central government securities, treasury bills (T-bills), state development loans (SDLs), public sector undertaking bonds, floating rate bonds (FRBs), zero coupon bonds (ZCBs), index bonds, commercial papers (CPs), certificates of deposit (CDs), corporate debentures, SLR and non-SLR bonds issued by financial institutions (FIs), bonds issued by foreign institutions and units of mutual funds (MFs).

The trading volume on the wholesale debt market segment of NSE grew 19% from Rs. 282,317 cr (US\$70,632 million) in 2007-08 to Rs. 335,952 cr (US\$65,937 million) in 2008-09; average daily trading volume grew from Rs. 1,138 cr (US\$285 million) in 2007-08 to Rs. 1,412 cr (US\$277 million) in 2008-09. Seen holistically, the growth of exchange-traded corporate debt in India is slower than the rest of the world; besides, the trading volume is just 2.6% of the trading on the equity markets. This is in contrast with developed markets like in the US, where the debt market is three times the size of the equity market.

Expected deterioration in credit quality curtailed bank credit growth to 17.3% in FY09 compared to 22.3% in FY08. External commercial borrowings (ECBs) declined due to the global liquidity crunch. PSU Banks led the market in terms of credit growth.

## Indian equity capital market

The Indian equity capital market began 2008 on a bullish note, with the BSE Sensex and NSE Nifty flagship indices peaking at 20,873 and 6,288 respectively on January 8, 2008. Thereafter, Indian equity prices moved in tandem

with international equity trends and weakened significantly during September-December 2008.

**Equity resource mobilisation:** The primary market in India could not sustain the initial momentum on account of the global financial crisis. The number of issues declined sharply from 91 in 2007-08 to 22 in 2008-09. The total amount of capital raised through equity issues declined 93% from Rs. 53,219 cr in 2007-08 to Rs. 3,534 cr in 2008-09.

**Private equity participation:** Private equity transactions in India declined in FY 2008-09 as various PE players became cautious on investments. According to the economic outlook for FY 2008-09, the Private Equity inflows are estimated to decline from US\$10 billion in 2007-08 to US\$7.5 billion in 2008-09.

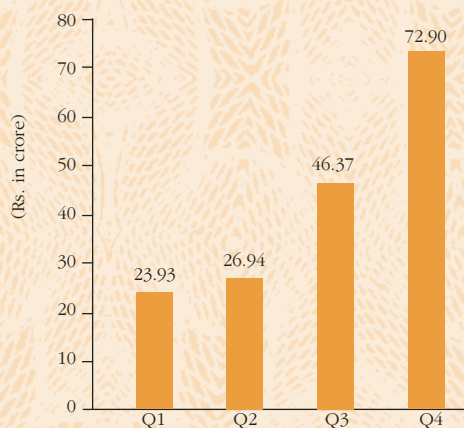
**Mergers and acquisitions:** Mergers and acquisitions declined to a three-year low in 2008-09. A total 484 deals during the year worth US\$19.9 billion in 2008-09 represented a 33% decline over 2007-08.

### Business overview

Money Matters Financial Services Limited conducts its operations along with its subsidiaries (together hereinafter referred to as 'Money Matters'). Money Matters has shown

excellent growth amidst a difficult financial environment with its three-pronged focus on client relationship, timely execution and innovative structuring solutions. The focus has been demonstrated in repeat mandates from clients across a wide range of sectors over the last financial year. This performance has been possible with the dedicated efforts of our professional team with decades of experience in premier Indian and MNC financial institutions. Your Company expects to further build on these relationships by broadening our service offerings and create a diversified financial services platform with a focus on core fee based services

### Quarter wise revenues (2008-09)



## Divisional review

# CREDIT SYNDICATION

### Overview

Your Company has a robust credit syndication business where it has emerged as a one of the top players in the country. The Company provides credit syndication services by acting as advisors and arrangers for raising rupee and foreign currency loans, foreign currency convertible bonds and rupee-denominated bonds.

Money Matters offers the following services to its clients through this division:

- ▶ Debt syndication
  - Project finance
  - Term loan and working capital
  - Loan against shares
  - Acquisition funding
- ▶ Securitisation advisory
- ▶ Debt restructuring advisory
- ▶ Debt trading – Inter bank dealing desk for debt broking services to clients

The Company's business model is based on the following key pillars:

**Strong client relationships:** The Company's relationship focused approach has enabled it to establish strong relationships with a number of reputed business houses in the country. Repeat mandates from these clients are a testimony to the Company's focused approach. The Company also has relationship with a number of emerging mid market companies in a range of sunrise sectors such as telecom and hospitality

**Timely execution:** Deep and active knowledge of the financial markets, banks and financial institutions allows for time bound execution of mandates

**Innovative structuring solutions:** Structuring expertise is a key corner stone of your Company in ensuring successful execution of mandates

**Professional team:** The Company possesses a professional team with diverse capabilities and an experience of having worked previously with leading banks, brokerage houses and financial institutions.

**Diversified sector presence:** The Company's clients are drawn from a range of sectors such as infrastructure, power, real estate, telecom, auto component, metal and mining sectors, hospitality, tourism and financial services sectors, reducing the impact of sector specific cycles on the Company.

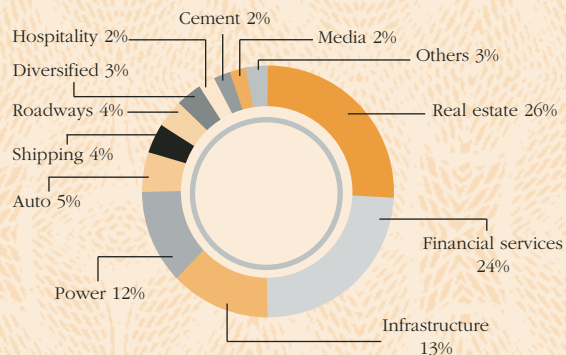
### Highlights, 2008-09

- ▶ Robust financial performance - debt syndication fees of Rs. 161 cr from 40 clients with consistent growth quarter on quarter
- ▶ Established client relationships with premier business

houses in the country

- ▶ Credit syndication fund raising to the tune of Rs. 12,750 cr
- ▶ Grew its market share in a challenging financial environment
- ▶ Strengthened team from 20 to 68 members
- ▶ Established Debt Trading Desk with a line of credit from Bank of India

### Sector diversification (FY '09)



### Outlook

The Company aims to further strengthen its credit syndication platform with the following steps:

- ▶ Build distribution capabilities in the international market to manage ECB and overseas bond issues
- ▶ Build a strong debt capital markets platform with empanelment with leading banks and financial institutions
- ▶ Widen national coverage through offices in other metros and Tier II towns
- ▶ Strengthen its position among the top credit syndicators in India

Money Matters has emerged as one of the leading credit syndication advisors in India, in its very first year of operation.

## Divisional review

# SECURITIES BROKING

### Overview

Money Matters Securities Private Limited a wholly-owned subsidiary of the Company is registered with BSE for cash and wholesale debt market segments and with NSE for cash, F&O and currency derivative segments. This division commenced operations in 2007, offering equity broking for high net worth individuals and institutional clients. The securities broking business comprises institutional and PCG sales, execution and research.

The Company's business model is based on the following key pillars:

**Personalised services:** The division offers one-to-one service, facilitating a deep understanding of requirements leading to customised advice.

**Multiple product offerings:** Clients have the flexibility of a one stop execution platform for equity, debt and currency markets.

**Ready client base:** The division enjoys access to clients from our credit syndication and equity fund raising business.

### Highlights, 2008-09

- ▶ Incubated the securities broking business
- ▶ Obtained the NSE membership of Currency Derivative Segment and BSE membership of Wholesale Debt Market (WDM)

### Outlook

- ▶ Strengthen the existing securities team and increase institutional empanelments
- ▶ Generate additional revenues from debt market brokerage

## Divisional review

# FUND-BASED SERVICES

### Overview

The Company's fund-based services comprise structured debt finance, loans against shares, margin funding and proprietary bond trading. Currently, the major proportion of revenues of this division is derived from lending activities and proprietary bond trading.

The Company's business model is based on the following key pillars:

- ▶ Deep understanding and market knowledge of credit markets and corporates through investment banking business

- ▶ Rising network with strong profitability

### Highlights, 2008-09

- ▶ Revenues from fund based activities increased three-fold from Rs. 4.58 cr in 2007-08 to Rs.14.04 cr in 2008-09
- ▶ Started proprietary bond trading with revenues of Rs. 5.84 cr

### Outlook

The Company aims to introduce more fund-based products like loan against shares, term loans and to seek arbitrage funding opportunities

## Divisional review

# EQUITY FUND RAISING ADVISORY AND M&A

Money Matters Investment Advisors Pvt. Ltd, a wholly owned subsidiary of your Company is a SEBI registered Merchant Banker. The Company provides equity capital markets fund raising, private equity and M&A advisory through this division.

The Company offers the following services:

- ▶ Private equity fund raising advisory
- ▶ IPO, FPO, QIP, rights issue, open offers and buybacks
- ▶ Block deals, bulk deals, institutional sales and research

support

- ▶ Buy side and sell side advisory for mergers and acquisitions by leveraging on strong corporate and private equity relationships

## Outlook

The Company intends to build a strong investment banking platform over the next year to avail of cross selling synergies with its strong existing client relationships.

# RISK MANAGEMENT

Diversified business activities, require Money Matters to identify measures and manage risk effectively. The Company focuses on fee based business and has been traditionally averse to taking substantial balance sheet risks. At Money Matters, we counter risks through ongoing institutionalised vigilance, strong risk management policies and internal control systems that mitigate risks at every level.

The Company faces the following major types of risks:

## Macro economic risk

Any slowdown in the country's economy can affect capital expenditure and growth plans of the company's clients. The Company also faces the risk of a potentially adverse liquidity and interest rate environment. The Company strives to mitigate this by pursuing a sectorally diverse client base

## Regulatory risk

The Company's business may be affected by change in regulatory policies

## Market risk

The Company has investments in bonds and other fixed income instruments. The Company is exposed to credit and

interest rate risk on this portfolio. The Company has a stringent investment policy and risk management structure on daily monitoring of the Value at Risk on the portfolio

## Liquidity risk

An adverse liquidity scenario can hamper the company's debt raising plans. However, the Company's liquidity risk is mitigated to a large extent for the following reasons:

- ▶ Zero debt as on March 31, 2009
- ▶ Strong net worth of Rs. 152 cr as on March 31, 2009
- ▶ Adequate cash and cash equivalent balance of Rs. 116 cr as on March 31, 2009 to counter unforeseen cash requirements

## Credit risk

The Company faces credit risk on its lending portfolio. The Company has stringent credit norms monitored by a Asset Liability Committee.

The Company has formulated a robust risk management framework to mitigate the various risks faced by the Company

# REPORT ON CORPORATE GOVERNANCE

## Corporate Governance

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement with the stock exchanges is set out below

### 1. Compliance of mandatory requirements

#### A) Company's philosophy on Code of Governance

Your Company always believes in managing its affairs with diligence, transparency, responsibility and accountability. Your Company is of the firm conviction that good governance is a pre-requisite to attainment of excellent performance in terms of stakeholder value creation. The Company has a professional Board which provides strong foresight and strategic counsel to the operational management.

In keeping with the above, your Company reaffirms its commitment to excellence in Corporate Governance and constantly strives to benchmark itself against the best, in its relentless pursuit to attain the highest standards of corporate values and ethics. This is done with the objective of generating long-term economic value for the shareholders, whilst concurrently respecting the interests of the other stakeholders.

The Company complied with the provisions of Clause 49 of the Listing Agreement of the stock exchange, which deals with the compliance of Corporate Governance requirements. The same are detailed below.

#### B) Board of Directors

##### i) \*Composition and size of the Board

As on March 31, 2009, the Company had an Executive Chairman and a Wholetime Director and three Independent Directors on the Board. Thus, more than 50% of the Board consists of Independent Directors. The Company's management is headed by the Chairman and Managing Director who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' values are met. The Independent Directors bring independent judgement in the Board's deliberations and decisions.

Mr. Rajesh Sharma, Chairman and Managing Director, is also the Chairman and Managing Director of Money Matters Advisory Services Limited, one of the group Company.

Other than receiving the sitting fee, none of the Independent Directors had any other material pecuniary relationship or transactions with the Company, Promoters, Directors, management, subsidiary and associates which in their judgment would affect their independence.

##### ii) Board Meeting

During 2008-09, six Board meetings were held as detailed below. The maximum time gap between two Board meetings did not exceed four months.

*\* The composition of the Board changed w.e.f August 21, 2009. Now the Board consists of an Executive Chairman, a Non-Executive and Non-Independent Director and three Independent Directors.*

**Meetings of Board of Directors****Dates of the Meeting**

April 18, 2008  
 July 26, 2008  
 October 16, 2008  
 January 24, 2009  
 February 21, 2009  
 March 27, 2009

Attendance of each Director at the Board meeting and last Annual General Meeting (AGM) and the number of Companies and Committees where he was Director/Member as on March 31, 2009

Name of the Director	Category of Directorship	Number of Board Meetings attended	Attendance at the last AGM held on September 13, 2008	Number of Directorship in other companies	*Number of Committee positions held in other companies
Mr. Rajesh Sharma**	Chairman and Managing Director (Promoter)	6	Yes	23	Nil
Mr. Suresh Gattani***	Wholetime Director	6	Yes	1	Nil
Mr. Purushottam*** Srinivasan	Independent	6	No	3	Nil
Mr. Sanjay Khemani***	Independent	6	No	6	Nil
Mr. Pawankumar Varma***	Independent	6	Yes	4	Nil

\* In accordance with Clause 49 of the Listing Agreement, membership/chairmanships of only the Audit Committee and Shareholders/Investors Grievance Committee of all public limited companies have been considered.

\*\* Appointed as Managing Director on January 24, 2009

\*\*\* Resigned w.e.f August 21, 2009

**iii) Details of appointment of Directors**

A) Mr. Pawan Bansal was appointed as an Additional Director on August 21, 2009 and will hold office up to the date of ensuing Annual General Meeting. Mr. Bansal is a qualified CA, CS and ICWA. He has earlier worked with Morgan Stanley, Citibank, Axis Bank and IFCI, among others. He has more than 18 years of experience in Project Finance, Capital Markets & Financial Advisory.

B) Mr. Raj Narain Bhardwaj was appointed as an Additional Director on August 21, 2009 and will hold office up to the date of ensuing Annual General Meeting. Mr. Bhardwaj graduated in B.A. [Hons], MA [Economics]

and is also a DIR and PM. He was a member of the Securities Appellate Tribunal and was also the Chairman of Life Insurance Corporation of India. He has experience of more than four decades in the field of investment and insurance related matters.

C) Dr. Bidhubhusan Samal was appointed as an Additional Director on August 21, 2009 and will hold office up to the date of ensuing Annual General Meeting. Dr. Samal pursued his M.Sc. [Ag.], Ph.D [Economics] and is also a Post Graduate Diploma degree holder in bank management conducted by the National Institute of Bank Management. He was a member of Securities Appellate

Tribunal and has worked in the capacity of Chairman and Managing Director of Allahabad Bank and Industrial Investment Bank of India. He has an experience of more than four decades in the field of banking, rural credit, HRD, industrial finance and security market related matters.

D) Mr. Vishwanath Prasad Singh was appointed as an Additional Director on August 21, 2009 and will hold office up to the date of ensuing Annual General Meeting. Mr. Singh has done his M.Com., L.L.B. and is a certified associate of Indian Institute of Bankers and has also completed a specialised training in corporate restructuring and investment banking in India, USA and Japan. He has worked as Chairman and CEO of IFCI, Executive Director of IDBI and was Chairman of Tourism Finance Corporation of India Limited. He has an experience of more than four decades in the field of investment and finance related matters.

### **C. Code of Conduct**

The Company adopted a Code of Conduct for all the Board members and senior management of the Company. All Board members and senior management affirmed compliance with the Code of Conduct for the year ended March 31, 2009.

### **D. Audit Committee**

Pursuant to Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company has a qualified and independent Audit Committee comprising two Independent Directors and a Managing Director.

#### **i) Terms of reference**

The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956, are as follows:

- a) Overview the Company's financial reporting process and disclose its financial information
- b) Review the results announcement, the report and accounts/review at the end of a quarter, half year and the full year before submission to the Board, focusing particularly on

- 1) Any changes in accounting policies and practices
  - 2) Major judgmental areas
  - 3) Significant adjustments resulting from the audit
  - 4) The going concern assumption
  - 5) Compliance with accepted accounting standards
  - 6) Compliance with stock exchanges and legal standards
- c) Consider the appointment of the statutory auditors, the audit fee and any matters of resignation or dismissal
  - d) Discuss with the statutory auditor, before the audit commences, the nature and scope of the audit
  - e) Discuss problems and reservations arising from the statutory audit and any matters the statutory auditor may wish to discuss (in the absence of the management where necessary)
  - f) Review the statutory auditors' reports and presentations and the managements' response
  - g) Review the effectiveness of the system of internal financial control and discuss the same periodically with the statutory auditors, prior to the Board, making its statement thereon
  - h) Review the internal audit programme, to ensure coordination between the internal and statutory auditors, to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal auditor to undertake specific audit projects, having informed the management of their intentions
  - i) Consider the major findings of internal investigations and the management's response
  - j) Consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company
  - k) Review policies and procedures with respect to Directors' and officers' expense accounts, including their use of corporate assets and consider the results of any

review of these areas by the internal auditors or the statutory auditors.

D) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

m) Carry out any other functions as is mentioned in the terms of reference of the Audit Committee.

**ii) \*\*Composition**

As on March 31, 2009, the Audit Committee comprised Mr. Sanjay Khemani (Independent Director) as the Chairman. Other members include Mr. Purushottam Srinivasan (Independent Director) and Mr. Rajesh Sharma

(Managing Director). The Wholetime Director and the statutory auditors were invitees to the meeting.

**iii) During the financial year 2008-09, six meetings of the Audit Committee were held on following dates**

Meetings of Audit Committee	Date of meetings
	April 18, 2008
	July 26, 2008
	October 16, 2008
	January 24, 2009
	February 21, 2009
	March 27, 2009

**Attendance of each member of the Audit Committee meetings**

Sl. No.	Name	Designation	Category	Number of meetings attended
1.	Mr. Sanjay Khemani *	Chairman	Independent	6
2.	Mr. Rajesh Sharma	Member	Managing Director,	6
3.	Mr. Purushottam Srinivasan*	Member	Independent	6

*\*The Audit Committee was reconstituted on August 21, 2009 due to resignation of Mr. Sanjay Khemani and Mr. Purushottam Srinivasan.*

*\*\*The reconstituted Audit Committee comprised Mr. Raj Narain Bhardwaj (Independent Director) as the Chairman. Other members include Dr. Bidhubhusan Samal (Independent Director) and Mr. Rajesh Sharma (Managing Director).*

**E) \*\*Remuneration Committee**

As on March 31, 2009, the Remuneration Committee comprised three Independent Directors to comply with and meet the requirements of the Listing Agreement and Schedule XIII of the Companies Act, 1956. Mr. Sanjay Khemani is the Chairman of the Committee with Mr. Purushottam Srinivasan and Mr. Pawankumar Varma being other members of the Committee. The Committee, on behalf of the Board and the shareholders, determines with agreed terms of reference, the Company's policy on specific remuneration packages for the Company's Managing Director, Wholetime Director, Manager and other top managerial personnel.

The Committee met twice on April 18, 2008 and January 24, 2009 and Mr. Sanjay Khemani, Mr. Purushottam Srinivasan and Mr. Pawankumar Varma attended the meeting.

The Details of remuneration to the Executive Directors for the year 2008-09 are given below

(Amount Rs. in lacs)

Name	Salary	Commission	Perquisite	Other
Mr. Rajesh Sharma	14.11	Nil	0.23	Nil
Mr. Suresh Gattani	11.56	Nil	3.60	Nil

The sitting fee payable to the Non-Executive Directors is decided by the Board based on the number of Board and Committee meetings attended.

The details of the sitting fee paid to the Non-Executive Directors for attending Board Meeting are given below

Name	Sitting fees (Rs.)
Mr. Rajesh Sharma*	27,500
Mr. Sanjay Khemani	32,500
Mr. Purushottam Srinivasan	32,500
Mr. Pawankumar Varma	22,500

\* Mr. Rajesh Sharma was appointed as the Managing Director w.e.f. January 24, 2009, hence the sitting fee was paid for attending meetings till his appointment as the Managing Director.

\*\*The Remuneration Committee was reconstituted on August 21, 2009 due to the resignation of Mr. Sanjay Khemani, Mr. Purushottam Srinivasan and Mr. Pawankumar Varma. The reconstituted Remuneration Committee now comprises Mr. Vishwanath Prasad Singh (Independent Director) as the Chairman. Other members include Dr. Bidbubbusan Samal (Independent Director) and Mr. Raj Narain Bhardwaj (Independent Director).

#### F) Shares held by the Non-Executive Directors

Details of the Company's equity shares held by the Non-Executive Directors as on March 31, 2009 were as under

Name	Number of equity shares held
Mr. Sanjay Khemani	30*

\* The Company issued shares along with detachable warrants on a rights basis in the ratio of 2:1 to the Company's existing shareholders during the year ended March 31, 2009 and consequently the holding of Mr. Khemani increased from 10 shares to 30 shares.

The Company issued detachable warrants on rights basis during the year, besides this no other convertible instrument was held by the above Non-Executive Directors.

The Company did not grant any stock option to any of the Directors during the year ended March 31, 2009.

#### G) \*\*Shareholders/Investors Grievance Committee

As on March 31, 2009, the Shareholders/Investors Grievance Committee comprised Mr. Rajesh Sharma (Managing Director) as the Chairman. Other members

included Mr. Suresh Gattani (Wholetime Director) and Mr. Pawankumar Varma (Independent Director).

