

DOVER
Securities Limited

**14th Annual Report
2007-08**

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DOVER SECURITIES LIMITED
14TH ANNUAL REPORT
2007-2008

BOARD OF DIRECTORS

Mr. Rajesh Sharma
Chairman

Mr. Suresh Gattani
Whole Time Director

Mr. Purushottam Srinivasan
Independent Director

Mr. Pawankumar Varma
Independent Director

Mr. Sanjay Khemani
Independent Director

COMPANY SECRETARY
Mr. Vishal Joishar

REGISTERED OFFICE
1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai-400 020.

AUDITORS
M/s. Agarwal Gupta Nokari & Rustagi Associates
Chartered Accountants
12, Waterloo Street, Kolkata - 700 069.

REGISTRAR AND SHARE TRANSFER AGENT
M/s. MCS Limited
77/2A, Hazra Road,
Kolkata -700 029.

BANKERS
Axis Bank Ltd.
Union Bank of India
HDFC Bank Ltd.

COMMITTEES OF THE BOARD

Audit Committee
Mr. Sanjay Khemani
Mr. Rajesh Sharma
Mr. Purushottam Srinivasan

Remuneration Committee
Mr. Sanjay Khemani
Mr. Purushottam Srinivasan
Mr. Pawankumar Varma

Shareholders/Investors Grievance Committee
Mr. Rajesh Sharma
Mr. Suresh Gattani
Mr. Pawankumar Varma

Asset Liability Committee
Mr. Rajesh Sharma
Mr. Suresh Gattani
Mr. Ashok Agarwal

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of DOVER SECURITIES LIMITED will be held at the registered office of the Company situated at 1-B, Court Chambers, 35, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai-400020 on Saturday the 13th day of September, 2008 at 10.00 a.m. to transact the following Business:-

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date, together with the report of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Rajesh Sharma, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Sanjay Khemani, who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint M/s. Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Purushottam Srinivasan, who was appointed as an Additional Director of the Company on 30th June, 2007 by the Board of Directors and who holds office upto the date of this Annual General Meeting under section 260 of the Companies Act, 1956, in respect of whom the Company has received a notice in writing pursuant to the provisions of section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Pawankumar Varma, who was appointed as an Additional Director of the Company on 8th September, 2007 by the Board of Directors and who holds office upto the date of this Annual General Meeting under section 260 of the Companies Act, 1956, in respect of whom the Company has received a notice in writing pursuant to the provisions of section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-

“RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956 (‘the Act’), including Schedule XIII to the Act, and rules made there under and any statutory modification or re-enactment thereof, approval of members of the Company be and is hereby accorded for appointment of Mr. Suresh Gattani, as the Whole Time Director of the Company for a period of 2 years with effect from 8th September, 2007 on the remuneration and perquisites, benefits and amenities, as mentioned below:

Remuneration at the time of appointment w.e.f. 8th September, 2007	Revised Remuneration w.e.f. 1st April, 2008
Basic : Rs. 9,00,000/- per annum	Basic : Rs. 11,40,000/- per annum
Others: Rs. 2,00,000/- per annum	Perquisite: Performance Bonus payable to the maximum of Rs. 3,60,000/-

RESOLVED FURTHER THAT the terms & conditions of re-appointment of Mr. Suresh Gattani as Whole Time Director as above, be amended/modified by the Board or any committee thereof duly constituted in this regard with mutual consent of the Company and Mr. Suresh Gattani, subject to and in accordance with the applicable provisions of the Companies Act, 1956 and Schedule XIII thereto without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

8. To consider and if thought fit, to pass with or without modification(s) the followings resolution as a Special Resolution:-

RESOLVED THAT in pursuance of section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to receipt of approval/no objection certificate from the Reserve Bank of India as required under the provisions of NBFC Regulations, the name of the Company be changed from **Dover Securities Limited** to **Money Matters Financial Services Limited**.

RESOLVED FURTHER that the name Dover Securities Limited wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the name Money Matters Financial Services Limited.

RESOLVED FURTHER that Mr. Suresh Gattani, Whole Time Director of the Company is authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution.”