The Board designated Mr. Vishal Joishar as the Company Secretary and Compliance Officer of the Company.

The Shareholders/Investors Grievance Committee was constituted to address inter alia, shareholder and investor complaints, issue of duplicate share certificates, non-receipt of declared dividends, non-receipt of annual reports and other shareholder issues.

Two meetings of the Committee were held during 2008-09 on following dates

Meetings of Shareholder/ Investors Grievance Committee	Date of meetings
	July 16, 2008
	September 08, 2008

No investors' complaint/grievance remained unattended/pending for more than thirty days as on March 31, 2009.

\*\*The Shareholders/Investors Grievance Committee was reconstituted on August 21, 2009 due to the resignation of Mr. Suresh Gattani and Mr. Pawankumar Varma. The reconstituted Shareholders/Investors Grievance Committee comprised Mr. Pawan Banasal (Non-Executive and Non Independent Director) as the Chairman. Other members include Mr. Vishwanath Prasad Singh (Independent Director) and Dr. Bidbubbusan Samal (Independent Director).

#### H) \*\*Asset Liability Committee (ALCO)

The Asset Liability Committee is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the NBFC in line with the NBFC's budget and risk management objectives. The operating staff is responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks.

The Committee consists of Mr. Rajesh Sharma, Managing Director, Mr. Suresh Gattani, Wholetime Director and Mr. Ashok Agarwal, Principal Officer of the Company.

Two meetings of the Committee were held during 2008-09. The meetings were held on the following dates

Meetings of ALCO Committee	Date of meetings
	October 16, 2008
	March 12, 2009

*\*\*The Asset Liability Committee was reconstituted on August 21, 2009 due to the resignation by Mr. Suresh Gattani as a Wholetime Director of the Company, but will continue to be in employment with the Company in capacity of Vice President, hence Mr. Suresh Gattani will continue to be a member of ALCO in his capacity of Vice President.*

### **I) Compensation Committee**

In order to comply with the provisions of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which states that a Compensation Committee consisting of a majority of independent directors is required to be constituted for the purpose of administration and superintendence of the Employee Stock Option Plan, 2009.

The Compensation Committee was constituted on August 21, 2009 comprising Mr. Raj Narain Bhardwaj (Independent Director) as the Chairman. The other members comprised Mr. Vishwanath Prasad Singh (Independent Director) and Mr. Rajesh Sharma (Managing Director).

The Compensation Committee is constituted for implementation, administration and superintendence of the ESOP Schemes and to formulate the detailed terms and conditions of the ESOP Scheme including but not limited to

- (i) The quantum of options to be granted under an ESOP Scheme per employee and in aggregate.
- (ii) The conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
- (iii) The exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period
- (iv) The specified time period within which the employee shall exercise the vested options in the event of

termination or resignation of an employee.

(v) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period

(vi) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Compensation Committee:

(a) the number and the price of ESOS shall be adjusted in a manner such that total value of the ESOS remains the same after the corporate action

(b) for this purpose, best global practices in this area, including the procedures followed by the derivative markets in India and abroad shall be considered.

(c) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.

(vii) The grant, vest and exercise of option in case of employees who are on long leave; and

(viii) The procedure for cashless exercise of options.

The Compensation Committee shall frame suitable policies and systems to ensure that there is no violation of:

(a) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and

(b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee.

The quorum for the meeting of the said ESOP Committee shall be two members, with at least one being an Independent Director.

The Compensation Committee shall meet at least once in six months, or as decided by the members from time to time, to review the policy of granting employee stock options, decide on new grant of options to new or existing employees, or to discuss any other matter as decided by the members of the Committee.

## J) Management

Management discussions and analysis are a part of the Annual Report.

## K) Shareholders information

### i) Disclosures

1) The Company did not have any significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the Notes to Accounts forming part of the Annual Report.

2) The Company complied with the requirements of the Stock Exchanges, SEBI and statutory authorities on all matters related to the capital markets during last three years.

3) No strictures were imposed on the Company by any regulatory authority on any matter related to the capital market during last three years.

### ii) Publication of financial results

The Company publishes quarterly, half yearly and annual financial results through leading news papers.

### iii) \*\*Shareholders/Investors Grievance Committee

The composition of the Shareholders/Investors Grievances Committee as on March 31, 2009 was as follows

Name	Nature of Directorship	Membership
Mr. Rajesh Sharma	Managing Director	Chairman
Mr. Suresh Gattani	Wholetime Director	Member
Mr. Pawankumar Varma	Independent Director	Member

*\*\* The Shareholders/Investors Grievance Committee was reconstituted on August 21, 2009 due to the resignation of Mr. Suresh Gattani and Mr. Pawankumar Varma. The reconstituted Shareholders/Investors Grievance Committee comprised Mr. Pawan Banasal (Non-Executive and Non Independent Director) as the Chairman. Other members include Mr. Vishwanath Prasad Singh (Independent Director) and Dr. Bidbubhusan Samal (Independent Director).*

The Committee oversees the performance of M/s. MCS Limited, the Registrar and Share Transfer Agent of the Company, and recommends measures to improve the level of investor related services. The powers to approve share transfer/transmission are delegated to the Registrar and Share Transfer Agent and they are attending to share transfer formalities at least once in a fortnight and this was subsequently reported to the Shareholders/Investors Grievance Committee of Board. This was done mainly to expedite the process of share transfer in the interest of shareholders and the investors. The Committee also keeps a close watch on disposal status of all complaints/grievances of shareholders. The Company redressed all the complaints received during the year.

## L) General Shareholder Information

### i) General body meetings

The details of last three Annual General Meetings are given below

Particulars	2008	2007	2006
Date and time	September 13, 2008 at 10.00 am	June 16, 2007 at 10.00 am	September 27, 2006 at 10.00 am
Venue	1-B, Court Chambers, 35, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai-400020	35/1, Diamond Harbour Road, Kolkata-700027	35/1, Diamond Harbour Road, Kolkata-700027
Any special resolution passed	Yes	Yes	No

No postal ballots were used for voting at these meetings.

**ii) Means of communication**

a) The quarterly and half-yearly results are published in widely circulating national and local newspapers such as The Asian Age in English and Mumbai Lakshdeep in Marathi language. These are not sent individually to the shareholders.

b) As per the requirements of Clause 51 of the Listing Agreement, all the data related to quarterly financial results and shareholding pattern, etc. are provided to the special website [www.sebidifar.nic](http://www.sebidifar.nic) within the time frame prescribed in this regard.

**iii) Important locations****Registered office**

Money Matters Financial Services Limited  
(formerly known as Dover Securities Ltd)  
1-B, Court Chambers  
35, Sir Vithaldas Thackersey Marg,  
New Marine Lines,  
Mumbai-400020, India.  
Tel. No. – (022) – 43548200 – 66518011  
Fax No. – (022) – 22019051

**Registrar and Share Transfer Agent for demat and physical Shares**

M/s. MCS Limited  
77/2A, Hazra Road, Kolkata - 700 029  
Tel. No.(033) - 24767354, 24541892/1893  
Fax No. (033) -24747674/24541961  
E-mail: [mcscale@cal2vsnl.net.in](mailto:mcscale@cal2vsnl.net.in), [mcscale@rediffmail.com](mailto:mcscale@rediffmail.com)

**iv) When and where to contact for share related services for routine matters**

Any assistance regarding share transfer and transmission, change of address, non-receipt of dividend, duplicate/missing share certificates, demat and other matters please write to or contact Registrar and Share Transfer Agent of the Company at the above address.

**For redressal of complaints and grievances**

Please write or contact

Mr. Vishal Joishar

Company Secretary

**Money Matters Financial Services Ltd**

1-B, Court Chambers,  
35, Sir Vithaldas Thackersey Marg  
New Marine Lines, Mumbai-400020  
Tel No. – (022) – 43548200/66518011  
Fax No. – (022) – 22019051

**v) 15th Annual General Meeting**

AGM date, time	September 22, 2009 at 11.00 am
Venue	Kilachand Conference Room, Indian Merchants' Chamber, LNM IMC Bldg., Opp. Churchgate Station, Churchgate, Mumbai-400020.
Financial year	April 01, 2008 to March 31, 2009
Book closure	September 18, 2009 to September 22, 2009 (both days inclusive)
Dividend payment date	No dividend declared for the year
Listing on stock exchange	Bombay Stock Exchange Limited Listing fee up to the financial year 2009-2010 have been paid
Stock code at BSE	531595
Warrant code at BSE	961680
ISIN of the Company's ordinary shares	INE180C01018
ISIN of the Company's warrants	INE180C13013
Depository connectivity	NSDL & CDSL
Corporate Identification No. (CIN)	L65921MH1994PTC173469

vi) Market price data, high, low during each month during the financial year 2008-09 (Company's shares are traded only on Bombay Stock Exchange)

Month	Bombay Stock Exchange		Number of shares traded
	High (Rs.)	Low (Rs.)	
April 2008	289.95	153.95	139729
May 2008	223.30	142.20	794253
June 2008	183.00	150.05	7494
July 2008	189.90	128.75	16451
August 2008	175.00	140.00	9558
September 2008	183.00	138.00	24465
October 2008	137.50	109.00	11579
November 2008	115.00	91.00	354
December 2008	101.00	73.75	5137
January 2009	105.00	82.85	2310
February 2009	99.75	38.75	1717
March 2009	68.90	48.50	854488

vii) Distribution of shares holding as on March 31, 2009

Category-wise distribution

Category	Number of shares	% of holding
<b>A) Promoters Holding</b>		
Individuals	93,09,694	34.48
Bodies corporate	98,71,453	36.56
<b>Total (A)</b>	<b>1,91,81,147</b>	<b>71.04</b>
<b>B) Non-Promoters Holding</b>		
<b>i) Institutions</b>		
Mutual fund	Nil	Nil
Foreign institutional investors	Nil	Nil
Nationalised banks	Nil	Nil
Non-nationalised banks	Nil	Nil
Government companies	Nil	Nil
<b>Total (B)(i)</b>	<b>Nil</b>	<b>Nil</b>
<b>ii) Non-institutions</b>		
Bodies corporate	76,06,119	28.17
Foreign company	Nil	Nil
Non-resident Indian	Nil	Nil
Trust	Nil	Nil
Public	2,13,334	0.79
<b>Total (B)(ii)</b>	<b>78,19,453</b>	<b>28.96</b>
<b>Grand total (A + B)</b>	<b>2,70,00,600</b>	<b>100.00</b>

**Distribution schedule**

Number of shares held	Number of shareholders	% of shareholders
1 – 500	271	71.88
501 – 1000	43	11.41
1001 – 2000	25	6.63
2001 – 3000	8	2.12
3001 – 4000	4	1.06
4001 – 5000	1	0.27
5001 – 10000	8	2.12
10001 – 50000	8	2.12
50001 – 100000	1	0.27
And above	8	2.12
<b>Total</b>	<b>377</b>	<b>100.00</b>

**viii) Dematerialisation of equity shares and liquidity**

The Company's shares are currently traded only in dematerialised form on The Bombay Stock Exchange Limited. To facilitate trading in dematerialised form, the Company tied up arrangements with both the present depositories, i.e. The National Securities Depository Limited (NSDL) and The Central Depository Services (India) Ltd (CDSL). Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2009 about 99.84% of the Company's shares were held in dematerialised form.

The following shares of the Company were held under lock-in as on March 31, 2009 as per the requirement of SEBI guidelines for issue of shares on a preferential basis:

Sl. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares (i.e. grand total (A)+(B)+(C) indicated in statement at para (1)(a) above)
1	Rajesh Sharma	24,00,000	8.89
2	Ramesh Chandra Sharma (HUF)	90,000	0.33
3	Seema Sharma	5,000	0.02
4	Ramesh Chandra Sharma	5,000	0.02
	<b>Total</b>	<b>25,00,000</b>	<b>9.26</b>

**ix) Compliance certificate**

The compliance certificate for Corporate Governance from the Auditors of the Company is annexed herewith.

**x) Plant locations**

The Company is in the business of providing financial services therefore, it does not have any manufacturing plants.

**M) Non-mandatory requirements****a) Chairman of the Board**

The Company has an Executive Chairman.

**b) Shareholders' rights**

The quarterly and half-yearly results are published in widely circulating national and local newspapers such as

*The Asian Age* in English and *Mumbai Lakshdeep* in Marathi language. These are not sent individually to the shareholders.

**c) Audit qualification**

Nil

**d) Training of Board members**

The Directors of the Company are senior professionals of high standing and experience in the corporate sector and the industry in which the Company operates. They are being kept informed of the business model, growth factors and the risk profile of the Company. Hence, the Company did not laid down any formal training mechanism for its Directors.

**e) Mechanism for evaluating Non-Executive Board members**

The Non-Executive Directors of the Company are professionals from diverse fields relevant to the Company's business requirements and have long standing experience and expertise in their respective fields. Non-Executive Directors add substantial value to the deliberations of the Board and Committees, besides giving guidance on matters referred to them from time to time.

They also play an important role in safeguarding the interests of the stakeholders. In the light of the above, Chairman under authority from the board evaluates the performance of each Non-Executive Director.

**f) Whistle blower policy**

The Company does not have a whistle blower policy as on March 31, 2009. The Company promotes ethical behaviour in all its business activities. All employees are free to approach the Audit Committee to raise their genuine concerns in good faith relating to fraud, malpractice or any other activity or event which is against the Company's interest.

**g) Postal ballot**

No resolutions are being proposed to be passed by postal ballot.

For and on behalf of the Board

**Rajesh Sharma**

*Chairman and Managing Director*

Place: Mumbai

Dated: August 21, 2009

## DECLARATION

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and the Senior Management for the year ended March 31, 2009.

For **Money Matters Financial Services Limited**

Place: Mumbai

Date: August 21, 2009

**Rajesh Sharma**

*Chairman and Managing Director*

## COMPLIANCE CERTIFICATE

To

**The Members of Money Matters Financial Services Limited**

1. We have examined the compliance of the conditions of Corporate Governance by MONEY MATTERS FINANCIAL SERVICES LIMITED for the year ended March 31, 2009 as stipulated in Clause 49 of the listing agreements of the said Company with relevant Stock Exchanges (hereinafter referred to as clause 49).
2. The compliance of the conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and compliances thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **AGARWAL GUPTA NOKARI &  
RUSTAGI ASSOCIATES**  
*Chartered Accountants*

**B.C. Khaitan**  
*(Partner)*

Membership No.17387

Place: Mumbai

Dated: August 21,2009.

# FINANCIAL SECTION

# Auditor's Report

To  
The Members of  
Money Matters Financial Services Limited

1. We have audited the attached Balance Sheet of MONEY MATTERS FINANCIAL SERVICES LIMITED, as at March 31, 2009, and also the profit and loss account and the Cash Flow Statement for the year ended on that date annexed there to. 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.
2. We have conducted our audit in accordance with the 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.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i) 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;
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to sub-section 3(C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors was disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act' 1956;
  - vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
    - b) In the case of Profit & Loss Account, of the Profit for the year ended on that date
    - c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Agarwal Gupta Nokari &  
Rustagi Associates  
*Chartered Accountants*

B. C. Khaitan  
*Partner*

Place: Mumbai  
Dated: June 29, 2009

Membership No. 17387

## Annexure to the Auditors Report

(Referred to in paragraph 3 of our report of even date)

1. The nature of the Company's business/activities during the year has been such that, the clauses (ii), (viii) and (xiii) of paragraph 4 of the Order are not applicable to the Company for the year.
2.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the Company has a system of verifying all its major fixed assets over a period of three years. The Fixed Assets so scheduled for verification during this year have been physically verified by the management. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
  - c) During the year the Company has not disposed of substantial/major part of fixed assets.
3.
  - a) In our opinion and according to the information and explanations provided to us, during the year, Company has granted unsecured loans to 5 (five) parties covered under section 301 of the Companies Act, 1956. At the year-end the outstanding balances of such unsecured loans granted aggregated to Rs. 29,68,000 (1 Party) and the maximum amount involved during the year was Rs. 61,84,60,017.
  - b) In our opinion, the rate of interest and other terms and conditions of such loans granted by the Company, are not prima facie prejudicial to the interest of the Company.
  - c) The receipts of principal amount and interest have during the year been regular as per stipulations.
  - d) In our opinion and according to the information and explanations given to us, there are no overdue outstandings.
  - e) According to the information and explanations give to us, the Company has taken unsecured loans from 2 parties covered in the register maintained under Section 301 of the Companies Act, 1956. At the year-end, the outstanding balances of such unsecured loans taken aggregated to Rs. NIL and the maximum amount involved during the year was Rs. 38,37,00,000 (2 Parties).
- f) In our opinion the rate of interest and other terms and conditions of such loans, taken by the Company, are not prima facie prejudicial to the interest of the Company.
- g) The payment of principal amount and interest in case of the aforesaid loans are as per stipulations.
4. 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, for the purchase of inventory and fixed assets and for the goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, sub-clause (a) & (b) of clause (v) of the Companies (Auditors' Report) Order, 2003 is not applicable since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into by the Company during the year.
6. The Company has not accepted any deposit from the Public within the meaning of section 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, the Company is generally depositing with appropriate authorities undisputed statutory dues including provident fund, Investors education and protection fund, employees state insurance, income tax, wealth tax, service tax, and

other statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2009 for a period of more than six months from the date they became payable.

9. The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
10. In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks.
11. In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In respect of dealing/ trading in 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 securities have been held by the Company, in its own name.
13. According to the information and explanations given to us, the Company has not given any guarantee for loans taken, by its holding company, fellow subsidiaries, associates and others, from Bank or financial institutions.
14. The Company has not availed of any term loans during the year.
15. According to the information and explanations given to us

and on an overall examination of the balance sheet and cash flows of the Company, we report that funds raised on short-term basis have not been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

16. The Company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
17. The Company has not issued any debentures during the year.
18. The Company has raised an amount of Rs. 18,00,04,000 by way of Rights Issue of Equity Shares in the ratio of 2 shares for every 1 share held. Further the allottee of rights shares has been allotted 1 Detachable Warrant for every share allotted. The management has disclosed the end use of money raised by the Rights Issue and the same has been verified.
19. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Agarwal Gupta Nokari &  
Rustagi Associates  
Chartered Accountants

B. C. Khaitan  
Partner

Place: Mumbai  
Dated: June 29, 2009

Membership No. 17387

## Balance Sheet

(Amount in Rupees)

	Schedule No.	As at 31.03.2009	As at 31.03.2008
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	270,006,000	90,002,000
Reserves & Surplus	2	1,218,768,719	204,334,119
Secured Loans	3	217,523,761	–
Unsecured Loans	4	–	600,000,000
Deferred Tax Liabilities		316,353	46,536
		<b>1,706,614,833</b>	<b>894,382,655</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	9,590,431	157,000
Less: Depreciation		471,107	5,930
Net Block		9,119,324	151,070
<b>Investments</b>			
	6	305,000,000	132,013,414
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	250,207,900	100,082,900
Sundry Debtors	8	135,302,693	–
Cash & Bank Balances	9	892,398,099	21,046,845
Other Current Assets	10	3,335,833	1,183,248
Loans & Advances	11	678,206,198	659,510,519
		1,959,450,722	781,823,512
<b>Less: Current Liabilities &amp; Provisions</b>			
Liabilities	12	21,978,029	1,454,641
Provision	13	547,785,000	20,390,700
		569,763,029	21,845,341
<b>Net Current Assets</b>			
Miscellaneous expenditure (To the extent not written off)	14	2,807,815	2,240,000
		<b>1,706,614,833</b>	<b>894,382,655</b>
<b>Accounting Policies</b>			
	22		
<b>Notes On Accounts</b>			
	23		

As per our report annexed:

For **Agarwal Gupta Nokari  
& Rustagi Associates**  
*Chartered Accountants*

For and on behalf of the Board

**B. C. Khaitan**  
*Partner*  
Membership No. 17387

**Rajesh Sharma**  
*Chairman & Managing Director*

**Suresh Gattani**  
*Whole Time Director*

**Vishal Joishar**  
*Company Secretary*

Place: Mumbai  
Dated: June 29, 2009

## Profit and Loss Account

(Amount in Rupees)

	Schedule No.	Year ended 31.03.2009	Year ended 31.03.2008
<b>I. INCOME</b>			
Fees from Financial Advisory Services (Net) (TDS for the year Rs. 231796739 Previous Year Rs. 4086455)		1,579,022,949	32,100,000
Income from Trading in Shares & Debt Securities	15	58,430,800	27,078,556
Interest Received	16	46,789,172	16,755,394
Other Income	17	13,325,060	1,857,287
		<b>1,697,567,981</b>	<b>77,791,237</b>
<b>II. EXPENDITURE</b>			
Payment to Employees	18	100,859,764	294,761
Administrative & Other Expenses	19	37,109,056	1,499,131
Financial Charges	20	16,101,053	12,467,467
Miscellaneous Expenses W/Off	21	841,954	560,000
Depreciation		465,177	70,931
		<b>155,377,004</b>	<b>14,892,289</b>
<b>III. PROFIT BEFORE TAXATION (I-II)</b>		<b>1,542,190,977</b>	<b>62,898,948</b>
Less: Provision for Taxation		(526,500,000)	(20,300,000)
Less: FBT		(980,000)	(5,000)
Add/(Less):Deferred Tax		(269,817)	56,227
		<b>1,014,441,160</b>	<b>42,650,175</b>
Add/(Less) : Income Tax Adjustment		(6,560)	81
Profit After Taxation		<b>1,014,434,600</b>	<b>42,650,256</b>
Less:Transferred to Reserve Fund in terms of Section 45 IC(1) of the Reserve Bank of India Act,1934		202,886,920	8,530,051
<b>IV. NET PROFIT</b>		<b>811,547,680</b>	<b>34,120,205</b>
Add: Balance Brought Forward		35,563,824	1,443,620
Balance carried to Balance Sheet		847,111,504	35,563,824
<b>Accounting Policies</b>	22		
<b>Notes On Accounts</b>	23		

As per our report annexed:

For Agarwal Gupta Nokari  
& Rustagi Associates  
*Chartered Accountants*

For and on behalf of the Board

B. C. Khaitan  
*Partner*  
Membership No. 17387  
Place: Mumbai  
Dated: June 29, 2009

Rajesh Sharma  
*Chairman & Managing Director*

Suresh Gattani  
*Whole Time Director*

Vishal Joishar  
*Company Secretary*

## Cash Flow Statement

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation & Extraordinary Items	1,542,190,977	62,898,948
Add:		
Depreciation	465,177	70,931
Miscellaneous Expenses W/off	841,954	560,000
Loss on sale of Fixed Assets	–	40,750
Less:		
Rights Issue/Preliminary Expenses Incurred	(1,409,769)	(2,800,000)
<b>Operating Profit</b>	<b>1,542,088,339</b>	<b>60,770,628</b>
Adjustment For:		
(Increase)/Decrease in Sundry Debtors	(135,302,693)	319,310
(Increase)/Decrease in Stock-in-trade	(150,125,000)	(77,711,979)
(Increase)/Decrease in Loans & Advances	243,813,187	(632,878,451)
(Increase)/Decrease in Other Current Assets	(2,152,585)	(1,171,377)
Increase/(Decrease) in Current Liabilities	20,523,388	(41,137)
Increase/(Decrease) in Provisions	(85,700)	21,701,944
Income Tax Adjustment	(6,560)	81
Direct Taxes Paid	(261,551,504)	(20,300,000)
FBT Paid	(957,361)	(5,000)
<b>Net Cash Generated From Operation before Extraordinary Items</b>	<b>1,256,243,511</b>	<b>(649,315,981)</b>
Less: Extraordinary items (Net of Tax)	–	–
<b>Net Cash Generated From Operations (A)</b>	<b>1,256,243,511</b>	<b>(649,315,981)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(9,433,431)	(157,000)
(Increase)/Decrease in Investments	(172,986,586)	(132,013,414)
Sale of Fixed Assets	–	684,411
<b>Net Cash Flow Used In Investing Activities (B)</b>	<b>(182,420,017)</b>	<b>(131,486,003)</b>

## Cash Flow Statement (Contd.)

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Secured Borrowings	217,523,761	–
Increase/(Decrease) in Unsecured Borrowings	(600,000,000)	600,000,000
Increase/(Decrease) in Share Capital	180,004,000	40,000,000
Increase/(Decrease) in Share Premium	–	160,000,000
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(202,472,239)</b>	<b>800,000,000</b>
<b>Net Cash Flow Generated During the year from all activities (A+B+C)</b>	<b>871,351,254</b>	<b>19,198,016</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>		
Opening Cash & Cash Equivalents	21,046,845	1,848,829
Closing Cash & Cash Equivalents	892,398,099	21,046,845
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>	<b>871,351,254</b>	<b>19,198,016</b>

For Agarwal Gupta Nokari  
& Rustagi Associates  
Chartered Accountants

For and on behalf of the Board

B. C. Khaitan  
Partner  
Membership No. 17387  
Place: Mumbai  
Dated: June 29, 2009

Rajesh Sharma  
Chairman & Managing Director

Suresh Gattani  
Whole Time Director

Vishal Joishar  
Company Secretary

## Schedules forming part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
4,52,50,000 (4,52,50,000) Equity Shares of Rs. 10/- Each	452,50,000	452,50,000
<b>Issued, Subscribed &amp; paid up</b>		
2,70,00,600 (90,00,200) Equity Shares of Rs. 10/- Each fully paid up	270,006,000	90,002,000
	<b>270,006,000</b>	<b>90,002,000</b>

<b>Schedule 2 RESERVES &amp; SURPLUS</b>			
Profit & Loss Account		847,111,504	35,563,824
Share Premium Account		160,000,000	160,000,000
<b>Reserve Fund in term of Section 45 I C(1) of the Reserve Bank of India Act,1934</b>			
Balance B/F from last year	8,770,295		240,244
Set Aside this year	202,886,920	211,657,215	8,530,051
		<b>1,218,768,719</b>	<b>204,334,119</b>

<b>Schedule 3 SECURED LOANS</b>			
Bank of India (Overdraft Facility secured against the Fixed Deposits of the Company)		217,523,761	-
		<b>217,523,761</b>	<b>-</b>

<b>Schedule 4 UNSECURED LOANS</b>			
Inter Corporate Loans		-	600,000,000
		<b>-</b>	<b>600,000,000</b>

<b>Schedule 5 FIXED ASSETS</b>										
Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01.04. 2008	Addition	Deductions	As on 31.03.2009	Up to 01.04.2008	For the Year	Deduc- tions	As on 31.03.2009	As on 31.03.2009	As on 31.03.2008
Computers & Accessories	117,000	2,189,279	-	2,306,279	5,000	306,600	-	311,600	1,994,679	112,000
Office Equipments	40,000	1,483,116	-	1,523,116	930	39,471	-	40,401	1,482,715	39,070
Electrical Installation	-	1,631,415	-	1,631,415	-	27,880	-	27,880	1,603,535	-
Furniture & Fixtures	-	4,129,621	-	4,129,621	-	91,226	-	91,226	4,038,395	-
<b>Total</b>	<b>157,000</b>	<b>9,433,431</b>	<b>-</b>	<b>9,590,431</b>	<b>5,930</b>	<b>465,177</b>	<b>-</b>	<b>471,107</b>	<b>9,119,324</b>	<b>151,070</b>
Previous Year	1,763,507	157,000	1,763,507	157,000	973,346	70,931	1,038,347	5,930	151,070	790,161

## Schedules forming part of the Balance Sheet (Contd.)

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 6 INVESTMENTS</b>		
<b>Long Term:</b>		
<b>Quoted:</b>		
<b>Unquoted:</b>		
<b>Equity Shares : Subsidiaries</b>		
2,50,00,000 (Previous Year 62,00,000) Equity Share of Rs. 10/- each of Money Matters Securities Private Limited fully paid up	250,000,000	62,000,000
50,00,000 (Previous Year Nil) Equity Share of Rs. 10/- each of Money Matters Investment Advisors Private Limited fully paid up	50,000,000	–
50,00,000 (Previous Year Nil) Equity Share of Rs. 10/- each and Re 1/- per share paid up of Money Matters Distribution Company Private Limited	5,000,000	–
<b>Bonds/Units</b>		
Nil Units(Previous year 6376391.25) of LIC Mutual Fund Liquid Fund	–	70,013,414
	<b>305,000,000</b>	<b>132,013,414</b>

## Schedule 7 INVENTORIES

(As Certified by the Management)

### A. Quoted (Shares)

Nil(4900) Equity shares of Centurian Bank of Punjab	–	81,100
169 (Nil) Equity Shares of HDFC Bank Limited	81,100	–
300 (300) Equity Shares of Vardhman Lab Ltd (Market Value of Quoted Investments Rs. 164817 (Previous Year Rs. 213714))	1,800	1,800
	<b>82,900</b>	<b>82,900</b>

### B. Bonds

Nil (100) Dena Bank Lower Tier II Bonds	–	100,000,000
250 (Nil) HDFC Ltd 9.90% Bond	250,125,000	–
	<b>250,125,000</b>	<b>100,000,000</b>
<b>Total (A+B)</b>	<b>250,207,900</b>	<b>100,082,900</b>

## Schedule 8 SUNDRY DEBTORS

More than Six Months	–	–
Other Debts	135,302,693	–
	<b>135,302,693</b>	<b>–</b>

## Schedule 9 CASH & BANK BALANCES

Cash in hand	2,562,988	44,584
Balances with Scheduled Banks in Current Accounts	180,835,111	21,002,261
Balances with Scheduled Banks in FD	709,000,000	–
	<b>892,398,099</b>	<b>21,046,845</b>

## Schedules forming part of the Balance Sheet (Contd.)

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 10 OTHER CURRENT ASSETS</b>		
Security & Other Deposit	2,725,930	300,000
Prepaid Expenses	51,000	878,219
Service Tax Recievables	558,903	5,029
	<b>3,335,833</b>	<b>1,183,248</b>

### Schedule 11 LOANS & ADVANCES

(Unsecured, Considered Good recoverable in cash or in kind or for value to be received)		
Loans		
(Includes Rs. Nil (Previous Year Rs. 50,00,00,000 to Associate Company Money Matters Advisory Services Limited )	136,641,604	501,000,400
Interest Receivable	19,822,541	–
Advance Payment of Tax (Including TDS)	520,347,362	20,262,771
Other Advances	1,394,690	247,348
Equity Share Application Money		
With Subsidiaries	–	138,000,000
	<b>678,206,198</b>	<b>659,510,519</b>

### Schedule 12 LIABILITIES

Sundry Creditors for Expenses	3,294,109	1,449,549
Service Tax Payable	18,423,725	–
TDS Payable	260,195	5,092
	<b>21,978,029</b>	<b>1,454,641</b>

### Schedule 13 PROVISIONS

Provision for Taxation B/f	20,352,100	48,000
Add: Provision for Current year	526,500,000	20,352,100
	546,852,100	20,400,100
Less: Tax Adjustment	52,100	48,000
(A)	546,800,000	20,352,100
Provision for FBT B/f	5,000	33,600
Add: Provision for Current year	980,000	5,000
(B)	985,000	38,600
<b>(A+B)</b>	<b>547,785,000</b>	<b>20,390,700</b>

### Schedule 14 MISCELLANEOUS EXPENDITURE

(To the extent not written off)		
A) Preliminary Expenses	1,680,000	2,240,000
B) Right Issue Expenses	1,127,815	
<b>Total (A+B)</b>	<b>2,807,815</b>	<b>2,240,000</b>

## Schedules forming part of the Profit and Loss Account (Contd.)

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule 15 INCOME FROM SHARE &amp; DEBT SECURITIES</b>		
<b>A. Income from Shares</b>		
Sale of Shares & Securities	–	2,108,668,184
Income/(Loss) in Arbitrage of Shares	–	(2,158,023)
Income/(Loss) from Futures & Options	–	1,081,638
Closing Stock	82,900	82,900
<b>Sub Total</b>	<b>82,900</b>	<b>2,107,674,698</b>
<b>Less:</b>		
Opening Stock	82,900	22,370,921
Purchases	–	2,056,393,968
Delivery & Brokerage Charges	–	6,250
Depository Charges	–	758,797
Service Tax, Ed Cess & TOT Charges	–	3,919
Stamp Duty	–	671,015
Transaction Charges	–	391,271
<b>Sub-Total</b>	<b>82,900</b>	<b>2,080,596,142</b>
Income from Shares (A)	–	27,078,556
<b>B. Income from Bond Trading</b>		
Sale of Bonds/Debentures	3,048,096,850	–
Closing Stock	250,125,000	100,000,000
<b>Sub Total</b>	<b>3,298,221,850</b>	<b>100,000,000</b>
<b>Less:</b>		
Opening Stock	100,000,000	–
Purchases	3,139,791,050	100,000,000
<b>Sub-Total</b>	<b>3,239,791,050</b>	<b>100,000,000</b>
Income from Bond Trading (B)	58,430,800	–
<b>Net(A+B)</b>	<b>58,430,800</b>	<b>27,078,556</b>

## Schedule 16 INTEREST RECEIVED

Interest on Loan (TDS for the year Rs. 1066032 Previous Year Rs. 3694115)	4,704,467	16,073,886
Interest- Others	172,944	–
Interest on I.T.Refund	51,728	18,441
Bank Interest	–	5,361
Interest on Bank Fixed Deposits (TDS for the year Rs. 4768134 Previous Year Rs. 67620)	22,513,600	328,253
Interest on Bonds	18,398,146	329,452
Interest on Application Money for Bonds (TDS for the year Rs. 83345 Previous Year Rs. Nil)	367,397	–
Interest on Margin Funding (TDS for the year Rs. 131629 Previous Year Rs. Nil)	580,890	–
<b>Total</b>	<b>46,789,172</b>	<b>16,755,394</b>

## Schedules forming part of the Profit and Loss Account (Contd.)

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule 17 OTHER INCOME</b>		
Dividend Received	–	481
Dividend Received on Mutual Fund	11,262,991	1,782,523
Short Term Capital Gain Mutual Funds	–	196
Liabilities Written Back	1,069	–
Brokerage	–	74,088
Rent Received (TDS for the year Rs. 467024 Previous Year Rs. Nil)	2,061,000	–
<b>Total</b>	<b>13,325,060</b>	<b>1,857,287</b>
<b>Schedule 18 PAYMENT TO EMPLOYEES</b>		
Salaries & Bonus	100,399,772	286,076
Staff Welfare Expenses	459,992	8,685
	<b>100,859,764</b>	<b>294,761</b>
<b>Schedule 19 ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement Expenses	30,560	18,804
Business Promotion Expenses	10,583,071	16,855
Computer Maintenance	110,554	363
Conveyance Expenses	259,820	3,616
Custodian Charges	14,000	26,730
Directors Sitting Fees	115,000	103,500
Donation	621,000	–
Electric Charges	365,723	–
Filing & Compounding Fees to ROC	65,022	9,550
Franking Charges	361,244	200,000
General Expenses	357,700	23,620
Legal & Professional Fees	1,360,189	37,778
Listing Fees & Stock Exchange Fees	60,590	93,000
Loss on sale of Fixed Assets	–	40,750
Meeting & Conference Expenses	231,304	2,000
Membership & Subscription	30,000	–
Motor Car Expenses	944,471	42,200
Postage & Stamps	32,390	6,849
Printing & Stationery	247,436	17,890
Rates & Taxes	10,225	3,695
Recruitment Expenses	109,514	–
Remuneration to Auditors		
– Audit Fees	60,000	30,000
– Tax Audit Fees	20,000	10,000
– Certification	10,000	7,500
– Out of Pocket Expenses	27,277	–
Remuneration to Directors	2,927,447	629,995
Rent Paid	14,006,860	144,918
Securities Transaction Tax	–	2,118
Telephone and Internet Expenses	285,829	4,631
Travelling Expenses	3,861,830	22,769
	<b>37,109,056</b>	<b>1,499,131</b>

## Schedules forming part of the Profit and Loss Account (Contd.)

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule 20 FINANCIAL CHARGES</b>		
Bank Charges	36,637	4,447
Interest on Loan	5,540,876	11,709,322
Interest Others	34,667	3,398
Franking Charges	500,700	750,300
Interest on Bank OD	8,488,173	–
Loan Processing Fees	1,500,000	–
	<b>16,101,053</b>	<b>12,467,467</b>
<b>Schedule 21 MISCELLANEOUS EXPENSES W/OFF</b>		
Preliminary expenses w/off	560,000	560,000
Rights Issue Expenses w/off	281,954	–
	<b>841,954</b>	<b>560,000</b>

## Schedules forming part of the Accounts

### Schedule 22 SIGNIFICANT ACCOUNTING POLICIES

#### A) Accounting Convention

The financial statements are prepared under historical cost convention and on accrual basis, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

#### B) Use of Estimates

The preparation of the financial statements are in conformity with the generally accepted accounting principles which requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### C) Revenue Recognition

Income from Financial Advisory Services is accounted for on accrual basis except where on account of uncertainty of ultimate collection are accounted on receipt basis.

Interest income is accounted for on accrual basis except where the recovery is uncertain, in which case it is accounted for on receipt basis.

Dividend income is accounted for when the right to receive dividend is established.

#### D) Fixed assets and depreciation

Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready to use or put to use, whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

Depreciation is charged at the rates prescribed in the Schedule XIV to the Companies Act 1956.

#### E) Stock in Trade

a) The securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and disclosed as current assets.

## Schedules forming part of the Accounts (Contd.)

---

### Schedule 22 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

---

b) The securities held as stock-in-trade under current assets are valued at lower of cost or market value.

#### F) Foreign Currency Transactions

Foreign Currency Transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the profit and loss account.

Monitory assets and liabilities denominated in the foreign currencies as at the Balance Sheet date are translated at the closing exchange rates on that date. The exchange differences, if any, are recognised in the profit & loss account and related assets and liabilities are accordingly restated in the Balance Sheet.

#### G) Retirement Benefits

##### Gratuity

The provision for Gratuity is made in the books of accounts wherever applicable.

##### Compensated Absences

Unutilised Casual Leave of staff is encashable as at the year end and has been paid during the financial year.

#### H) Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the tax laws applicable), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

##### Current Tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

##### Deferred Taxation

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

##### Fringe Benefit Tax

Provision for Fringe Benefit Tax ("FBT") is made on the basis of applicable FBT on the taxable value of chargeable expenditure of the fringe benefits as prescribed under the Income Tax Act, 1961 of India.

#### I) Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – Earning per Share prescribed by the Companies (Accounting Standards) Rules, 2006. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

#### 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.

## Schedules forming part of the Accounts (Contd.)

### Schedule 22 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

### Schedule 23 NOTES ON ACCOUNTS

- Contingent Liability not provided for Rs. Nil.(Previous year Rs. Nil.).
- In the opinion, of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the normal course of business at least equal to the value at which they are stated in the Balance Sheet.

#### 3. Remuneration to the Directors Includes

(Amount in Rupees)

	31.03.2009	31.03.2008
Salary to Managing Director (including perquisite & gratuity wherever applicable)	1,433,790	55,000
Salary to Executive Director (including perquisite & gratuity wherever applicable)	NA	55,000
Salary to Whole Time Director (including perquisite & gratuity wherever applicable)	1,516,157	519,995
	2,949,947	629,995

- In accordance with section 45IC of Reserve Bank of India (Amendment) Act, 1997, amount not less than Twenty percent of the profit after taxation in the current year has been transferred to Statutory Reserve.
- The gratuity provision has not been made, as the provisions of the Act, are not applicable to the Company for the Current year.
- 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 and Bonds

(Amount in Rupees)

Description	Unit	31.03.2009				31.03.2008			
		Shares		Bonds		Shares		Bonds	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
<b>A. Opening Stock:</b>									
Shares/Bonds	Nos.	5200	82,900	100	100,000,000	265270	22,370,921	-	-
<b>B. Purchases:</b>									
Shares/Bonds	Nos.	-	-	3090	3,139,791,050	8161032	20,563,933,968	100	100,000,000
<b>C. Sales:</b>									
Shares/Bonds	Nos.	-	-	2940	3,048,096,850	8421102	2,108,668,184	-	-
<b>D. Closing Stock:</b>									
Shares/Bonds	Nos.	469*	82,900	250	250,125,000	5200	82,900	100	100,000,000

\* Received 169 shares of HDFC Bank Limited in lieu of 4,900 shares of Centurian Bank of Punjab Limited.

#### 7. Deferred Tax

- Deferred Tax Assets and Liabilities have been considered in accordance with Accounting Standard No.22, issued by the Institute of Chartered Accountants of India.

#### ii) Composition of Deferred Tax Liabilities (Net)

(Amount in Rupees)

	Up to 31.03.08	For the Current Year	Total as at 31.03.2009
Deferred Tax Liabilities:			
Tax impact of difference between Carrying amount of Fixed Assets in Financial Statement and Income Tax Return.	46,536	269,817	316,353

## Schedules forming part of the Accounts (Contd.)

### Schedule 23 NOTES ON ACCOUNTS (Contd.)

#### 8. Segment Reporting

Information is given in accordance with the requirements of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India. The Company's business is organized and management reviews the performance based on the business segments as mentioned below:

The Company's business may be divided into three major Segments

- A) Income from Trading in Debt Securities
- B) Financing Activity. And
- C) Income from Financial Advisory Services

The Company's business is primarily concentrated in India, so, the Company is considered to operate only in the domestic segment.

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.

Particulars	Shares & Debt Securities	Finance	Financial Services Activities	Unallocated	Year ended 31-03-2009
Segment Revenue	58,430,800	58,000,435	1,579,022,949	2,113,797	1,697,567,981
<i>Previous Year</i>	<i>27,079,036</i>	<i>18,519,671</i>	<i>32,174,088</i>	<i>18,441</i>	<i>77,791,237</i>
Less Inter segment Revenue	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-
Total	58,430,800	58,000,435	1,579,022,949	2,113,797	1,697,567,981
<i>Previous Year</i>	<i>27,079,036</i>	<i>18,519,671</i>	<i>32,174,088</i>	<i>18,441</i>	<i>77,791,237</i>
<b>Result:</b>					
Segment Result	47,901,702	52,384,667	1,441,039,068	865,540	1,542,190,977
<i>Previous Year</i>	<i>24,750,980</i>	<i>6,031,747</i>	<i>32,138,548</i>	<i>- 22,329</i>	<i>62,898,947</i>
Provision for Tax	-	-	-	(526,500,000)	(526,500,000)
<i>Previous Year</i>	-	-	-	<i>(20,300,000)</i>	<i>(20,300,000)</i>
Provisions for FBT	-	-	-	(980,000)	(980,000)
<i>Previous Year</i>	-	-	-	<i>(5,000)</i>	<i>(5,000)</i>
Deffered Tax	-	-	-	(269,817)	(269,817)
<i>Previous Year</i>	-	-	-	<i>56,227</i>	<i>56,227</i>
Income Tax Adjustments	-	-	-	(6,560)	(6,560)
<i>Previous Year</i>	-	-	-	<i>81</i>	<i>81</i>
Total Results	47,901,702	52,384,667	1,441,039,068	(526,890,837)	1,014,434,600
<i>Previous Year</i>	<i>24,750,980</i>	<i>6,031,747</i>	<i>32,138,548</i>	<i>(20,271,021)</i>	<i>42,650,255</i>
<b>Capital Employed:</b>					
Segment Assets	561,748,125	860,772,348	124,308,190	159,786,170	1,706,614,833
<i>Previous Year</i>	<i>200,136,487</i>	<i>692,342,972</i>	<i>67,511</i>	<i>1,835,685</i>	<i>894,382,655</i>
Segment Liabilities	217,523,761	-	-	316,353	217,840,114
<i>Previous Year</i>	-	<i>600,000,000</i>	-	<i>46,536</i>	<i>600,046,536</i>
Net Segment Assets	344,224,364	860,772,348	124,308,190	159,469,817	1,488,774,719
<i>Previous Year</i>	<i>200,136,487</i>	<i>92,342,972</i>	<i>67,511</i>	<i>1,789,149</i>	<i>294,336,119</i>

## Schedules forming part of the Accounts (Contd.)

### Schedule 23 NOTES ON ACCOUNTS (Contd.)

Particulars	Shares & Debt Securities	Finance	Financial Services Activities	Unallocated	Year ended 31-03-2009
<b>Other Information</b>					
Capital Expenditure	295,027	312,302	8,826,102	–	9,433,431
Previous Year	54,652	37,377	64,934	37	157,000
Depreciation	40,225	40,225	384,726	–	465,177
Previous Year	69,264	609	1,057	1	70,931

#### 9. Related Party Transactions

The Company has promoted wholly owned subsidiaries Money Matters Investment Advisors Private Limited and Money Matters Distribution Company Private Limited during the year. The transactions with the other related parties are as under.