For and on behalf of the Board

Place: Mumbai
Dated:13th August, 2008

Vishal Joishar
Company Secretary

REGISTERED OFFICE:
1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines, Mumbai-400020.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956, in respect of the Special Business as set out in the Notice is annexed hereto.
3. Members are informed that Share Transfer and related activities are being carried out by M/s. MCS Limited, Registrar & Share Transfer Agent, 77/2A, Hazra Road, Kolkata-700029.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2008 to 13th September, 2008 (both days inclusive).
5. Members are requested to notify immediately any change in their address (with pin code) to M/s. MCS Limited (Registrar & Share Transfer Agents) quoting their Folio Numbers or their Client –id and DP-id.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing at least ten days before the date of meeting, so that the information required may be made available at the meeting.
7. All documents referred to hereinabove will be available for inspection at the registered office of the Company between 11.00 A.M. and 1.00 P.M. on all working days except Sundays and other holidays upto the date of Annual General Meeting.
8. Shareholders/Proxy holders are requested to produce at the entrance the attached Attendance Slip duly completed and signed, for admission to the meeting hall.
9. Members attending the Annual General Meeting are requested to bring with them the following (as applicable)
 - (a) Members holding shares in dematerialized form, their DP & Client ID Numbers.
 - (b) Members holding shares in physical form their folio numbers.
 - (c) Copy of the Annual Report & Notice (2007-08)
 - (d) The Attendance slip duly completed as per the specimen signature lodged with the company.
 - (e) Member Companies/Institutions are requested to send a copy of the resolution of their Board/ Governing Body, authorising their representative to attend and vote at the Annual General Meeting.
10. The Company would accept only the Attendance Slip from a Member actually attending the Meeting or from the person attending as a proxy under a valid proxy form registered with the company not less than 48 hours prior to the Meeting. Attendance Slips of Members/valid proxies, not personally present at the meeting or relating to proxies which are invalid, will not be accepted from any other member/ person(s).
11. Additional Information as to Delisting of shares of the Company from Jaipur Stock Exchange Ltd. and The Calcutta Stock Exchange Association Ltd.

The Company has received a letter from Jaipur Stock Exchange Ltd. approving the delisting of shares of the Company with effect from 31st March, 2008 and from The Calcutta Stock Exchange Association Ltd. with effect from 9th July, 2008. The Calcutta Stock Exchange Association Ltd. has additionally noted that henceforth, the securities of the Company will be available for trading on their exchange under the Permitted Category.

Brief Profile of Directors seeking re-appointment at the ensuing Annual General Meeting (as required under clause 49 of the Listing Agreement entered into with the Stock Exchange):

Particulars	Mr. Rajesh Sharma	Mr. Sanjay Khemani
Age	38	40
Date of Appointment	15 th May, 2007	15 th May, 2007
Qualifications	Chartered Accountant and Bachelor of Commerce	Chartered Accountant, Company Secretary and Bachelor of Commerce
Expertise in specific functional areas	Over 15 years of varied experience in Financial Consultancy and Risk Management, Operations & Controls, Merchant Banking, Corporate Restructuring, Management Consultancy, Accounting and Auditing, concurrent audits, system audits and system development. Mr. Sharma has also undertaken various assignments of setting up projects for the clients and raising the necessary financial resources for its successful implementation. Mr. Sharma has also advised clients on all aspects regarding the issue of capital, whether equity or debt. Mr. Sharma is also a Promoter Director of Money Matters (India) Pvt. Ltd.	More than 15 years experience in financial services and corporate consultancy in mergers and acquisitions, financial advisory, debt syndication and also have an experience as Category IV Merchant Banker.
Directorship of other Companies	<ol style="list-style-type: none"> 1. Money Matters Advisory Services Limited 2. Money Matters Securities Private Limited 3. Money Matters (India) Private Limited 4. Money Matters Properties Private Limited 5. Money Matters Infrastructures Private Limited 6. Rolesoft Mercantile Company Private Limited 7. Parshwanath Buildcon Private Limited 8. Gagandeep Infrastructures Private Limited 9. Sukumar Properties Private Limited 10. Akashdeep Infrastructures Private Limited 11. Rolesoft Properties Private Limited 12. Space Trading and Investments Private Limited 13. Meghraj Properties Private Limited 14. Dnyaneshwar Trading and Investments Private Limited 15. Umber Properties Private Limited 16. Capacious Property Private Limited 17. Make Peace Properties Private Limited 	<ol style="list-style-type: none"> 1. Money Matters Advisory Services Limited 2. Tainwala Financial Consultants Private Limited 3. Money Matters Securities Pvt. Ltd. 4. Money Matters Investment Advisors Pvt. Ltd.