Disclosures as required by Accounting Standard (AS-18) 'Related Party Disclosures' in respect of transactions for the year are as under:

##### A. List of Related Parties over which control exists:

Sl. No.	Name of the Related Party	Relationship
1.	Money Matters Securities Private Limited	Wholly owned Subsidiary wef 28/03/2008
2.	Money Matters Investment Advisors Private Limited	Wholly owned Subsidiary wef 15/04/2008
3.	Money Matters Distribution Company Private Limited	Wholly owned Subsidiary wef 18/11/2008

##### B. List of related parties with whom transactions were carried out during the year and description of relationship:

###### Subsidiaries:

1. Money Matters Securities Private Limited
2. Money Matters Investment Advisors Private Limited
3. Money Matters Distribution Company Private Limited

###### Key Management Personnel and their Relatives:

1. Mr. Rajesh Sharma Chairman & Managing Director w.e.f. 24/01/2009
2. Mr. Suresh Gattani Whole Time Director w.e.f. 08/09/2007

###### Other Related Parties

1. Money Matters Advisory Services Limited
2. Money Matters India Private Limited
3. Money Matters Properties Private Limited
4. Money Matters Infrastructure Private Limited
5. Dnyaneshwar Trading & Investments Private Limited
6. Shri Rangji Investments Private Limited

## Schedules forming part of the Accounts (Contd.)

### Schedule 23 NOTES ON ACCOUNTS (Contd.)

**C. The following transactions were carried out with the related parties in the ordinary course of business:**

Sl. No.	Nature of Transaction/relationship/major parties	2008-2009	2007-2008
<b>1.</b>	<b>Subscription to Equity Shares</b>		
	<b>Subsidiaries</b>		
	Money Matters Securities Private Limited	188,000,000	62,000,000
	Money Matters Investment Advisors Private Limited	50,000,000	–
	Money Matters Distribution Company Private Limited	5,000,000	–
<b>2.</b>	<b>Interest Expenses</b>		
	Money Matters Properties Private Limited	–	888,189
	Rolesoft Properties Private Limited	–	331,082
	Dnyaneshwar Trading & Investments Private Limited	591,781	4,130,419
	Money Matters India Private Limited	773,753	–
<b>3.</b>	<b>Interest Income</b>		
	Money Matters India Private Limited	–	213,024
	Money Matters Advisory Services Limited	3,489,567	14,075,930
	Mr. Suresh Gattani (Whole Time Director)	24,878	–
<b>4.</b>	<b>Rent Expenses</b>		
	Money Matters Infrastructure Private Limited	4,644,000	–
<b>5.</b>	<b>Rent Income</b>		
	Money Matters Securities Private Limited	2,061,000	–
<b>6.</b>	<b>Sale of Bonds</b>		
	Money Matters Advisory Services Limited	101,444,521	–
<b>7.</b>	<b>Brokerage Paid</b>		
	<b>Subsidiaries</b>		
	Money Matters Securities Private Limited	–	19,388
<b>8.</b>	<b>Payment of Salaries, Commission and perquisites</b>		
	<b>Key Management Personnel</b>		
	Mr. Suresh Gattani (including Perquisites)	15,16,157	533,328
	Mr. Rajesh Sharma (including Perquisites)	1,433,790	–
	Mr. Ramautar Agarwalla (including Gratuity Paid)	–	55,000
	Mr. Amar Agarwalla (including Gratuity Paid)	–	55,000

**D. Amount due to / from related parties**

Sl. No.	Nature of Transaction/relationship/major parties	2008-2009	2007-2008
<b>1.</b>	<b>Loans &amp; Advances Receivable</b>		
	<b>Other Related Party</b>		
	Money Matters Advisory Services Limited	–	500,000,000
	<b>Subsidiaries</b>		
	Money Matters Investment Advisors Private Limited	2,968,000	–
	<b>Key Management Personnel</b>		
	Suresh Gattani	–	500,000
<b>2.</b>	<b>Advances against equity contribution</b>		
	<b>Subsidiaries</b>		
	Money Matters Securities Private Limited	–	138,000,000

## Schedules forming part of the Accounts (Contd.)

### Schedule 23 NOTES ON ACCOUNTS (Contd.)

#### 10. Change of Name

During the year, the name of the Company has been changed from Dover Securities Limited to Money Matters Financial Services Limited w.e.f October 6, 2008.

#### 11. Earning Per Share

The basic earning per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for share warrants.

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Profit Available for Shareholders	1,014,434,600	42,650,255
Weighted Average of Number of Shares	22,562,145	22,500,500
Basic EPS	44.96	1.90
Calculation of Diluted EPS		
Weighted Average of Number of Shares	22,562,145	22,500,500
Add:		
Dilutive Shares on Account of conversion of warrants	18,000,400	18,000,400
Dilutive potential Equity Shares	40,562,545	40,500,900
Total PAT	1,014,434,600	42,650,255
Diluted EPS	25.01	1.05

#### 12. As required in terms of Paragraph 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in lakhs)

Particulars		
<b>Liabilities Side</b>		
1. Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:	Amount O/S	Amount Overdue
a) Debentures:		
Secured	-	-
Unsecured (other than falling within the meaning of public deposits)	-	-
b) Deferred Credits	-	-
c) Term Loans	-	-
d) inter-corporate loans and borrowings	-	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (Specify nature)                      Bank O/D	2,175.24	-
<b>Total</b>	<b>2,175.24</b>	<b>-</b>

## Schedules forming part of the Accounts (Contd.)

### Schedule 23 NOTES ON ACCOUNTS (Contd.)

(Rs. in lakhs)

Particulars	
<b>Assets Side</b>	
2. Breakup of Loans and Advances including bills receivables (other than those included in (4) below):	Amount Outstanding
a) Secured	
b) Unsecured	6,782.06
3. Breakup of Leased assets and stock on hire and other assets counting towards AFC activities	
i) Lease assets including lease rentals under sundry debtors:	
a) Financial Lease	-
b) Operating Lease	-
ii) Stock on hire including hire charges under sundry debtors:	
a) Assets on hire	-
b) Reposed Assets	-
iii) Other loans counting towards AFC activities	
a) Loans where assets have been repossessed	-
b) Loans other than (a) above	-
4. Breakup of Investments:	
Current Investments:	
1. Quoted:	
i) Shares:	
a) Equity	0.83
b) Preference	-
ii) Debentures and Bonds	2,501.25
iii) Units of mutual funds	
iv) Government Securities	
v) Others (please specify)	
2. Unquoted:	
i) Shares:	
a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-
Long Term investments:	
1. Quoted:	
i) Shares:	
a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-
2. Unquoted:	
i) Shares:	
a) Equity	3,050.00
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-

## Schedules forming part of the Accounts (Contd.)

### Schedule 23 NOTES ON ACCOUNTS (Contd.)

5. Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	-	6,782.06	6,782.06
Total	-	6,782.06	6,782.06

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	3,050.00	3,050.00
b) Companies in the same group	-	-
c) Other related parties-	-	-
2. Other than related parties	2,502.08	2,502.08
Total	5,552.08	5,552.08
7. Other information		
i) Gross Non Performing Assets		
a) Related Parties	-	-
b) Other than related parties	-	-
ii) Net Non Performing Assets		
a) Related Parties	-	-
b) Other than related parties	-	-
iii) Assets acquired in satisfaction of debt	-	-

## Schedules forming part of the Accounts (Contd.)

---

### Schedule 23 NOTES ON ACCOUNTS (Contd.)

---

13. Additional Information pursuant to the provisions of paragraphs 3, 4C & 4D of part II of Schedule VI to The Companies Act, 1956 (to the extent applicable) are as under:

- a) Earning in Foreign Currency : Rs. 4,054,765 Previous Year (Nil)  
b) Expenditure in Foreign Currency : Rs. Nil Previous Year (Nil)

14. **Utilisation of Proceeds from Rights Issue:**

During the year the Company has raised Rs. 1800.04 Lacs through issue of 1,80,00,400 equity shares of Rs. 10/- each along with detachable warrants for cash to the equity shareholders of Company on rights basis. The allotment of Right Shares along with Detachable warrants was completed on March 27, 2009. As at March 31, 2009 the entire proceeds of the Rights Issue was lying with the Bankers to the Issue and is unutilized.

15. **Prior period comparatives:**

Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

---

As per our report annexed:

For Agarwal Gupta Nokari  
& Rustagi Associates  
*Chartered Accountants*

For and on behalf of the Board

B. C. Khaitan  
*Partner*  
Membership No. 17387  
Place: Mumbai  
Dated: June 29, 2009

Rajesh Sharma  
*Chairman & Managing Director*

Suresh Gattani  
*Whole Time Director*

Vishal Joishar  
*Company Secretary*

## Balance Sheet Abstract and General Business Profile

As per part IV of Schedule VI of Companies Act, 1956

### I. Registration Details

Registration No.	L65921MH1994PTC173469
Balance Sheet Date	31-03-2009
State Code	11

### II. Capital raised during the year (Amount In Rs.)

Public Issue	Nil
Rights Issue	180,004,000
Bonus Issue	Nil
Private Placement	Nil

### III Position of Mobilisation and (Amt. In Rs.)

Deployment of funds	
Total Liabilities	1,706,614,833
Total Assets	1,706,614,833
Source of funds	
Paid up Capital	270,006,000
Share Application Money	-
Reserves & Surplus	1,218,768,719
Secured Loans	217,523,761
Unsecured Loans	-
Deferred Tax Liability	316,353
Application of Funds	
Net Fixed Assets	9,119,324
Investment	305,000,000
Net Current Assets	1,389,687,694
Misc Expenditure	2,807,815
Accumulated Loss	-

### IV. Performance of the Company

Total Income	1,697,567,981
Total Expenditure	155,377,004
Profit Before Tax	1,542,190,977
Profit After Tax	1,014,434,600
Basic Earning Per Share	44.96
Diluted Earning Per Share	25.01
Dividend Rate (%)	Nil

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

Item Code No	N.A.
Product Description	1. Debt & Share Trading
	2. Finance Activity
	3. Financial Advisory Services

For Agarwal Gupta Nokari  
& Rustagi Associates  
Chartered Accountants

For and on behalf of the Board

B. C. Khaitan  
Partner  
Membership No. 17387  
Place: Mumbai  
Dated: June 29, 2009

Rajesh Sharma  
Chairman & Managing Director

Suresh Gattani  
Whole Time Director

Vishal Joishar  
Company Secretary

## Statement under Section 212 of the Companies Act, 1956

Statement in accordance with provisions of Section 212 of the Companies Act, 1956

Sl. No.	Name of the Subsidiary		Money Matters Securities Private Limited	Money Matters Distribution Company Private Limited	Money Matters Investment Advisors Private Limited
1.	Financial Year of the subsidiary ended on		31.03.2009	31.03.2009	31.03.2009
2.	Extent of the interest of the Company in the subsidiary at the end of the Financial Year of each				
	a) Number of Shares in the subsidiary company held by Money Matters Financial services Limited.	Nos.	25,000,000	5,000,000 (Rs.1 Paid Up)	5,000,000
	b) Sharesholding per cent in the subsidiary held by Money Matters Financial services Limited.	%	100	100	100
3.	The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of Money Matters Financial services Limited.				
	a) Not dealt with in the accounts of Money Matters Financial services Limited. to:				
	i) For the Financial Year ended 31.03.2009	Rs.	10,982,708	-88,370	1,188,311
	ii) For the previous financial years since it became a subsidiary	Rs.	39,434,266	-88,370	1,188,311
	b) Dealt with in the accounts of Money Matters Financial services Limited. to:				
	i) For the Financial Year ended 31.03.2008	Rs.	Nil	Nil	Nil
	ii) For the previous financial years since it became a subsidiary	Rs.	Nil	Nil	Nil

For and on behalf of the Board

Place: Mumbai  
Dated: June 29, 2009

**Rajesh Sharma**  
*Chairman & Managing Director*

**Suresh Gattani**  
*Whole Time Director*

**Vishal Joishar**  
*Company Secretary*

## Directors' Report

To  
The Members

Your Directors have pleasure in presenting the third Annual Report together with the audited accounts of your Company for the year ended March 31, 2009.

### Financial highlights

(Rs. in lacs)

	2009	2008
Operating profit for the year	181.57	350.87
Less: Depreciation	(54.32)	(7.38)
Add/Less: Tax provision	(20.60)	(57.00)
FBT provision	(1.12)	(0.29)
Add/Less: Deferred tax	4.30	(5.42)
Profit after tax	109.83	280.78
Add: Balance brought forward	284.51	3.73
Balance carried to balance sheet	394.34	284.51

### Operations

The global financial markets melt down affected the performance of your Company as is evident by the fall in broking income from 183.70 lacs to Rs. 123.99 lacs. However, your Company, during the year, explored the possibility of generating fee-based income and earned an income of Rs. 250 lacs during the year. The Company made efforts in building up its equity broking team which is evident from the increased outflow in employee cost from Rs. 39.99 lacs to Rs. 206.44 lacs. Your Directors are hopeful that the investment in human capital will result in increased earnings in the future years. A snapshot of the Company's performance is mentioned under the head of 'financial highlights' 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 dividend for the year.

### Share capital

During the year, the Company issued 1,88,00,000 equity shares of Rs. 10 each for cash at par to the existing equity shareholder of the Company i.e. Money Matters Financial Services Limited ("holding Company").

The new shares so issued rank pari passu with the Company's existing equity share capital.

### Directors

During 2008-09, Mr. Rajesh Sharma, unable to devote his time due to other pre-occupations, resigned as a Managing Director of the Company, but will continue to remain a Director of the Company.

During 2008-09, Mr. Sachin Shahane was appointed as the Executive Director of the Company. Mr. Shahane is a qualified

Chartered Accountant, Company Secretary and Cost Accountant. Mr. Shahane has over 14 years of rich experience in institutional sales and capital market related business.

During 2008-09, Mr. Sanjay Sharma resigned as a Director of the Company. Your Directors feel privileged to have had an association with Mr. Sanjay Sharma and express their appreciation for the valuable contribution made by him during his tenure as Director of your Company.

Mr. Pawankumar Varma and Mr. Purushottam Srinivasan, both Independent Directors on the Board of Money Matters Financial Services Limited (formerly known as Dover Securities Limited) ('holding company') were also appointed as the Additional Directors of the Company.

### Remuneration Committee

During 2008-09, your Company constituted a Remuneration Committee of the Board of Directors of the Company, comprising Mr. Pawankumar Varma, Mr. Sanjay Khemani and Mr. Purushottam Srinivasan, to formulate and implement the remuneration policy payable to the Managing Director, Wholtime Director, Manager and other top managerial personnel of the Company.

### Directors' responsibility statement

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards were followed
- ii) They, in the selection of the accounting policies, consulted the statutory auditors and these were applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year ended on that date

- iii) Proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities
- iv) The annual accounts were prepared on a going concern basis.

#### Appointment of company secretary

As required under Section 383A of the Companies Act, 1956 Mr. Sachin Shahane was appointed as Company Secretary during the year.

#### Auditors

M/s S.K. Patodia & Associates, Chartered Accountants, retire as auditors of the Company at the forthcoming Annual General Meeting and have given their consent for reappointment. The members will be required to appoint auditors for the current year and fix their remuneration.

As required under the provisions of section 224 of the Companies Act, 1956, the Company obtained a written certificate from the above auditors proposed to be reappointed to the effect that their reappointment, if made, would be in conformity with the limits specified in the said Section.

#### Public deposits

Serial Number	Name	Designation	Qualification	Age (Years)	Date of Joining	Experience	Remuneration (Rs.)	Previous Employment
1	Mr. Sachin Shahane*	Director	CA, CS, ICWA	38	July 1, 2008	15 years	Rs. 38,39,165	ICICI
2	Mr. Gaurav Bhandari*	Vice President-PCG Head	IIM (Calcutta)	30	July 1, 2008	7 years	Rs. 7,13,394	ICICI Securities Ltd
3	Mr. Manish Saboo*	Compliance Head	CA	35	October 7	13 years	Rs. 24,36,871	JM Financials Services Ltd
4	Mr. Ravindra Deshpande*	Research Analyst	CA/CS	30	August 4, 2008	5 years	Rs. 20,42,732	Enam Securities Pvt. Ltd

(Rs. in lacs)

\* Indicates remuneration is for part of the year.

\*\* Mr. Sachin Shahane is appointed as Executive Director w.e.f. March 17, 2009

#### Acknowledgement

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

For and on behalf of the Board

Place: Mumbai,  
Dated: June 8, 2009.

**Rajesh Sharma**  
Chairman

## Auditor's 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 March 31, 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 statement. 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. We report that:-

1. As required by COMPANIES (AUDITOR'S REPORT) ORDER, 2003 issued by the Company Law Board in terms of the section 227(4A) of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph one above, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.

- c. The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Profit and Loss Account and Balance Sheet complies with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of information received from the Directors no such Director is disqualified as on the date of Balance Sheet from being appointed as a Director of the Company under section 274(1) (g) 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 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 case of Balance Sheet, of the state of affairs of the Company as at March 31, 2009
  - ii) In the case of Profit and Loss Account of the profit for the year ended on that date, and
  - iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For S. K. Patodia & Associates  
*Chartered Accountants*

V. K. Saraf  
*Partner*

Place: Mumbai  
Dated: June 8, 2009

Membership No. 047755

## Annexure To The Auditors Report

Annexure Referred in paragraph (1) of Auditor's Report of even date on the Accounts for the year ended 31st March, 2009 of Money Matters Securities Private Limited on the basis of such checks as we consider appropriate and in terms of the information and explanation given to us, we state that:-

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by management during the year and no discrepancies were noticed on such verification. No substantial part of fixed assets has been disposed off during the year.
- ii) There is no stock therefore the provision of this clause is not applicable.
- iii) a) During the year the Company has taken unsecured loan from a company covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 300.00 Lacs and aggregate amount outstanding as on end of the year was NIL.  
b) The Company has granted Advances to the parties listed in the register maintained under section 301 of the Companies Act, 1956 and aggregate amount outstanding as on end of the year was Rs. 85.50 lacs.  
c) In our opinion, the rate of interest and other terms and conditions on which advances have been granted to parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prime facie, prejudicial to the interest of the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been entered.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act exceeding the value of Rs. Five Lacs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit from the public under section 58A & 58AA of the Companies Act, 1956.
- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- viii) The clause related to maintaining the cost records as prescribed by the central Government under Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- ix) In our opinion there are no undisputed and outstanding amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
- x) The Company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks and there are no dues to a financial institution.
- xii) The Company has not granted any loan/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) The Company is engaged in the business of share broking and has maintained proper records of transactions & contracts related to the same and timely entries have been made in the records maintained. The investments made by the Company are held in its own name except to the extent of exemption under section 49 of the Act.

xv) We have been informed that the Company has not given any guarantee for any loan taken by others from bank or financial institutions.

xvi) During the year under review the Company has not availed any term loan from any bank, therefore the provisions of this clause is not applicable.

xvii) According to the information and explanations given to us and 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 investment by the Company.

xviii) During the year the Company has not made any preferential allotment of shares.

xix) During the year the Company has not issued any debentures.

xx) The Company has not raised any money by way of public issue during the year.

xxi) To the best of our knowledge and according to the information and explanation given to us, no fraud on or by the Company has been noticed during the year under review.

For S. K. Patodia & Associates  
*Chartered Accountants*

V. K. Saraf  
*Partner*

Place: Mumbai  
Dated: June 8, 2009

Membership No. 047755

## Balance Sheet

(Amount in Rupees)

	Schedule No.	As at 31.03.2009	As at 31.03.2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	250,000,000	62,000,000
Share Application Money		–	138,000,000
Reserves & Surplus	2	39,434,266	28,451,558
Deferred Tax Liability		112,395	541,857
<b>Total</b>		<b>289,546,661</b>	<b>228,993,415</b>
<b>APPLICATION OF FUND :</b>			
<b>Fixed Assets</b>			
Gross Block	3	27,352,192	23,119,463
Less : Depreciation		6,170,046	738,116
Net Block		21,182,146	22,381,347
<b>Investments</b>	4	–	15,996,232
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors	5	24,372,378	69,296,694
Cash & Bank Balances	6	223,894,981	163,495,117
Loan & Advances	7	57,671,178	53,870,107
		305,938,537	286,661,918
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities & Provisions	8	39,173,470	98,178,679
<b>Net Current Assets</b>		<b>266,765,067</b>	<b>188,483,239</b>
Miscellaneous Expenditure (To the extent not written off or adjusted)	9	1,599,448	2,132,597
<b>Total</b>		<b>289,546,661</b>	<b>228,993,415</b>
Significant Accounting Policies	14		
Notes forming part of the Accounts	15		

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755

Rajesh Sharma  
Director

Sachin Shahane  
Executive Director

Place: Mumbai  
Dated: June 8, 2009

## Profit and Loss Account

(Amount in Rupees)

	Schedule No.	Year ended 31.03.2009	Year ended 31.03.2008
<b>INCOME</b>			
Equity Brokerage		12,398,518	18,369,633
Short Term Capital Gain		(2,674,108)	22,051,190
Long Term Capital Gain		5,524,707	–
Interest Income (TDS Rs. 21,34,657)		12,531,738	5,622,530
Dividend		4,480,794	1,689,434
Syndication Fee (TDS Rs. 38,19,116)		25,000,000	–
Miscellaneous Receipts		5,003	19,854
<b>Total</b>		<b>57,266,652</b>	<b>47,752,641</b>
<b>EXPENDITURE</b>			
Direct Cost	10	2,671,150	2,573,890
Employees Cost	11	20,643,626	3,076,651
Administrative & Other Expenses	12	10,533,712	3,005,416
Security Transaction Tax (Investments)		23,561	172,843
Financial Charges	13	4,704,378	3,303,216
Depreciation	3	5,431,930	738,116
Misc. Exp. Written Off.	9	533,149	533,149
<b>Total</b>		<b>44,541,506</b>	<b>13,403,281</b>
<b>Profit Before Tax</b>		<b>12,725,146</b>	<b>34,349,360</b>
Less : Provision for Tax		2,060,000	5,700,000
Less : Provision for FBT		111,900	28,800
Less : Provision for Deferred Tax		(429,462)	541,857
<b>Profit After Taxes</b>		<b>10,982,708</b>	<b>28,078,703</b>
Add : Balance brought forward from last year		28,451,558	372,855
<b>Balance Carried Over To Balance Sheet</b>		<b>39,434,266</b>	<b>28,451,558</b>
Basic & Diluted Earning Per Share (Rs.)		0.83	4.53
Significant Accounting Policies	14		
Notes forming part of the Accounts	15		

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Sachin Shahane  
Executive Director

## Cash Flow Statement

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	12,725,146	34,349,360
Adjustment For :		
Depreciation	5,431,930	738,116
Misc. Exp. W/o	533,149	533,149
Interest Received	(12,531,738)	(5,622,530)
Dividend Received	(4,480,794)	(1,689,434)
Long Term Capital Gain	(5,524,707)	–
Short Term Capital Gain/(Loss)	2,674,108	(22,051,190)
Net Change in W/C	(20,053,864)	(45,798,062)
<b>NET CASH FLOW from Operating Activities (A)</b>	<b>(21,226,770)</b>	<b>1,678,410</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed assets	(4,232,729)	(23,119,463)
Change in Investments	15,996,232	14,072,768
Interest Received	12,531,738	5,622,530
Dividend Received	4,480,794	1,689,434
Short Term Capital Gain/(Loss)	(2,674,108)	22,051,190
Long Term Capital Gain	5,524,707	–
<b>NET CASH FLOW from Investing Activities (B)</b>	<b>31,626,634</b>	<b>20,316,459</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Share Application Money	–	138,000,000
Share Issued	50,000,000	–
Increase in Preliminary Expenses	–	(1,225,000)
<b>NET CASH FLOW from Financial Activities (C)</b>	<b>50,000,000</b>	<b>136,775,000</b>
<b>Net Increase In Cash &amp; Cash Equivalents (A+B+C)</b>	<b>60,399,864</b>	<b>158,769,869</b>
Add : Opening Balance of Cash and Cash Equivalents	163,495,117	4,725,248
<b>Closing Cash &amp; Cash Equivalents (A+B+C)</b>	<b>223,894,981</b>	<b>163,495,117</b>
Note : Cash & Cash Equivalents include :		
Cash in Hand		
Balance in Current A/C		
Balance in FD A/C		

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Sachin Shahane  
Executive Director

## Schedules forming part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
25,000,000 (Pre.Year 25,000,000) Equity Shares of Rs. 10/- each	250,000,000	250,000,000
	250,000,000	250,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
25,000,000 (6,200,000) Equity Shares of Rs. 10/- each fully paid up	250,000,000	62,000,000
<b>Total</b>	<b>250,000,000</b>	<b>62,000,000</b>

<b>Schedule 2 RESERVES &amp; SURPLUS</b>		
Retained earnings	39,434,266	28,451,558
<b>Total</b>	<b>39,434,266</b>	<b>28,451,558</b>

<b>Schedule 3 FIXED ASSETS</b>								
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2008	Additions during the year	As at 31.03.2009	Total up to 31.03. 2008	Provided for the year	Total up to 31.03.2009	Total as at 31.03.2009	Total as at 31.03.2008
Computers	3,811,650	919,800	4,731,450	451,327	1,622,755	2,074,082	2,657,368	3,360,323
Furniture & Fixtures	18,036,970	3,285,891	21,322,861	272,058	3,632,570	3,904,628	17,418,233	17,764,912
Office Equipments	1,270,843	27,038	1,297,881	14,731	176,605	191,336	1,106,545	1,256,112
<b>Total As At 31-03-2009</b>	<b>23,119,463</b>	<b>4,232,729</b>	<b>27,352,192</b>	<b>738,116</b>	<b>5,431,930</b>	<b>6,170,046</b>	<b>21,182,146</b>	<b>22,381,347</b>
<b>Total As At 31-03-2008</b>	<b>-</b>	<b>23,119,463</b>	<b>23,119,463</b>	<b>-</b>	<b>738,116</b>	<b>738,116</b>	<b>22,381,347</b>	<b>-</b>

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 4 INVESTMENTS</b>		
<b>In Shares &amp; Securities</b>		
Long Term : Trade - Quoted (At Cost)		
Nil (Pre. Year 10,000) Equity Shares of Dish TV Ltd	-	739,189
Nil (Pre. Year 23,056) Equity Shares of ESS DEE Alum Ltd	-	12,434,415
Nil (Pre. Year 50,000) Equity Shares of WWI Ltd	-	2,252,571
Nil (Pre. Year 123,395) Warrant of Orbit Ltd	-	570,057
<b>Total</b>	<b>-</b>	<b>15,996,232</b>

<b>Schedule 5 SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
More than six months	24,017,935	-
Others	354,443	69,296,694
<b>Total</b>	<b>24,372,378</b>	<b>69,296,694</b>

## Schedules forming part of the Balance Sheet (Contd.)

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 6 CASH AND BANK BALANCES</b>		
Cash on hand	134,343	131,466
Bank Balances with Scheduled Banks		
In Current Account	39,358,014	56,563,651
In Fixed Deposit A/C	128,734,602	106,800,000
In LIC MF Liquid Fund	55,668,022	-
<b>Total</b>	<b>223,894,981</b>	<b>163,495,117</b>

### Schedule 7 LOANS & ADVANCES

Advance Recoverable in Cash or in Kinds or value to be received	21,454,113	19,609,733
Sundry Deposits	29,034,000	33,138,140
T.D.S. (Ass. Year 2009-10)	5,953,673	-
T.D.S. (Ass. Year 2008-09)	1,130,875	1,023,717
T.D.S. (Ass. Year 2007-08)	98,517	98,517
<b>Total</b>	<b>57,671,178</b>	<b>53,870,107</b>

### Schedule 8 CURRENT LIABILITIES & PROVISION

Sundry Creditors	4,106,575	93,430,768
Sundry Creditors for Expenses	271,755	1,427,411
Stock Exchange Clearing House	31,564,135	-
Provision for Taxation (Net of Tax Paid)		
Assessment Year 2007-08	97,700	97,700
Assessment Year 2008-09	1,009,588	3,200,000
Assessment Year 2009-10	2,060,000	-
Provision for FBT (Net of Tax Paid)		
Assessment Year 2008-09	1,817	22,800
Assessment Year 2009-10	61,900	-
<b>Total</b>	<b>39,173,470</b>	<b>98,178,679</b>

### Schedule 9 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)		
Pre Operative Expenses	596,285	745,356
Less: Written off	149,071	149,071
A	447,214	596,285
Preliminary Expenses	1,536,312	1,920,390
Less: Written off	384,078	384,078
B	1,152,234	1,536,312
<b>Total (A+B)</b>	<b>1,599,448</b>	<b>2,132,597</b>

## Schedules forming part of the Profit and Loss Account (Contd.) *(Amount in Rupees)*

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule 10 DIRECT COST</b>		
Lease Line Charges	44,794	112,400
Software Running Exp	1,876,937	825,740
Exchange & Statutory Charges	431,078	798,269
V-Sat Exp	82,877	76,940
Depository Charges	230,992	760,541
Vandha A/c	4,472	–
<b>Total</b>	<b>2,671,150</b>	<b>2,573,890</b>

<b>Schedule 11 EMPLOYEE COST</b>		
Salaries & Bonus	20,620,734	3,008,700
Staff Welfare Exp.	22,892	67,951
<b>Total</b>	<b>20,643,626</b>	<b>3,076,651</b>

<b>Schedule 12 ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Director's Remuneration	2,548,457	1,185,471
Conveyance Expenses	60,145	34,979
Printing & Stationery	431,030	102,330
Telephone Expenses	863,533	113,937
Professional Fees	18,500	4,050
Auditor's Remuneration	50,000	50,000
Rent	2,461,000	150,000
Rates & Taxes	47,499	31,864
Staff Recruitment Exp	1,902,000	922,000
Electricity Charges	329,686	23,775
Insurance Exp	137,944	146,473
Repair & Maintenances	8,676	24,625
Franking Charges	222,120	139,430
Society Charges	93,832	–
Postage & Courier Exp	82,765	39,257
DP Service Processing Exp	55,000	–
Business Promotion Exp	664,500	–
Office Canteen Expenses	267,397	–
Travelling Expenses	141,243	–
Office & Miscellaneous Expenses	148,385	37,225
<b>Total</b>	<b>10,533,712</b>	<b>3,005,416</b>

<b>Schedule 13 FINANCIAL CHARGES</b>		
Limit Processing Charges	421,367	536,986
Bank Guarantee Charges	4,244,134	2,737,102
Bank Charges & Commission-Other	38,877	29,128
<b>Total</b>	<b>4,704,378</b>	<b>3,303,216</b>

## Schedules forming part of the Accounts (Contd.)

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES

#### 1. System Of Accounting

- a) The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis.
- b) Financial statements are based on historical cost convention.
- c) Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

#### 2. Fixed Assets

Fixed assets are stated at cost of acquisition plus related cost.

#### 3. Investments

Investments are being valued at cost of acquisition.

#### 4. Depreciation

- a) Depreciation on fixed assets is being provided on "WDV Method" at the rates specified in Scheduled XIV to the Companies Act, 1956.
- b) Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the month in which such assets are acquired.
- c) Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the months in which such assets are sold, discarded or demolished.

#### 5. Retirement Benefits:

- a) Contribution of the Company to the Provident Fund for the year has been charged to the Profit & Loss account.
- b) No provision for the gratuity has been made as no employee has completed the qualified period of the services as per the Payment of Gratuity Act, 1972.

#### 6. Treatment Of Contingent Liabilities

Contingent liabilities are disclosed by way of note to the accounts. Contingent Assets are not recognized in the accounts.

#### 7. Miscellaneous Expenditure

Miscellaneous expenditure, such as preliminary expenditure, share issue expenditure and deferred revenue expenditures are amortised over a period of 5 years.

#### 8. Deferred Tax

Deferred tax liability/assets is recognised for timing difference between the profit as per financial statement and profit as per income taxes, that originate in one year and are capable of reversal in one or more subsequent years.

### Schedule 15 NOTES FORMING PART OF THE ACCOUNTS

1. In the Opinion of the board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for all the known liabilities is adequate.
2. Figures of the previous year have been regrouped, rearranged and recasted whenever necessary to make them comparable with the figures of the current year.
3. Contingent Liabilities Not provided for:  
Guarantees given by the banks on behalf of the Company for 1800 Lacs (Previous Year 2300 Lacs) (The guarantee is backed by fixed deposit placed by the Company with the Banks of Rs. 1000 lacs).
4. Auditors Remuneration:

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Statutory Audit Fee	35,000	35,000
Tax Audit Fee	10,000	10,000
Certification Work	5,000	5,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>

## Schedules forming part of the Accounts (Contd.)

### Schedule 15 NOTES FORMING PART OF THE ACCOUNTS

5. The Company has not dealt with the SSI and Ancillary Undertakings therefore the information regarding dues to SSI and Ancillary Undertaking are not applicable to the Company.

6. The Company is enjoying following financial facilities from banks:

Nature of Facility		Bank of India	Union Bank of India
Bank Guarantee Limit	Sanctioned	Rs. 2000 Lacs	Rs. 800 Lacs
	Utilized	Rs. 1000 Lacs	Rs. 800 Lacs
Loan Against Shares	Sanctioned	Rs. 2000 Lacs	Rs. 500 Lacs
	Utilized	NIL	NIL

7. Related party disclosure as required by Accounting Standard 18 issued by the Institute of chartered Accountants of India, are given below:

#### PART: A:

- i) The Company is Subsidiary Company of M/s Money Matters Financial Services Limited.
- ii) Shri Rajesh Sharma (Director) is Key managerial Person.
- iii) Shri Sanjay Sharma was Director. (Resigned on 17/03/2009)
- iv) Shri Nitin Khivasara is Director.
- v) Shri Sachin Shahane is Director. (Appointed on 17/03/2009)
- vi) Followings are the related companies where transactions have taken place:
  - a. Money Matters Infrastructure Private Limited.
  - b. Money Matters Advisory Services Limited.
  - c. Money Matters India Private Limited
  - d. Money Matters Financial Services Limited

#### PART: B:

Transaction with the above are furnished below:

(Rs. in Lacs)

Nature of Transaction	Year ended 31.03.2009	Year ended 31.03.2008
a.) Directors Remuneration (Expenses)		
1. Mr. Sanjay Sharma	1.44	1.50
2. Mr. Nitin Khivasara	22.59	10.35
3. Mr. Sachin Shahane	1.45	–
b.) Rent (Expenses)		
Money Matters Infrastructure Pvt. Ltd	4.00	1.50
Money Matters Financial Services Limited	20.61	–
c) Brokerage (Income)		
Money Matters Advisory Services Limited	4.82	0.67
Money Matters India Private Limited	9.88	40.41
Money Matters Financials Services Limited	–	0.19
Rajesh Sharma	0.01	0.03
d) Loans & Advances (Liabilities)		
Money Matters Financials Services Limited	300.00	–
	CLOSING BALANCE "NIL"	

## Schedules forming part of the Accounts (Contd.)

### Schedule 15 NOTES FORMING PART OF THE ACCOUNTS

8. The Disclosure of Earning Per Share as required by the Accounting Standard 20 are as under:

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Profit After Tax	10,982,708	28,078,703
Weighted Average Number of Equity shares (Nominal value Rs. 10/) each.	13,307,945	6,200,000
Basic/Diluted Earning Per Shares	Rs. 0.83	Rs. 4.53

9. i) The Company mainly engaged in the business of Equity Broking & Advising and no other segment is in operation, hence the information required by Accounting Standard (AS) 17 regarding Segment Reporting are not applicable.

ii) Secondary Segment Information: The Company having its operation in India only hence the Geographical Segment is Nil.

10. Additional Information's pursuant to the provisions of paragraphs 3, 4C & 4D of part II of schedule VI to the Companies Act, 1956 (to the extent applicable) are as under:

a) Earning & Expenditure in Foreign Currency: Nil (Previous Year Nil)

11. **Deferred Tax:**

I) Deferred Tax Assets and Liabilities have been considered in accordance with Accounting Standard No. 22, issued by The Institute Of Chartered Accountants Of India.

II) Composition of Deferred Tax Liability (Net)

(Amount in Rupees)

	Up to 31.03.08	For the Current Year	Total as at 31.03.2009
Deferred Tax Liabilities:			
Tax impact of difference between Carrying amount of Fixed Assets in Financial Statement and Income Tax Return.	541,857	(429,462)	112,395

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Sachin Shahane  
Executive Director

**Balance Sheet Abstract** and company's general business profile pursuant to part IV of Schedule VI to the Companies Act, 1956

<b>I. Registration Details</b>	
Registration No.	161153 of 2006
Balance Sheet Date	31-03-2009
State Code	11
<b>II. Capital raised during the year (Rs. in thousand)</b>	
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	188,000
<b>III Position of Mobilisation and Deployment of funds (Rs. in thousand)</b>	
Total Liabilities	289,547
Total Assets	289,547
<b>Source of funds</b>	
Paid up Capital	250,000
Reserves & Surplus	39,434
Share Application	–
Deferred Tax	112
<b>Total</b>	<b>289,547</b>
<b>Application of Funds</b>	
Fixed Assets	21,182
Investments	–
Net Current Assets	266,765
Misc Expenditure	1,599
<b>Total</b>	<b>289,547</b>
<b>IV. Performance of Company (Rs. in thousand)</b>	
Turnover and other Income	57,267
Total Expenditure	44,542
Profit/(Loss) before tax	12,725
Profit/(Loss) after tax	10,983
Earning per share (Rs.)	0.83
Dividend Rate (%)	–
<b>V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)</b>	
Item Code No	N.A.
Product Description	Equity Broking

As per our attached report of even date

For **S K Patodia & Associates**  
*Chartered Accountants*

**V. K. Saraf**  
*Partner*  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

**Rajesh Sharma**  
*Director*

Signatures to schedules 1 to 15

For and on behalf of the Board

**Sachin Shahane**  
*Executive Director*

## Directors' Report

To  
The Members

Your Directors have pleasure in presenting their first Annual Report together with the audited accounts of the Company for the period ended March 31, 2009.

### Financial highlights

(Rs. in lacs)

	2009
Operating profit for the year	12.28
Add/Less: Tax provision	–
FBT provision	(0.40)
Profit after tax	11.88
Balance carried to balance sheet	11.88

### Operations

The Company was incorporated on April 15, 2008 and this is the first accounting year under review. During the year, the Company earned gross income of Rs. 102.46 lacs.

### 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 dividend for the year.

### Directors

Mr. Sanjay Khemani, an Independent Director on the Board of Money Matters Financial Services Limited ('holding company'), was appointed as a nominee on the Board of your Company as per the requirement of Clause 49 of the Listing Agreement.

Mr. Pawankumar Varma and Mr. Purushottam Srinivasan, both Independent Directors on the Board of Money Matters Financial Services Limited ('holding company'), were also appointed as the Additional Directors of the Company.

### Remuneration Committee

During 2008-09, your Company constituted a Remuneration Committee of the Board of Directors of the Company, comprising Mr. Pawankumar Varma, Mr. Sanjay Khemani and Mr. Purushottam Srinivasan, to formulate and implement the remuneration policy payable to the Managing Director, Wholetime Director, Manager and other top managerial

personnel of the Company.

### Merchant banking license

During 2008-09, your Company obtained a merchant banking license issued by the Securities and Exchange Board of India (SEBI) under the SEBI (Merchant Bankers) Regulations, 1992.

### Directors' responsibility statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards were followed
- ii) They selected such accounting policies and applied them consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year under review
- iii) They took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities
- iv) (i) They prepared the annual accounts on a going concern basis.

### Auditors

Messrs. S.K. Patodia & Associates, Chartered Accountants, retire

as the Company's auditors at the forthcoming Annual General Meeting and have given their consent for reappointment. The members will be required to appoint auditors for the current year and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company obtained a written certificate from the above auditors proposed to be reappointed to the effect that their reappointment, if made, would be in conformity with the limits specified in the said section.

#### Public deposits

The Company did not accept any deposits from the public or employees during 2008-09.

#### Conservation of energy and technology absorption and foreign exchange earnings and outgo

In view of the nature of the Company's activities, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively were not applicable to the Company.

There was no inflow or outflow of foreign exchange during 2008-09.

#### Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and Rules framed thereunder

Following is the statement of employee in receipt of remuneration exceeding the limits prescribed under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975:

(Rs. in lacs)

Serial Number	Name	Designation	Qualification	Age (Years)	Date of Joining	Experience	Remuneration (Rs.)	Previous Employment
1	Mr. Deepak Kumar Agarwal	Senior Vice President	CA, CS, CFA	39	January 1, 2009	10 years	Rs. 38,86,507	Elara Capital Services Private Limited
2	Mr. Narayan Shetkar	Vice President	CA, CFA	33	November 10, 2008	10 years	Rs. 14,01,724	MAPE Advisory Group Private Limited

#### Acknowledgement

Your Directors take this opportunity to thank its bankers for their valuable support and above all its valued customers, who have helped the Company to reach new heights. Your Directors also place on record their deep appreciation for the employees of the Company for their commitment and contribution as well. Your involvement as shareholders is also valued and your Directors look forward to your continuing support. The Directors also place on record their appreciation for the advice, guidance and support given by Money Matters Financial Services Ltd.

For and on behalf of the Board

Place: Mumbai,  
Dated: June 8, 2009.

**Rajesh Sharma**  
Chairman

## Auditor's 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 March 31, 2009, the Profit & Loss Account and also the Cash Flow Statement for the period ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 statement. 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. We report that:-

1. As required by COMPANIES (AUDITOR'S REPORT) ORDER, 2003 issued by the Company Law Board in terms of the section 227(4A) of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 & 5 of the said order *to the extent applicable* to the Company.
2. Further to our comments in the Annexure referred to in paragraph one above, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.