	18. Hi-Fi Properties Private Limited 19. Parvat View Properties Private Limited 20. RA Capital Private Limited 21. Indus India Holdings and Financial Services Private Limited 22. Money Matters Investment Advisors Private Limited 23. Alacrity Securities Limited	
Chairman/Member of the Committees of the Board of the Companies on which he/she is a Director	Nil	Nil
Shareholding in Dover Securities Limited	26,50,000 Equity Shares	10 Equity Shares

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**Item No. 5**

Mr. Purushottam Srinivasan who was appointed as an Additional Director effective 30th June, 2007 holds office upto the date of this Annual General Meeting. The Company has received a notice alongwith deposit of Rs. 500/- from a member of the Company under section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Purushottam Srinivasan for the Office of Director of the Company.

Your Directors recommend the appointment of Mr. Purushottam Srinivasan. No director other than Mr. Purushottam Srinivasan is concerned or interested in the proposed resolution.

Item No. 6

Mr. Pawankumar Varma who was appointed as an Additional Director effective 8th September, 2007 holds office upto the date of this Annual General Meeting. The Company has received a notice alongwith deposit of Rs. 500/- from a member of the Company under section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Pawankumar Varma for the Office of Director of the Company.

Your Directors recommend the appointment of Mr. Pawankumar Varma. No director other than Mr. Pawankumar Varma is concerned or interested in the proposed resolution.

Item No.7

The Board at its meeting held on 8th September, 2007 has appointed Mr. Suresh Gattani as a Whole Time Director unanimously for the period of 2 years with effect from 8th September, 2007 subject to approval of the Shareholders in General Meeting. The Board in their meeting held on 26th July, 2008, on considering the performance of Mr. Suresh Gattani in managing the affairs of the Company, revised the remuneration with effect from 1st April, 2008 till the remaining tenure of his appointment as follows:

Remuneration at the time of appointment w.e.f. 8th September, 2007	Revised Remuneration w.e.f. 1st April, 2008
Basic : Rs. 9,00,000/- per annum	Basic : Rs. 11,40,000/- per annum
Others: Rs. 2,00,000/- per annum	Perquisite: Performance Bonus payable to the maximum of Rs. 3,60,000/-

Mr. Suresh Gattani a qualified Chartered Accountant is having 15 years of experience in Finance & Accounts and debt restructuring of the corporates. Prior to joining our Company Mr. Gattani has worked with Birla Global Finance Limited and Modern Syntex India Limited. Mr. Gattani was also responsible to raise funds for the requirement of the company. Mr. Gattani is also a Director in Realty Check Properties Pvt. Ltd.

The Board of Directors felt that it is in the interest of the Company to avail services of Mr. Suresh Gattani as Whole Time Director. As the Whole Time Director of the Company, Mr. Gattani will be responsible for advising and counseling management on corporate decisions, providing strategic guidance and oversight, approving management's business plans and monitoring the Company's performance against the strategic business plans, overseeing management of the business on a regular basis, ensuring ethical behaviour and compliance with various laws and regulations.

The Board recommends the resolution for approval of members.

Mr. Suresh Gattani is deemed to be interested in the said resolution as it relates to his appointment.

Except Mr. Suresh Gattani, no other director is any way, concerned or interested in the said resolution.

Item No.8

The present activities of the Company include debt syndication, debt restructuring, investments etc. The present name does not convey the magnitude of operations of the company and express only part of its activities and also does not reflect the identity of group to which it belongs.

For sometime the Board has been giving thought to change the name of the Company. The proposed new name contains "Money Matters" which reflects our group identity and the full name "Money Matters Financial Services Limited" reflects the operations of the Company.

The Registrar of Companies, Mumbai has made available the name Money Matters Financial Services Limited for registration under section 21 of the Companies Act, 1956 and subject to approval of members, an application will be made to the Registrar of Companies for confirmation to the change of name.

The Board trusts that this change of name will have the members support and approval.

No Directors is in any way, concerned or interested in the said resolution.

For and on behalf of the Board

Place: Mumbai
Dated:13th August, 2008

Vishal Joishar
Company Secretary

REGISTERED OFFICE:
1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines, Mumbai-400020.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Fourteenth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	2007-2008	2006-2007
Operating Profit for the year	629.70	3.02
Less: Depreciation	0.71	1.38
Provision for gratuity	—	0.02
Profit Before Tax	628.99	1.62
Add/(Less): Tax Provision	(203.00)	(0.52)
FBT Provision	(0.05)	(0.15)
Add/(Less): Deferred Tax	0.56	(0.15)
Profit After Tax	426.50	0.80
Add/(Less): Income Tax Adjustment	0.00	(0.23)
Add: Prior Period Adjustment	—	0.91
Profit After Taxation	426.50	1.48
Less: Transferred to Reserve Fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934	85.30	0.30
Net Profit	341.20	1.18
Add: Balance Brought Forward	14.44	13.25
Balance Carried to Balance Sheet	<u>355.64</u>	<u>14.44</u>