- c. The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Profit and Loss Account and Balance Sheet complies with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of information received from the Directors no such Director was disqualified as on the date of Balance Sheet from being appointed as a Director of the Company under section 274(1) (g) 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 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 case of Balance Sheet, of the state of affairs of the Company as at March 31, 2009
  - ii) In the case of Profit and Loss Account of the profit for the period ended on that date, and
  - iii) In the case of the Cash Flow Statement, of the cash flow for the period ended on that date.

For S. K. Patodia & Associates  
*Chartered Accountants*

Place: Mumbai  
Dated: June 8, 2009

V. K. Saraf  
*Partner*  
Membership No. 047755

## Annexure To The Auditors Report

Annexure Referred in Paragraph (1) of Auditor's Report of even date on the Accounts for the Period Ended March 31, 2009 of Money Matters Investment Advisors Private Limited on the Basis of such checks as we consider appropriate and in terms of the information and explanation given to us. We state that:

- i) The Company does not have any Fixed Asset. Therefore the provision of this clause is not applicable.
- ii) There is no stock. Therefore the provision of this clause is not applicable.
- iii) a) The Company had taken unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 99.58 Lacs and the closing balance was Rs. 29.68 Lacs.  
b) In our opinion, terms and conditions on which loans has been taken from company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prime facie, prejudicial to the interest of the Company.  
c) The Company has not granted any loans to the Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of Section 301 of the Act have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transaction's made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act exceeding the value of Rs. Five Lacs in respect of any party during the year has been made at price which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit from the public under section 58A & 58AA of the Companies Act, 1956.
- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- viii) The clause related to maintaining the cost records as prescribed by the central Government under Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- ix) In our opinion there are no undisputed and outstanding amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
- x) The Company has been registered for a period of less than five years therefore, the provisions of this clause regarding reporting of accumulated losses being not less than fifty percent of Company's net worth and also cash losses incurred during the year and immediately preceding financial year is not applicable to the Company.
- xi) The Company has not defaulted in repayment of dues to the banks and there are no dues to a financial institution.
- xii) The Company has not granted any loan/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) The Company is not engaged in the business of dealing or trading in shares, securities, debentures and other investments therefore the provision of this clause is not applicable.
- xv) We have been informed that the Company has not given any guarantee for any loan taken by others from bank or financial institutions.
- xvi) During the period under review the Company has not availed any term loan from any bank, therefore the provisions of this clause is not applicable.
- xvii) No Funds raised on short term basis have been used for long term investment by the Company.
- xviii) During the period the Company has not made any preferential allotment of shares.
- xix) During the period the Company has not issued any debentures.
- xx) The Company has not raised any money by way of public issue during the period.
- xxi) To the best of our knowledge and according to the information and explanation given to us, no fraud on or by the Company has been noticed during the period under review.

For S. K. Patodia & Associates  
Chartered Accountants

V. K. Saraf  
Partner

Place: Mumbai  
Dated: June 8, 2009

Membership No. 047755

## Balance Sheet

(Amount in Rupees)

	Schedule No.	As at 31.03.2009
<b>SOURCES OF FUNDS</b>		
Share Capital	1	50,000,000
Reserves & Surplus	2	1,188,311
Unsecured Loans	3	2,968,000
<b>Total</b>		<b>54,156,311</b>
<b>APPLICATION OF FUND</b>		
<b>Current Assets, Loans &amp; Advances</b>		
Cash & Bank Balances	4	50,040,510
Loan & Advances	5	3,763,217
		53,803,727
<b>Less : Current Liabilities &amp; Provisions.</b>		
Current Liabilities & Provisions	6	54,190
<b>Net Current Assets</b>		<b>53,749,537</b>
Miscellaneous Expenditure	7	406,774
(To the extent not written off or adjusted)		
<b>Total</b>		<b>54,156,311</b>
Significant Accounting Policies	10	
Notes forming part of the Accounts	11	

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

## Profit and Loss Account

(Amount in Rupees)

	Schedule No.	Year ended 31.03.2009
<b>INCOME</b>		
Interest Income (TDS Rs. 4,36,852)		2,120,636
Dividend		1,875,541
Syndication Fees (TDS Rs. 7,81,062)		6,250,000
<b>Total</b>		<b>10,246,177</b>
<b>EXPENDITURE</b>		
Employees Cost	8	7,918,472
Administrative & Other Expenses	9	997,700
Misc. Exp. Written Off.	7	101,694
<b>Total</b>		<b>9,017,866</b>
<b>Profit Before Tax</b>		<b>1,228,311</b>
Less : Provision for Tax		–
Less : Provision for FBT		40,000
<b>Profit After Taxes</b>		<b>1,188,311</b>
Add : Balance carried forward from last year		–
<b>Balance Carried Over To Balance Sheet</b>		<b>1,188,311</b>
Basic & Diluted Earning Per Share (Rs.)		0.24
Significant Accounting Policies	10	
Notes forming part of the Accounts	11	

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

## Cash Flow Statement

(Amount in Rupees)

	Year ended 31.03.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit Before Tax	1,228,311
Adjustment For :	
Misc. Exp. W/o	101,694
Interest Received	(2,120,636)
Dividend Received	(1,875,541)
Net Change in W/C	(3,749,027)
<b>NET CASH FLOW from Operating Activities (A)</b>	<b>(6,415,199)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest Received	2,120,636
Dividend Received	1,875,541
<b>NET CASH FLOW from Investing Activities (B)</b>	<b>3,996,177</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>	
Share Issued	50,000,000
Miscellaneous expenditure	(508,468)
Unsecured Loan	2,968,000
<b>NET CASH FLOW from Financial Activities (C)</b>	<b>52,459,532</b>
<b>Net Increase In Cash &amp; Cash Equivalents (A+B+C)</b>	<b>50,040,510</b>
Add : Opening Balance of Cash and Cash Equivalents	-
<b>Closing Cash &amp; Cash Equivalents</b>	<b>50,040,510</b>
Note: Cash & Cash Equivalents include :	
Cash in Hand	
Bank balance in Current A/C	
Bank balance in FD A/C	

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

## Schedules forming part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009
<b>Schedule 1 SHARE CAPITAL</b>	
<b>Authorised</b>	
50,00,000 Equity Shares of Rs. 10/- each	50,000,000
<b>Issued, Subscribed &amp; Paid Up</b>	
50,00,000 Equity Shares of Rs. 10/- each fully paid up	50,000,000
<b>Total</b>	<b>50,000,000</b>
<b>Schedule 2 RESERVES &amp; SURPLUS</b>	
Retained earning	1,188,311
<b>Total</b>	<b>1,188,311</b>
<b>Schedule 3 UNSECURED LOAN</b>	
From Holding Company (Money Matters Financial Services Limited)	2,968,000
<b>Total</b>	<b>2,968,000</b>
<b>Schedule 4 CASH AND BANK BALANCES</b>	
Cash on hand	32,704
Bank Balances with Scheduled Banks	
In Fixed Deposit A/C	50,000,000
In Current A/C	7,806
<b>Total</b>	<b>50,040,510</b>
<b>Schedule 5 LOANS &amp; ADVANCES</b>	
Advance Recoverable in Cash or in Kinds for value to be received	2,505,303
T.D.S. (Ass. Year 2009-10)	1,217,914
F.B.T. Paid (Ass. Year 2009-10)	40,000
<b>Total</b>	<b>3,763,217</b>
<b>Schedule 6 CURRENT LIABILITIES &amp; PROVISION</b>	
Sundry Creditors for Expenses	5,515
Profession Tax Payable	8,675
Provision for Taxation	
FBT Ass Year 2009-10	40,000
<b>Total</b>	<b>54,190</b>
<b>Schedule 7 MISCELLANEOUS EXPENDITURE</b>	
(To the extent not written off or adjusted)	
Preliminary Expenses	508,468
Less: Written off	101,694
<b>Total</b>	<b>406,774</b>

## Schedules forming part of the Profit and Loss Account (Contd.)

(Amount in Rupees)

	Year ended 31.03.2009
<b>Schedule 8 EMPLOYEE COST</b>	
Salary & Bonus	7,873,785
Staff Welfare Exp.	44,687
<b>Total</b>	<b>7,918,472</b>

<b>Schedule 9 ADMINISTRATIVE &amp; OTHER EXPENSES</b>	
Bank Charges	631
Conveyance Expenses	483,498
Lodging & Boarding Exp	18,975
Miscellaneous Expenses	1,538
Printing & Stationery	15,102
SEBI Fee	178,996
ROC Expenses	1,260
Statutory Audit Fees	5,000
Travelling Expenses	292,700
<b>Total</b>	<b>997,700</b>

### Schedule 10 SIGNIFICANT ACCOUNTING POLICIES

**1. System Of Accounting**

- a) The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis.
- b) Financial statements are based on historical cost convention.
- c) Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

**2. Treatment of contingent Liabilities**

Contingent liabilities(if any) are disclosed by way of note to the accounts. Contingent Assets are not recognized in the accounts.

**3. Miscellaneous expenditure**

Miscellaneous expenditures, such as preliminary expenditures, share issue expenditures and deferred revenue expenditures are amortised over a period of 5 years.

### Schedule 11 NOTES FORMING PART OF THE ACCOUNTS

1. The Company was incorporated on April 15, 2008 and this being the first accounting period of the Company the figures of previous year is not available/ applicable.
2. In the Opinion of the board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provision for all the known liabilities is adequate.
3. Auditors Remuneration:

(Amount in Rupees)

Particulars	Current Year
Statutory Audit Fee	5,000
<b>Total</b>	<b>5,000</b>

## Schedules forming part of the Accounts (Contd.)

### Schedule 11 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

4. The Company has not dealt with the SSI and Ancillary Undertakings therefore the information regarding dues to SSI and Ancillary Undertaking are not applicable to the Company.
5. Related party disclosure as required by Accounting Standard 18 issued by the Institute of chartered Accountants of India, are given below:

**PART: A:**

- i) The Company is Subsidiary Company of Money Matters Financial Services Limited (formerly known as M/s Dover Securities Limited).
- ii) Shri Rajesh Sharma (Director) is Key managerial Person.
- iii) Smt Seema Sharma is Director.
- iv) Following are the related companies where transactions have taken place:
  - a. Money Matters Financial Services Limited

**PART: B:**

Transaction with the above are furnished below:

Nature of Transaction	Closing Balance
<b>Unsecured Loan Taken</b>	
Money Matters Financial Services Limited	29.68 Lacs
<b>Share Capital</b>	
Money Matters Financial Services Limited	500.00 Lacs

6. The Disclosure of Earning Per Share as required by the Accounting Standard 20 are as under:

(Amount in Rupees)

Particulars	Current Year
Profit After Tax	11,88,311
Weighted Average Number of Equity shares (Nominal value Rs. 10/-) each.	50,00,000
Basic/Diluted Earning Per Share	Rs. 0.24

7. i) The Company mainly engaged in the business of Merchant Banking related Services and no other segment is in operation, hence the information required by Accounting Standard (AS) 17 regarding Segment Reporting are not applicable.
- ii) Secondary Segment Information: The Company having its operation in India only hence the Geographical Segment is Nil.
8. Additional Information's pursuant to the provisions of paragraphs 3,4C & 4D of part II of schedule VI to the Companies Act, 1956 (to the extent applicable) are as under
- a) Earning & Expenditure in Foreign Currency: Nil

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

## Balance Sheet Abstract and company's general business profile pursuant to part IV of Schedule VI to the Companies Act, 1956

<b>I. Registration Details</b>	
Registration No.	U65990MH2008PTC181188
Balance Sheet Date	31-03-2009
State Code	11
<b>II. Capital raised during the year (Rs. in thousand)</b>	
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	50,000
<b>III Position of Mobilisation and Deployment of funds (Rs. in thousand)</b>	
Total Liabilities	54,156
Total Assets	54,156
<b>Source of funds</b>	
Paid up Capital	50,000
Reserves & Surplus	1,188
Unsecured Loans	2,968
<b>Total</b>	<b>54,156</b>
<b>Application of Funds</b>	
Net Current Assets	53,749
Misc Expenditure	407
<b>Total</b>	<b>54,156</b>
<b>IV. Performance of Company (Rs. in thousand)</b>	
Turnover and other Income	10,246
Total Expenditure	9,018
Profit/(Loss) before tax	1,228
Profit/(Loss) after tax	1,188
Earning per share (Rs.)	0.24
Dividend Rate (%)	-
<b>V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)</b>	
Item Code No	N.A.
Product Description	Merchant Banking & Financial Advisory

As per our attached report of even date

For **S K Patodia & Associates**  
Chartered Accountants

Signatures to schedules 1 to 11

For and on behalf of the Board

**V. K. Saraf**  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

**Rajesh Sharma**  
Director

**Seema Sharma**  
Director

## Directors' Report

To  
The Members

### Directors' Report to the members

Your Directors have pleasure in presenting their first Annual Report together with the Audited Accounts of the Company for the period ended March 31, 2009.

### Financial highlights and operations

The Company was incorporated on November 18, 2008 and this was the first accounting year under review. As the Company did not start any business operation during the year, there was no income from operations. During the year your Company earned a dividend income of Rs. 0.20 Lacs.

### Dividend

As the Company incurred loss, the Board of Directors of your Company do not recommend any dividend for the year.

### Directors

Mr. Sanjay Khemani, an Independent Director on the Board of Money Matters Financial Services Limited ('holding company') was appointed as a nominee on the Board of your Company as per the requirement of clause 49 of the Listing Agreement.

### Directors' responsibility statement

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards were followed
- ii) They selected such accounting policies and applied them consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the loss of the Company for the year under review
- iii) They took proper and sufficient care to maintain 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) They prepared the annual accounts on a going concern basis.

### Auditors

Messrs. S.K. Patodia & Associates, Chartered Accountants, retire as auditors of the Company at the forthcoming Annual General

Meeting and have given their consent for reappointment. The members will be required to appoint auditors for the current year and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company obtained a written certificate from the above auditors proposed to be reappointed to the effect that their reappointment, if made, would be in conformity with the limits specified in the said section.

### Public deposits

The Company did not accept any deposits from the public or employees during the year under review.

### Conservation of energy and technology absorption and foreign exchange earnings and outgo

In view of the nature of the Company's activities, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the Company.

There was no inflow or outflow of foreign exchange during 2008-09.

### Particulars of employees as required under section 217(2A) of the Companies Act, 1956 and Rules framed thereunder

The Company had no employee who was in receipt of remuneration of not less than Rs. 24,00,000 during the year ended March 31, 2009 or not less than Rs. 2,00,000 per month during any part of the year under review.

### Acknowledgement

Your Directors take this opportunity to thank its bankers for their valuable support. Your involvement as shareholders is also valued and your Directors look forward to your continuing support. The Directors also place on record their appreciation for the advice, guidance and support given by Money Matters Financial Services Ltd.

For and on behalf of the Board

Place: Mumbai,  
Dated: June 8, 2009.

**Rajesh Sharma**  
*Chairman*

## Auditor's 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 (MMDCPL) as at March 31, 2009, and the Cash Flow Statement for the period ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 statement. 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. We report that:-

1. As required by COMPANIES (AUDITOR'S REPORT) ORDER, 2003 issued by the Company Law Board in terms of the section 227(4A) of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 & 5 of the said order *to the extent applicable* to the Company.
2. Further to our comments in the Annexure referred to in paragraph one above, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears

from our examination of the books.

- c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, Balance Sheet complies with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of information received from the Directors no such Director was disqualified as on the date of Balance Sheet from being appointed as a Director of the Company under section 274(1) (g) 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 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 case of Balance Sheet, of the state of affairs of the Company as at March 31, 2009
  - ii) In case of Profit & Loss Account the loss for the period ended on March 31, 2009.
  - iii In the case of the Cash Flow Statement, of the cash flow for the period ended on that date.

For S. K. Patodia & Associates  
Chartered Accountants

V. K. Saraf  
Partner

Place: Mumbai  
Dated: June 8, 2009

Membership No. 047755

## Annexure To The Auditors Report

Annexure to the Auditors Report Annexure Referred in Paragraph (1) of Auditor's Report of Even date on the Accounts for the Period Ended March 31, 2009 of MMDCPL on the basis of such checks as we consider appropriate and in terms of the information and explanation given to us. we state that:

- i) The Company does not have any Fixed Asset. Therefore the provision of this clause is not applicable.
- ii) There is no stock. Therefore the provision of this clause is not applicable.
- iii) a) The Company has not taken any loan from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
b) The Company has not granted any loans to the Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of Section 301 of the Act have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transaction's made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act exceeding the value of Rs. Five Lacs in respect of any party during the period has been made at price which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit from the public under section 58A & 58AA of the Companies Act, 1956.
- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- viii) The clause related to maintaining the cost records as prescribed by the central Government under Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- ix) In our opinion there are no undisputed and outstanding amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty as at the last day of the financial period concerned for a period of more than six months from the date they become payable.
- x) The Company has been registered for a period of less than five year therefore, the provisions of this clause regarding reporting of accumulated losses being not less than fifty percent of company's net worth and also cash losses incurred during the period and immediately preceding financial period is not applicable to the Company.
- xi) The Company has not defaulted in repayment of dues to the banks and there are no dues to a financial institution.
- xii) The Company has not granted any loan/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) The Company has maintained proper records of investment transactions and timely entries have been made. The investments are held by the Company in its own name.
- xv) We have been informed that the Company has not given any guarantee for any loan taken by others from bank or financial institutions.
- xvi) During the period under review the Company has not availed any term loan from any bank, therefore the provisions of this clause is not applicable.
- xvii) No Funds raised on short term basis have been used for long term investment by the Company.
- xviii) During the period the Company has not made any preferential allotment of shares.
- xix) During the period the Company has not issued any debentures.
- xx) The Company has not raised any money by way of public issue during the period.
- xxi) To the best of our knowledge and according to the information and explanation given to us, material fraud on or by the Company has been noticed during the period under review.

For S. K. Patodia & Associates  
*Chartered Accountants*

V. K. Saraf  
*Partner*

Place: Mumbai  
Dated: June 8, 2009

Membership No. 047755

## Balance Sheet

(Amount in Rupees)

	Schedule No.	As at 31.03.2009
<b>SOURCES OF FUNDS</b>		
Share Capital	1	5,000,000
<b>Total</b>		<b>5,000,000</b>
<b>APPLICATION OF FUND</b>		
Investments	2	4,469,599
<b>Current Assets, Loans &amp; Advances</b>		
Cash & Bank Balances	3	39,128
		39,128
Less : Current Liabilities & Provisions	4	4,258
Miscellaneous Expenditure	5	407,160
(To the extent not written off or adjusted)		
<b>Profit &amp; Loss Account</b>		<b>88,370</b>
<b>Total</b>		<b>5,000,000</b>
Significant Accounting Policies	7	
Notes forming part of the Accounts	8	

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

## Profit and Loss Account

(Amount in Rupees)

	Schedule No.	Year ended 31.03.2009
<b>INCOME</b>		
Dividend		19,599
<b>Total</b>		<b>19,599</b>
<b>EXPENDITURE</b>		
Direct & Other Expenses	6	6,179
Preliminary Exp. Written Off.	5	101,790
<b>Total</b>		<b>107,969</b>
<b>Profit Before Tax</b>		<b>(88,370)</b>
Less : Provision for Taxation		—
<b>Profit After Tax</b>		<b>(88,370)</b>
<b>Balance Carried Over To Balance Sheet</b>		<b>(88,370)</b>
Significant Accounting Policies	7	
Notes forming part of the Accounts	8	

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

## Cash Flow Statement

(Amount in Rupees)

	Year ended 31.03.2009
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>	
Net Profit Before Tax	(88,370)
Net Change in W/C	4,258
<b>NET CASH FLOW from Operating Activities (A)</b>	<b>(84,113)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Investment Made	(4,469,599)
<b>NET CASH FLOW from Investing Activities (B)</b>	<b>(4,469,599)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>	
Share Issued	5,000,000
Miscellaneous expenditure	(407,160)
<b>NET CASH FLOW from Financial Activities (C)</b>	<b>4,592,840</b>
<b>Net Increase In Cash &amp; Cash Equivalents (A+B+C)</b>	<b>39,128</b>
Add : Opening Balance of Cash and Cash Equivalents	–
<b>Closing Cash &amp; Cash Equivalents</b>	<b>39,128</b>
Note : Cash & Cash Equivalents include :	
Cash in Hand	
Bank balance in Current A/C	

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

## Schedules forming part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009
<b>Schedule 1 SHARE CAPITAL</b>	
<b>Authorised</b>	
50,00,000 Equity Shares of Rs. 10/- each	50,000,000
<b>Issued, Subscribed &amp; Paid Up</b>	
50,00,000 Equity Shares of Rs. 10/- each, Re. 1/- per share paid up	50,000,000
<b>Total</b>	<b>50,000,000</b>

<b>Schedule 2 INVESTMENTS</b>	
Trade: Unquoted:	
In Mutual Fund	
407063.624 Units of LIC MF Liquid Fund	4,469,599
<b>Total</b>	<b>4,469,599</b>

<b>Schedule 3 CASH AND BANK BALANCES</b>	
Bank Balances with Scheduled Banks	
In Current Account	39,128
<b>Total</b>	<b>39,128</b>

<b>Schedule 4 CURRENT LIABILITIES &amp; PROVISION</b>	
Sundry Creditors for Expenses	4,258
<b>Total</b>	<b>4,258</b>

<b>Schedule 5 MISCELLANEOUS EXPENDITURE</b>	
(To the extent not written off or adjusted)	
Preliminary Expenses	508,950
Less: Written off	101,790
<b>Total</b>	<b>407,160</b>

## Schedules forming part of the Profit and Loss Account

(Amount in Rupees)

	Year ended 31.03.2009
<b>Schedule 6 DIRECT &amp; OTHER EXPENSES</b>	
Bank Charges	855
Professional Fee	1,500
Rates & Tax	1,067
Audit Fee	2,758
<b>Total</b>	<b>6,179</b>

## Schedules forming part of the Balance Sheet (Contd.)

### Schedule 7 SIGNIFICANT ACCOUNTING POLICIES

#### 1. System Of Accounting

- a) The Company follows mercantile method of accounting and recognizes income and expenditure on accrual basis.
- b) Financial statements are based on historical cost convention.
- c) Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

#### 2. Investment

Investments are being valued at cost of acquisition.

#### 3. Treatment of Contingent Liabilities

Contingent liabilities are disclosed by way of note to the accounts (if any). Contingent Assets are not recognized in the accounts.

#### 4. Miscellaneous expenditure

Miscellaneous expenditures, such as preliminary expenditures are amortised over a period of 5 years.

### Schedule 8 NOTES FORMING PART OF THE ACCOUNTS

1. The Company was incorporated on November 18, 2008 and this being the first accounting period of the Company the figures of previous year is not available/ applicable.
2. In the Opinion of the board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provision for all the known liabilities is adequate.

#### 3. Auditors Remuneration:

(Amount in Rupees)

Particulars	Current Year
Statutory Audit Fee	2,758
<b>Total</b>	<b>2,758</b>

4. The Company has not dealt with the SSI and Ancillary Undertakings therefore the information regarding dues to SSI and Ancillary Undertaking are not applicable to the Company.
5. Related party disclosure as required by Accounting Standard 18 issued by the Institute of chartered Accountants of India, are given below:

## Schedules forming part of the Balance Sheet (Contd.)

### Schedule 8 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

#### PART: A:

- i) The Company is Wholly owned Subsidiary Company of Money Matters Financial Services Limited formerly known as M/s Dover Securities Limited.
- ii) Shri Rajesh Sharma (Director) is Key Managerial Person.
- iii) Smt Seema Sharma is Director.
- iv) Following are the related companies where transactions have taken place:
  - a. Money Matters Financial Services Limited

#### PART: B:

Transaction with the above are furnished below:

Nature of Transaction	Rs. in Lacs
Share Capital	
Money Matters Financial Services Limited	50

5.
  - i) The Company mainly engaged in the business of Financial & Investment Advisory Services and acting as distributors of Mutual Fund etc and no other segment is in operation, hence the information required by Accounting Standard (AS) 17 regarding Segment Reporting are not applicable.
  - ii) Secondary Segment Information: The Company having its operation in India only hence the Geographical Segment is Nil.
6. Additional Information's pursuant to the provisions of paragraphs 3,4C & 4D of part II of schedule VI to the Companies Act, 1956 (to the extent applicable) are as under
  - a) Earning & Expenditure in Foreign Currency: Nil

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

For and on behalf of the Board

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

## Balance Sheet Abstract and company's general business profile pursuant to part IV of Schedule VI to the Companies Act, 1956

<b>I. Registration Details</b>	
Registration No.	U65999MH2008PTC188287
Balance Sheet Date	31-03-2009
State Code	11
<b>II. Capital raised during the year (Rs. in thousand)</b>	
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	5,000
<b>III. Position of Mobilisation and Deployment of funds (Rs. in thousand)</b>	
Total Liabilities	5,000
Total Assets	5,000
Source of funds	
Paid up Capital	5,000
<b>Total</b>	<b>5,000</b>
Application of Funds	
Investments	4,470
Net Current Assets	35
Misc Expenditure	407
Profit & Loss A/c	88
<b>Total</b>	<b>5,000</b>
<b>IV. Performance of Company (Rs. in thousand)</b>	
Turnover and other Income	20
Total Expenditure	108
Profit/(Loss) before tax	(88)
Profit/(Loss) after tax	NA
Earning per share (Rs.)	NA
Dividend Rate (%)	NA
<b>V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)</b>	
Item Code No	N.A.
Product Description	Investing & Others

As per our attached report of even date

For S K Patodia & Associates  
Chartered Accountants

V. K. Saraf  
Partner  
Membership No. 047755  
Place: Mumbai  
Dated: June 8, 2009

Rajesh Sharma  
Director

Seema Sharma  
Director

Signatures to schedules 1 to 8  
For and on behalf of the Board

## Consolidated Auditor's Report

To  
The Board of Directors,  
Money Matter Financial Services Limited, on the consolidated financial statement of  
Money Matters Financial Services Limited and its subsidiaries

1. We have audited the attached Consolidated Balance Sheet of MONEY MATTERS FINANCIAL SERVICES LIMITED ("the Company") and its subsidiaries (collectively referred to as "the MONEY MATTERS GROUP") as at March 31, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the 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.
3. We did not audit the financial statement of subsidiaries, whose financial statements reflect total assets of Rs. 4,06,46,601/- As at March 31, 2009, total revenues of Rs. 6,54,71,429/- and total cash inflow of Rs.11,12,79,502/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, is so far as it relates to the amounts included in respect of these subsidiaries are based solely on the report of the other auditors.
4. We report that the consolidated financial statement have

been prepared by the Money Matter Group's management in accordance with the requirements of the Accounting Standard (AS) 21, 'Consolidated Financial Statements' and (AS) 23 'Accounting for investments in Associates in Consolidated Financial Statements' as prescribed under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Money Matters Group as at March 31, 2009;
  - b) in the case of the Consolidated Profit & Loss Account, of the profit of the Money Matters Group for the year ended on that date; and
  - c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Money Matters Group for the year ended on that date.

For Agarwal Gupta Nokari &  
Rustagi Associates  
Chartered Accountants

B. C. Khaitan  
Partner

Place: Mumbai  
Dated: June 29, 2009

Membership No. 17387

## Consolidated Balance Sheet

(Amount in Rupees)

	Schedule No.	As at 31.03.2009	As at 31.03.2008
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	270,006,000	90,002,000
Reserves & Surplus	2	1,259,302,925	232,785,677
Secured Loans	3	217,523,761	–
Unsecured Loans	4	–	600,000,000
Deferred Tax Liabilities		428,748	588,393
		<b>1,747,261,434</b>	<b>923,376,070</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	36,942,623	23,276,463
Less: Depreciation		6,641,154	744,046
Net Block		30,301,469	22,532,417
<b>Investments</b>			
	6	4,469,599	86,009,646
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	250,207,900	100,082,900
Sundry Debtors	8	159,675,071	69,296,694
Cash & Bank Balances	9	1,166,372,718	183,741,962
Other Current Assets	10	3,335,833	35,121,388
Loans & Advances	11	736,672,592	542,242,486
		2,316,264,115	930,485,430
<b>Less: Current Liabilities &amp; Provisions</b>			
Liabilities	12	57,938,941	96,312,820
Provision	13	551,056,005	23,711,200
		608,994,946	120,024,020
<b>Net Current Assets</b>			
miscellaneous expenditure (To the extent not written off)	14	5,221,197	4,372,597
		<b>1,747,261,434</b>	<b>923,376,070</b>
<b>Accounting Policies</b>			
	23		
<b>Notes On Accounts</b>			
	24		

As per our report annexed:

For **Agarwal Gupta Nokari  
& Rustagi Associates**  
*Chartered Accountants*

For and on behalf of the Board

**B. C. Khaitan**  
*Partner*  
Membership No. 17387

**Rajesh Sharma**  
*Chairman & Managing Director*

**Suresh Gattani**  
*Whole Time Director*

**Vishal Joishar**  
*Company Secretary*

Place: Mumbai  
Dated: June 29, 2009

## Consolidated Profit and Loss Account

(Amount in Rupees)

	Schedule No.	Year ended 31.03.2009	Year ended 31.03.2008
<b>I. INCOME</b>			
Fees from Financial Advisory Services (TDS for the year Rs. 231796739 Previous Year Rs. 4086455)		1,610,272,949	32,100,000
Stock Broking Income		12,398,518	219,203
Income from Trading in Shares & Debt Securities	15	58,430,800	27,078,556
Interest Received	16	61,441,546	16,861,442
Other Income	17	20,495,597	1,857,287
		<b>1,763,039,410</b>	<b>78,116,488</b>
<b>II. EXPENDITURE</b>			
Stock Broking Operational Expenses	18	2,671,150	75,211
Payment to Employees	19	129,421,862	351,924
Administrative & Other Expenses	20	46,607,723	1,520,355
Financial Charges	21	20,806,917	12,523,535
Misc. Exp. Written off	22	1,578,587	565,843
Depreciation		5,897,107	112,882
		<b>206,983,346</b>	<b>15,149,750</b>
<b>III. PROFIT BEFORE TAXATION (I-II)</b>		1,556,056,064	62,966,739
Less: Provision for Taxation		(528,560,000)	(20,323,000)
Less: FBT		(1,131,900)	(5,150)
Add/(Less):Deferred Tax		159,645	56,227
		1,026,523,809	42,694,816
Add/(Less) : Income Tax Adjustment		(6,560)	81
Profit After Taxation		1,026,517,249	42,694,897
Less: Transferred to Reserve Fund in terms of Section 45 IC(1) of the Reserve Bank of India Act,1934		202,886,920	8,530,051
<b>IV. NET PROFIT</b>		823,630,329	34,164,846
Add: Balance Brought Forward		64,015,382	1,443,619
<b>Balance carried to Balance Sheet</b>		<b>887,645,711</b>	<b>35,608,465</b>
Accounting Policies	23		
Notes On Accounts	24		

As per our report annexed:

For Agarwal Gupta Nokari  
& Rustagi Associates

Chartered Accountants

For and on behalf of the Board

B. C. Khaitan

Partner

Membership No. 17387

Place: Mumbai

Dated: June 29, 2009

Rajesh Sharma

Chairman & Managing Director

Suresh Gattani

Whole Time Director

Vishal Joishar

Company Secretary

## Consolidated Cash Flow Statement

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation & Extraordinary Items	1,556,056,064	62,966,739
<b>Add:</b>		
Depreciation	5,897,107	112,882
miscellaneous Expenses W/off	1,578,587	565,843
Loss on sale of Fixed Assets	–	40,750
<b>Less:</b>		
Rights Issue/Preliminary Expenses Incurred	(2,427,187)	(2,800,000)
<b>Operating Profit</b>	<b>1,561,104,571</b>	<b>60,886,214</b>
<b>Adjustment For:</b>		
(Increase)/Decrease in Sundry Debtors	(90,378,377)	(68,977,384)
(Increase)/Decrease in Stock-in-trade	(150,125,000)	(77,711,979)
(Increase)/Decrease in Loans & Advances	57,577,369	(515,610,418)
(Increase)/Decrease in Other Current Assets	31,785,555	(35,109,517)
Increase/(Decrease) in Current Liabilities	(38,373,879)	96,261,986
Increase/(Decrease) in Provisions		23,577,500
Income Tax Adjustment	(6,560)	81
Direct Taxes Paid	(253,307,210)	(20,323,000)
FBT Paid	(1,047,361)	(5,150)
<b>Net Cash Generated From Operation before Extraordinary Items</b>	<b>1,117,229,108</b>	<b>(537,011,667)</b>
Less: extraordinary items (Net of Tax)	–	–
<b>Net Cash Generated From Operations (A)</b>	<b>1,117,229,108</b>	<b>(537,011,667)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(13,666,160)	(198,680)
(Increase)/Decrease in Investments	81,540,047	(86,009,646)
Sale of Fixed Assets	–	684,411
<b>Net Cash Flow Used In Investing Activities (B)</b>	<b>67,873,887</b>	<b>(85,523,915)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Secured Borrowings	217,523,761	–
Increase/(Decrease) in Unsecured Borrowings	(600,000,000)	600,000,000
Increase/(Decrease) in Share Capital	180,004,000	40,000,000
Increase/(Decrease) in Share Premium	–	160,000,000
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(202,472,239)</b>	<b>800,000,000</b>
<b>Net Cash Flow Generated During the year from all activities (A+B+C)</b>	<b>982,630,756</b>	<b>177,464,418</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>		
Opening Cash & Cash Equivalents	183,741,962	6,277,544
Closing Cash & Cash Equivalents	1,166,372,718	183,741,962
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>	<b>982,630,756</b>	<b>177,464,418</b>

As per our report annexed:

For Agarwal Gupta Nokari  
& Rustagi Associates  
Chartered Accountants

For and on behalf of the Board

B. C. Khaitan  
Partner  
Membership No. 17387  
Place: Mumbai  
Dated: June 29, 2009

Rajesh Sharma  
Chairman & Managing Director

Suresh Gattani  
Whole Time Director

Vishal Joishar  
Company Secretary

## Schedules forming part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
4,52,50,000 (4,52,50,000) Equity Shares of Rs. 10/- Each	452,500,000	452,500,000
<b>Issued, Subscribed &amp; paid up</b>		
2,70,00,600 (90,00,200) Equity Shares of Rs. 10/- Each fully paid up	270,006,000	90,002,000
	<b>270,006,000</b>	<b>90,002,000</b>

	As at 01.07.2008	Additions	As at 31.03.2009	As at 31.03.2008
<b>Schedule 2 RESERVES &amp; SURPLUS</b>				
Capital Reserve on Consolidation	28,406,916	–	28,406,916	28,406,916
Share Premium Account	160,000,000	–	160,000,000	160,000,000
Reserve Fund in term of Section 45 I C(1) of the Reserve Bank of India Act, 1934	8,770,295	202,886,920	211,657,215	8,770,295
	197,177,211	202,886,920	400,064,131	197,177,211
Retained Earnings *	35,608,465	823,630,329	859,238,794	35,608,465
<b>Total</b>	<b>232,785,677</b>	<b>1,026,517,249</b>	<b>1,259,302,925</b>	<b>232,785,677</b>
<b>Previous Year</b>	<b>1,683,863</b>	<b>231,101,813</b>	<b>232,785,677</b>	<b>1,683,863</b>

\* Retained earnings comprises of general reserves and Profit and Loss Account balances.

<b>Schedule 3 SECURED LOANS</b>				
Bank of India (Overdraft Facility secured against the Fixed Deposits of the Company)		217,523,761		–
		<b>217,523,761</b>		<b>–</b>

<b>Schedule 4 UNSECURED LOANS</b>				
Inter Corporate Loans		–		600,000,000
		<b>–</b>		<b>600,000,000</b>

<b>Schedule 5 FIXED ASSETS</b>										
Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01.04. 2008	Addition	Deductions	As on 31.03.2009	Up to 01.04.2008	For the Year	Deduc- tions	As on 31.03.2009	As on 31.03.2009	As on 31.03.2008
Computers & Accessories	3,928,650	3,109,079	–	7,037,729	456,327	1,929,355	–	2,385,682	4,652,047	3,472,323
Office Equipments	1,310,843	1,510,154	–	2,820,997	15,661	216,076	–	231,737	2,589,260	1,295,182
Electrical Installation	–	1,631,415	–	1,631,415	–	27,880	–	27,880	1,603,535	–
Furniture & Fixtures	18,036,970	7,415,512	–	25,452,482	272,058	3,723,796	–	3,995,855	21,456,627	17,764,912
<b>Total</b>	<b>23,276,463</b>	<b>13,666,160</b>	<b>–</b>	<b>36,942,623</b>	<b>744,046</b>	<b>5,897,107</b>	<b>–</b>	<b>6,641,154</b>	<b>30,301,469</b>	<b>22,532,417</b>
<b>Previous Year</b>	<b>1,763,507</b>	<b>157,000</b>	<b>1,763,507</b>	<b>157,000</b>	<b>973,346</b>	<b>70,931</b>	<b>1,038,347</b>	<b>5,930</b>	<b>151,070</b>	<b>790,161</b>

## Schedules forming part of the Consolidated Balance Sheet (Contd.) (Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 6 INVESTMENTS</b>		
<b>Long Term:</b>		
<b>Unquoted: Trade</b>		
Fully Paid Equity Shares of Other Companies	–	15,996,232
<b>Units in Mutual Fund</b>		
407,063.60 (6,376,391.25) Units of LIC Mutual Fund Liquid Fund	4,469,599	70,013,414
	<b>4,469,599</b>	<b>86,009,646</b>

### Schedule 7 INVENTORIES

(As Certified by the Management)		
<b>A. Quoted</b>		
Nil(4900) Equity shares of Centurian Bank of Punjab	–	81,100
169 (169) Equity Shares of HDFC Bank Limited	81,100	–
300 (300) Equity Shares of Vardhman Lab Ltd (Market Value of Quoted Investments Rs. 164817 (Previous Year Rs. 213714))	1,800	1,800
<b>B. Bonds</b>		
Nil (100) Bonds of Dena Bank Lower Tier II Bonds	–	100,000,000
250 (Nil) Bonds of HDFC Ltd 9.90 % Bond	250,125,000	–
<b>Total</b>	<b>250,207,900</b>	<b>100,082,900</b>

### Schedule 8 SUNDRY DEBTORS

More than Six Months	24,017,935	–
Other Debts	135,657,136	69,296,694
	<b>159,675,071</b>	<b>69,296,694</b>

### Schedule 9 CASH & BANK BALANCES

Cash in hand	2,730,035	176,050
Balances with Scheduled Banks in Current Accounts	220,240,059	77,565,912
Balances with Scheduled Banks in Fixed Deposits	887,734,602	106,000,000
In LIC MF Liquid Fund	55,668,022	–
	<b>1,166,372,718</b>	<b>183,741,962</b>

### Schedule 10 OTHER CURRENT ASSETS

Security & Other Deposit	2,725,930	34,238,140
Prepaid Expenses	51,000	878,219
Service Tax Assets	558,903	5,029
	<b>3,335,833</b>	<b>35,121,388</b>

## Schedules forming part of the Consolidated Balance Sheet (Contd.)

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule 11 LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good recoverable in cash or in kind or for value to be received)		
Advance Recoverable in Cash or in Kinds	23,959,416	19,857,081
Sundry Deposits	29,034,000	
Loans (Includes Rs. Nil (Previous Year Rs. 50,00,00,000/- to associate Company Money Matters Advisory Services Limited)	133,673,604	501,000,400
Interest Receivable	19,822,541	–
Advance Payment of Tax (Including TDS)	528,788,341	21,385,005
Other Advances	1,394,690	–
	<b>736,672,592</b>	<b>542,242,486</b>

<b>Schedule 12 LIABILITIES</b>		
Sundry Creditors	4,106,575	93,430,768
Service Tax Payable	18,423,725	–
TDS Payable	260,195	–
Professional Tax Payable	8,675	–
Sundry Creditors for Expenses	3,575,636	2,882,052
Stock Exchange Clearing House	31,564,135	–
	<b>57,938,941</b>	<b>96,312,820</b>

<b>Schedule 13 PROVISIONS</b>		
Provision for Taxation B/f	21,459,388	
Add: Provision for Current Year	528,560,000	
	550,019,388	
Less : Tax Adjustment	52,100	
(A)	549,967,288	23,649,800
Provision for FBT B/f	6,817	
Add : Provision for Current Year	1,081,900	
(B)	1,088,717	61,400
<b>(A+B)</b>	<b>551,056,005</b>	<b>23,711,200</b>

<b>Schedule 14 MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off)		
A) Preliminary Expenses	3,606,167	3,776,312
B) Right Issue Expenses	1,127,815	–
C) Pre Operative Expenses	447,214	596,285
D) Share Capital Increase Expenses	40,001	–
<b>Total (A+B+C+D)</b>	<b>5,221,197</b>	<b>4,372,597</b>

## Schedules forming part of the Consolidated Balance Sheet (Contd.)

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule 15 INCOME FROM SHARE &amp; DEBT SECURITIES</b>		
Sale of Shares & Securities	3,048,096,850	2,108,668,184
Income/(Loss) in Arbitrage of Shares	–	(2,158,023)
Income/(Loss) from Futures & Options	–	1,081,638
Closing Stock	250,207,900	82,900
<b>Sub Total</b>	<b>3,298,304,750</b>	<b>2,107,674,698</b>
<b>Less:</b>		
Opening Stock	100,082,900	22,370,921
Purchases	3,139,791,050	2,056,393,968
Delivery & Brokerage Charges	–	6,250
Depository Charges	–	758,797
Service Tax, Ed Cess & TOT Charges	–	3,919
Stamp Duty	–	671,015
Transaction Charges	–	391,271
<b>Sub-Total</b>	<b>3,239,873,950</b>	<b>2,080,596,142</b>
<b>Net</b>	<b>58,430,800</b>	<b>27,078,556</b>

<b>Schedule 16 INTEREST RECEIVED</b>		
Interest on Loan (TDS for the year Rs. 1066032 Previous Year Rs. 3694115)	6,642,120	16,073,886
Interest– ILFS	210,078	–
Interest– Others	172,944	–
Interest on I.T.Refund	51,728	18,441
Bank Interest	–	5,361
Interest on Bank Fixed Deposits (TDS for the year Rs. 4768134 Previous Year Rs. 67620)	35,018,243	434,302
Interest on Bonds	18,398,146	329,452
Interest on Application Money for Bonds (TDS for the year Rs. 83345 Previous Year Rs. Nil)	367,397	–
Interest on Margin Funding (TDS for the year Rs. 131629 Previous Year Rs. Nil)	580,890	–
<b>Total</b>	<b>61,441,546</b>	<b>16,861,442</b>

<b>Schedule 17 OTHER INCOME</b>		
Dividend Received	–	481
Dividend Received on Mutual Fund	17,638,926	1,782,523
Short Term Capital Gain Mutual Funds	–	196
Short Term Capital Gain	(2,674,108)	–
Long Term Capital Gain	5,524,707	–
Liabilities Written Back	1,069	–
Misc Income	5,003	–
Brokerage	–	74,088
<b>Total</b>	<b>20,495,597</b>	<b>1,857,287</b>

## Schedules forming part of the Consolidated Profit and Loss Account (Contd.)

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule 18 STOCK BROKING OPERATIONAL EXPENSES</b>		
Lease Line Charges	44,794	-
Software Running Exp.	1,876,937	-
Exchange & Statutory Charges	431,078	-
V-Sat Exp	82,877	-
Depository Charges	230,992	-
Vandha A/c	4,472	-
Clearing & Settlement Charges	-	69,650
SEBI Turnover Fees	-	5,561
	<b>2,671,150</b>	<b>75,211</b>
<b>Schedule 19 PAYMENT TO EMPLOYEES</b>		
Salaries & Bonus	128,894,291	340,687
Staff Welfare Exp.	527,571	11,237
	<b>129,421,862</b>	<b>351,924</b>
<b>Schedule 20 ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement Expenses	30,560	18,804
Business Promotion Expenses	11,266,546	16,855
Books & Periodicals	-	4,376
Computer Maintenance	110,554	363
Conveyance Expenses	803,463	4,439
Custodian Charges	14,000	26,730
Directors Sitting Fees	115,000	103,500
Donation	621,000	-
DP Service Processing Exp.	55,000	-
Electric Charges	695,409	1,548
Filing & Compounding Fees to ROC	66,282	209,550
Franking Charges	583,364	-
General Expenses	507,623	22,845
Insurance Exp.	137,944	1,605
Legal & Professional Fees	1,380,189	37,778
Listing Fees & Stock Exchange Fees	60,590	93,000
Loss on Sale of Fixed Assets	-	40,750
Meeting & Conference Expenses	231,304	2,000
Membership & Subscription	30,000	-
Motor Car Expenses	944,471	42,200
Office Canteen Exp.	267,397	-
Postage & Stamps	115,155	7,690
Printing & Stationery	693,568	17,970
Rates & Taxes	58,791	3,695
Recruitment Expenses	2,011,514	-
Remuneration to Auditors		
- Audit Fees	117,758	47,500
- Tax Audit Fees	20,000	-
- Certification	10,000	-
- Out of Pocket Expenses	27,277	-
Remuneration to Directors	5,475,904	641,456
Rent Paid	14,406,860	144,918
Repairs & Maintenance	102,508	-
Securities Transaction Tax	23,561	2,118
SEBI Fees	178,996	-
Telephone and Internet Expenses	1,149,362	5,896
Travelling Expenses	4,295,773	22,769
	<b>46,607,723</b>	<b>1,520,355</b>

## Schedules forming part of the Consolidated Profit and Loss Account *(Contd.)*

*(Amount in Rupees)*

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule 21 FINANCIAL CHARGES</b>		
Bank Charges	77,000	60,485
Bank Guarantee Charges	4,244,134	–
Interest on Loan	5,540,876	11,709,352
Interest Others	34,667	3,398
Franking Charges	500,700	750,300
Interest on Bank OD	8,488,173	–
Limit Processing Charges	421,367	–
Loan Processing Fees	1,500,000	–
	<b>20,806,917</b>	<b>12,523,535</b>

### Schedule 22 MISCELLANEOUS EXPENSES W/OFF

Preliminary Expenses w/off	1,137,562	560,000
Pre Operative Expenses	149,071	5,843
Share Capital Increase Expenses w/off	10,000	–
Rights Issue Expenses w/off	281,954	–
	<b>1,578,587</b>	<b>565,843</b>

## Schedules forming part of the Consolidated Profit and Loss Account (Contd.)

---

### Schedule 23 ACCOUNTING POLICIES

---

#### A) Basis of Accounting/Basis of Preparation of Consolidated Financial Statements.

The consolidated financial statements relate to Money Matters Financial Services Ltd (“MMFSL”, “Company” The Parent Company), its wholly owned subsidiaries Money Matters Distribution Company Pvt. Ltd (“MMDCL”), Money Matters Investment Advisors Pvt. Ltd (“MMIAPL”) & Money Matters Securities Private Limited (“MMSPL”). The Parent Company with its Subsidiaries constitutes the Group.

- i) The financial Statements of subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i. e. year ended March 31, 2009.
- ii) The Financial Statements have been prepared under the historical cost convention.
- iii) The preparation of the financial statements are in conformity with the generally accepted accounting principles which requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.
- iv) The accounts of Indian Subsidiaries are prepared in compliance with the Accounting Standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956.

#### B) Principles of Consolidation.

- i) The financial Statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the Company’s independent financial statements.
- ii) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) The excess of cost over the Company’s investments in the subsidiary, company is recognised in the consolidated financial statements as goodwill which has been charged off in the profit and loss account in the year of acquisition. The excess of Company’s share in equity and reserves of the subsidiary company over the cost of acquisition is treated as Capital Reserve.

#### C) Fixed Assets:

- i) Fixed Assets are stated at the original cost including other Expenses relating to acquisition and installation.
- ii) Fixed Assets are eliminated from financial statements, either on disposal or when retired from active use. The retired assets are disposed off immediately. The capitalized cost of such disposed/retired assets, are removed from the fixed assets records.

#### D) Depreciation

Depreciation is provided for in the accounts on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

#### E) Inventories

- a) The securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of cost or market value.

#### F) Revenue Recognition:

- i) Income from Financial Advisory Services is accounted for on accrual basis except where on account of uncertainty of ultimate collection are accounted on receipt basis.

## Schedules forming part of the Consolidated Accounts (Contd.)

---

**Schedule 23 ACCOUNTING POLICIES (Contd.)**

---

- ii) Interest income is accounted for on accrual basis except where the recovery is uncertain, in which case it is accounted for on receipt basis.
- iii) Dividend income is accounted for when the right to receive dividend is established.

### G) Retirement Benefits :

#### Gratuity:

The provision for Gratuity is made in the books of accounts wherever applicable.

#### Compensated Absences:

Unutilised Casual Leave of staff is encashable as at the year end and has been paid during the financial year.

### H) Taxation

Income tax expenses comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

#### Current Tax:

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

#### Deferred Taxation:

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

#### Fringe Benefit Tax:

Provision for Fringe Benefit Tax ("FBT") is made on the basis of applicable FBT on the taxable value of chargeable expenditure of the fringe benefits as prescribed under the Income Tax Act, 1961 of India.

### I) 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.

## Schedules forming part of the Consolidated Accounts (Contd.)

### Schedule 24 NOTES ON ACCOUNTS

- In the opinion of the Board of Directors the Current Assets, Loans & Advances have a value on realisation in the normal course of business at least equal to the value at which they are stated in the Balance Sheet. The provision for all the known liabilities is adequate.
- Contingent Liabilities Not provided for:  
MMSPL a subsidiary of the Company has provided Bank Guarantees aggregating to Rs. 1800 Lacs (Previous Year 2300 Lacs). It has pledged Fixed Deposits with Banks aggregating to Rs. 1000 lacs (Previous Year Rs 1000 Lacs) for obtaining the above bank guarantees.

#### 3. Remuneration to the Directors Includes

(Amount in Rupees)

	31.03.2009	31.03.2008
Remuneration to Managing Director (including perquisite & gratuity wherever applicable)	1,433,790	55,000
Salary to Executive Director of MMSPL (including perquisite & gratuity wherever applicable)	2,258,942	55,000
Salary to Whole Time Director (including perquisite & gratuity wherever applicable)	1,516,157	519,995
Salary to Designated Director of MMSPL (including perquisite & gratuity wherever applicable)	289,516	–
	<b>5,498,405</b>	<b>629,995</b>

- In accordance with section 45IC of Reserve Bank of India (Amendment) Act, 1997, amount not less than Twenty percent of the profit after taxation in the current year of the Company has been transferred to Statutory Reserve.
- Provision for Gratuity is not made, as the provisions of the Act are not applicable to the Group for the Current year.
- MMIAPL is incorporated on April 15, 2008 and is mainly engaged in the Business of Merchant Banking related services. MMDCL is incorporated on November 18, 2008 and will be carrying the business of distribution of Mutual Fund and Insurance Products. This being the first accounting period of these subsidiaries, the previous year's figures for these subsidiaries are not available/applicable.
- 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 and Bonds

(Amount in Rupees)

Description	Unit	31.03.2009				31.03.2008			
		Shares		Bonds		Shares		Bonds	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
<b>A. Opening Stock:</b>									
Shares/Bonds	Nos.	5200	82,900	100	100,000,000	265270	22,370,921	–	–
<b>B. Purchases:</b>									
Shares/Bonds	Nos.	–	–	3090	3,139,791,050	8161032	20,563,933,968	100	100,000,000
<b>C. Sales:</b>									
Shares/Bonds	Nos.	–	–	2940	3,048,096,850	8421102	2,108,668,184	–	–
<b>D. Closing Stock:</b>									
Shares/Bonds	Nos.	0469	82,900	250	250,125,000	5200	82,900	100	100,000,000

## Schedules forming part of the Consolidated Accounts (Contd.)

### Schedule 24 NOTES ON ACCOUNTS (Contd.)

#### 8. Deferred Tax

i) Deferred Tax Assets and Liabilities have been considered in accordance with Accounting Standard No.22, issued by the Institute of Chartered Accountants of India.

ii) Composition of Deferred Tax Liabilities (Net)

(Amount in Rupees)

	Up to 31.03.08	For the Current Year	Total as at 31.03.2009
Deferred Tax Liabilities:			
Tax impact of difference between Carrying amount of Fixed Assets in Financial Statement and Income Tax Return.	588,393	(159,645)	428,748

#### 9. Segment Reporting

Information is given in accordance with the requirements of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India. The Company's business is organized and management reviews the performance based on the business segments as mentioned below:

The Company's business may be divided into three major Segments

- A) Income from Trading in Debt Securities
- B) Financing Activity. And
- C) Income from Financial Advisory Services
- D) Stock Broking Activity

The Company's business is primarily concentrated in India, so, the Company is considered to operate only in the domestic segment.

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.

## Schedules forming part of the Consolidated Accounts (Contd.)

### Schedule 24 NOTES ON ACCOUNTS (Contd.)

Particulars	Shares & Debt Securities	Finance	Financial Services Activities	Stock Broking	Unallocated	Year ended 31.03.2009
Segment Revenue	61,281,399	66,497,006	1,610,272,949	24,930,256	57,800	1,763,039,410
<i>Previous Year</i>	<i>27,079,036</i>	<i>18,625,720</i>	<i>32,174,088</i>	<i>219,203</i>	<i>18,441</i>	<i>78,116,489</i>
Less Inter segment Revenue	-	-	-	-	-	-
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total	61,281,399	66,497,006	1,610,272,949	24,930,256	57,800	1,763,039,410
<i>Previous Year</i>	<i>27,079,036</i>	<i>18,625,720</i>	<i>32,174,088</i>	<i>219,203</i>	<i>18,441</i>	<i>78,116,489</i>
<b>Result:</b>						
Segment Result	50,752,301	60,881,238	1,465,440,156	-18,840,101	-2,177,529	1,556,056,064
<i>Previous Year</i>	<i>24,750,980</i>	<i>6,137,796</i>	<i>32,138,548</i>	<i>-38,257</i>	<i>-22,329</i>	<i>62,966,739</i>
Provision for Tax	-	-	-	-	-528560000	-528,560,000
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-20,323,000</i>	<i>-20,323,000</i>
Provisions for FBT	-	-	-	-	-1,131,900	-1,131,900
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-5,150</i>	<i>-5,150</i>
deferred Tax	-	-	-	-	159,645	159,645
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>56,227</i>	<i>56,227</i>
Income Tax Adjustments	-	-	-	-	-6,560	-6,560
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>81</i>	<i>81</i>
Total Results	50,752,301	60,881,238	1,465,440,156	-18,840,101	-531,716,344	1,026,517,249
<i>Previous Year</i>	<i>24,750,980</i>	<i>6,137,796</i>	<i>32,138,548</i>	<i>-38,257</i>	<i>-20,294,171</i>	<i>42,694,897</i>
<b>Capital Employed:</b>						
Segment Assets	256,748,124	912,273,947	126,774,817	286,637,740	164,826,806	1,747,261,434
<i>Previous Year</i>	<i>16,226,653</i>	<i>692,061,955</i>	<i>7,281</i>	<i>212,997,183</i>	<i>2,082,999</i>	<i>923,376,070</i>
Segment Liabilities	-	217,523,761	-	-	428,748	217,952,509
<i>Previous Year</i>	<i>-</i>	<i>600,000,000</i>	<i>-</i>	<i>541,857</i>	<i>46,536</i>	<i>60,058,839</i>
Net Segment Assets	256,748,124	694,750,186	126,774,817	286,637,740	164,398,057	1,529,308,925
<i>Previous Year</i>	<i>16,226,653</i>	<i>92,061,955</i>	<i>7,281</i>	<i>212,455,326</i>	<i>2,036,463</i>	<i>322,787,677</i>
<b>Other Information:</b>						
Capital Expenditure	295,027	312,302	8,826,102	4,232,729	-	13,666,160
<i>Previous Year</i>	<i>153,311</i>	<i>1,347</i>	<i>2,340</i>	<i>41,681</i>	<i>-</i>	<i>198,680</i>
Depreciation	40,225	40,225	384,727	5,431,930	-	5,897,107
<i>Previous Year</i>	<i>69,264</i>	<i>609</i>	<i>1,057</i>	<i>41,952</i>	<i>-</i>	<i>112,882</i>

#### 10. Related Party Transactions

During the year, the Company has promoted wholly owned subsidiaries MMIAPL on April 15, 2008 and MMDCPL on November 18, 2008. The transactions with the related parties are as under;

Disclosures as required by Accounting Standard (AS-18) 'Related Party Disclosures' in respect of transactions for the year are as under:

## Schedules forming part of the Consolidated Accounts (Contd.)

### Schedule 24 NOTES ON ACCOUNTS (Contd.)

**A. List of related parties with whom transactions were carried out during the year and description of relationship:**

**Key Management Personnel and their Relatives:**

1.	Mr. Rajesh Sharma	Chairman & Managing Director w.e.f. 24/01/2009
2.	Mr. Suresh Gattani	Whole Time Director w.e.f. 08/09/2007
3.	Mr. Sanjay Sharma	Designated Director in MMSPL (Resigned w.e.f. 17/03/2009)
4.	Mr. Nitin Khivasara	Executive Director in MMSPL
5.	Mr. Sachin Shahane	Designated Director in MMSPL (w.e.f. 17/03/2009)

**Other Related Parties**

- 1 Money Matters Advisory Services Limited
- 2 Money Matters India Private Limited
- 3 Money Matters Properties Private Limited
- 4 Money Matters Infrastructure Private Limited
- 5 Dnyaneshwar Trading & Investments Private Limited
- 6 Shri Rangji Investments Private Limited

**C. The following transactions were carried out with the related parties in the ordinary course of business:**

Sl. No.	Nature of Transaction/relationship/major parties	2008-2009	2007-2008
1.	Interest Expenses		
	Money Matters Properties Private Limited	–	888,189
	Rolesoft Properties Private Limited	–	331,082
	Dnyaneshwar Trading & Investments Private Limited	591,781	4,130,419
	Money Matters India Private Limited	773,753	–
2.	Interest Income		
	Money Matters India Private Limited	–	213,024
	Money Matters Advisory Services Limited	3,489,567	14,075,930
	Mr. Suresh Gattani (Whole Time Director)	24,878	–
3.	Rent Expenses		
	Money Matters Infrastructure Private Limited	4,644,000	–
4.	Sale of Bonds		
	Money Matters Advisory Services Limited	101,444,521	–
5.	Payment of Salaries Commission and perquisites		
	Key Management Personnel		
	Mr. Suresh Gattani (including Perquisite)	1,516,157	533,328
	Mr. Rajesh Sharma (including perquisite)	1,433,790	–
	Mr. Ramautar Agarwalla (including Gratuity Paid)	–	55,000
	Mr. Amar Agarwalla (including Gratuity Paid)	–	55,000
	Mr. Sanjay Sharma	1,44,355	–
	Mr. Nitin Khivasara	22,58,941	11,461
	Mr. Sachin Shahane	1,45,161	–

**D. Amount due to / from related parties**

Sl. No.	Nature of Transaction/relationship/major parties	2008-2009	2007-2008
1.	Loans & Advances Receivable		
	Other Related Party		
	Money Matters Advisory Services Limited	–	500,000,000
	Key Management Personnel		
	Suresh Gattani	–	500,000

## Schedules forming part of the Consolidated Accounts (Contd.)

### Schedule 24 NOTES ON ACCOUNTS (Contd.)

#### 11. Change of Name

During the year, the name of the Company has been changed from Dover Securities Limited to Money Matters Financial Services Limited w.e.f October 10, 2008.

#### 12. Earning Per Share

The basic earning per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for share warrants.

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Profit Available for Shareholders	1,026,517,250	42,694,897
Weighted Average of Number of Shares	22,562,145	22,500,500
<b>Basic EPS</b>	<b>45.50</b>	<b>1.90</b>
<b>Calculation of Diluted EPS</b>		
Weighted Average of Number of Shares	22,562,145	22,500,500
<b>Add:</b>		
Dilutive Shares on Account of conversion of warrants	18,000,400	18,000,400
<b>Dilutive potential Equity Shares</b>	<b>40,562,545</b>	<b>40,500,900</b>
Total PAT	1,026,517,250	42,694,897
<b>Diluted EPS</b>	<b>25.31</b>	<b>1.05</b>

#### 13. As required in terms of Paragraph 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in lacs)

Particulars		
<b>Liabilities Side</b>		
1. Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:	<b>Amount O/S</b>	<b>Amount Overdue</b>
a) Debentures:		
Secured	-	-
Unsecured (other than falling within the meaning of public deposits)	-	-
b) Deferred Credits	-	-
c) Term Loans	-	-
d) Inter Corporate loans and borrowings	-	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (Specify nature) Bank O/D	2,175.24	-
<b>Total</b>	<b>2,175.24</b>	<b>-</b>

## Schedules forming part of the Consolidated Accounts (Contd.)

### Schedule 24 NOTES ON ACCOUNTS (Contd.)

(Rs. in lacs)

Particulars	
<b>Assets Side</b>	
2. Breakup of Loans and Advances including bills receivables (other than those included in (4) below):	Amount Outstanding
a) Secured	
b) Unsecured	6,782.06
3. Breakup of Leased asset and stock on hire and other assets counting towards AFC activities	
i) Lease assets including lease rentals under sundry debtors:	
a) Financial Lease	-
b) Operating Lease	-
ii) Stock on hire including hire charges under sundry debtors:	
a) Assets on hire	-
b) repossessed Assets	-
iii) Other loans counting towards AFC activities	
a) Loans where assets have been repossessed	-
b) Loans other than (a) above	-
4. Breakup of Investments:	
Current Investments:	
1. Quoted:	
i) Shares:	
a) Equity	0.83
b) Preference	-
ii) Debentures and Bonds	2,501.25
iii) Units of mutual funds	
iv) Government Securities	
v) Others (please specify)	
2. Unquoted:	
i) Shares:	
a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-
Long Term investments:	
1. Quoted:	
i) Shares:	
a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-
2. Unquoted:	
i) Shares:	
a) Equity	3,050.00
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-

## Schedules forming part of the Consolidated Accounts (Contd.)

### Schedule 24 NOTES ON ACCOUNTS (Contd.)

5. Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	–	–	–
b) Companies in the same group	–	–	–
c) Other related parties	–	–	–
2. Other than related parties	–	6,782.06	6,782.06
<b>Total</b>	<b>–</b>	<b>6,782.06</b>	<b>6,782.06</b>

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	3,050.00	3,050.00
b) Companies in the same group	–	–
c) Other related parties	–	–
2. Other than related parties	2,502.08	2,502.08
<b>Total</b>	<b>5,552.08</b>	<b>5,552.08</b>
Other information		
i) Gross Non Performing Assets		
a) Related Parties	–	–
b) Other than related parties	–	–
ii) Net Non Performing Assets		
a) Related Parties	–	–
b) Other than related parties	–	–
iii) Assets acquired in satisfaction of debt	–	–

## Schedules forming part of the Consolidated Accounts (Contd.)

---

### Schedule 24 NOTES ON ACCOUNTS (Contd.)

---

14. The group has not dealt with the SSI and Ancillary Undertakings therefore the information regarding dues to SSI and Ancillary Undertaking are not applicable to the Company.
15. Additional Information pursuant to the provisions of paragraphs 3, 4C & 4D of part II of Schedule VI to The Companies Act, 1956 (to the extent applicable) are as under:
- a) Earning in Foreign Currency : Rs. 4,054,765 Previous Year (Nil)
- b) Expenditure in Foreign Currency : Rs. Nil Previous Year (Nil)
16. **Utilisation of Proceeds from Rights Issue:**  
During the year, the Company has raised Rs. 1800.04 Lacs through issue of 1,80,00,400 equity shares of Rs. 10/- each alongwith detachable warrants for cash to the equity shareholders of Company on rights basis. The allotment of Right Shares along with Detachable warrants was completed on March 27, 2009. As at March 31, 2009 the entire proceeds of the Rights Issue was lying with the Bankers to the Issue and is unutilized.
17. **Prior period comparatives:**  
Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

---

As per our report annexed:

For Agarwal Gupta Nokari  
& Rustagi Associates  
*Chartered Accountants*

For and on behalf of the Board

B. C. Khaitan  
*Partner*  
Membership No. 17387  
Place: Mumbai  
Dated: June 29, 2009

Rajesh Sharma  
*Chairman & Managing Director*

Suresh Gattani  
*Whole Time Director*

Vishal Joishar  
*Company Secretary*



“Coming together is a beginning.  
Keeping together is progress.  
Working together is success.”

*- Henry Ford*