PERFORMANCE OF YOUR COMPANY

The new management has taken over the control of your Company during the year under review by acquiring the majority stake in your Company through a Share Purchase Agreement with the erstwhile Promoters followed by Open Offer as required under the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The new management is intensely pursuing existing business operations and exploring new opportunities including venturing into Financial Advisory Services. The various proactive measures and initiatives taken by the management enabled your Company to achieve healthy growth during the financial year.

During the year your Company has earned an income of Rs. 321 Lacs by way of fees from Financial Advisory Services.

Further during the year under review your Company has acquired 100% equity share capital of Money Matters Securities Private Limited (MMSPL) a promoter group company. On such acquisition MMSPL has become a wholly owned subsidiary of your Company with effect from 28th March, 2008. MMSPL is into a stock broking business, registered as stock broker with both Bombay Stock Exchange and National Stock Exchange. The acquisition of MMSPL provides your Company a foothold in the margin funding business to clients of MMSPL.

During the financial year MMSPL has earned gross revenue of Rs. 477.53 Lacs and profit after tax of Rs. 280.78 Lacs from stock broking and capital gains, whereas the gross revenue earned by MMSPL for the period from 28th March, 2008 to 31st March, 2008 is Rs. 3.25 Lacs and profit after tax of Rs. 0.45 Lacs.

Your Company has also promoted a new company Money Matters Investment Advisors Pvt. Ltd. (MMIAPL). MMIAPL is incorporated on 15th April, 2008 as a wholly owned subsidiary of your Company. MMIAPL 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 part of the Annual Report and Accounts.

The Company's Operating Income on a consolidated basis is Rs. 630.80 Lacs and the consolidated net profit of your Company after provision for taxation is Rs. 426.95 Lacs.

SHIFTING OF REGISTERED OFFICE

The registered office of your Company is shifted from the State of West Bengal, Kolkata to the State of Maharashtra, Mumbai vide order dated 1st August, 2007 issued by Company Law Board, Eastern Region Bench, Kolkata under section 17 of the Companies Act, 1956. The new registered office of your Company is situated at the below mentioned address:

1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai – 400020.

DELISTING OF SHARES FROM JAIPUR STOCK EXCHANGE LIMITED AND THE CALCUTTA STOCK EXCHANGE ASSOCIATION LIMITED

The Securities of your Company has got delisted from Jaipur Stock Exchange Ltd with effect from 31st March, 2008 and from The Calcutta Stock Exchange Association Ltd. with effect from 9th July, 2008. The Calcutta Stock Exchange Association Ltd. has additionally noted that henceforth, the securities of the Company will be available for trading on their exchange under the Permitted Category.

LISTING

Your Company at present is listed at the following Stock Exchange.

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

Listing fees up to the financial year 2007-2008 have been paid to all the Stock Exchanges.

STRENGTHENING OF HUMAN CAPITAL

The Company has been 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, launch new products as per market requirements and timely execution.

DIVIDEND

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

SHARE CAPITAL

During the year the Company has issued 40,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 40/- per share, on a preferential basis to the Promoters, Promoter Group and other Investors as per the provisions of SEBI Guidelines for Preferential Issues of Shares. The amounts received from preferential allotments of shares are used for general corporate purposes as envisaged at the time of issue.

During the year the Company has increased its authorised capital from Rs. 525 Lacs to Rs. 4525 Lacs as per the approval granted by the Members in the Extraordinary General Meetings held during the year.

DIRECTORS

Resignation of Directors:

Mr. Bhanwarlal Runthala resigned as a Director of the Company, effective 30th June, 2007. The Board places on record its appreciation for the contribution made by Mr. Bhanwarlal Runthala during his tenure as Director.

Mr. Mahesh Kumar Mindia resigned as a Director of the Company, effective 30th July, 2007. The Board places on record its appreciation for the contribution made by Mr. Mahesh Kumar Mindia during his tenure as Director.

Mr. Ramautar Agarwalla resigned as a Director of the Company, effective 30th July, 2007. The Board places on record its appreciation for the contribution made by Mr. Ramautar Agarwalla during his tenure as Director.

Mr. Amar Agarwalla resigned as a Director of the Company, effective 8th September, 2007. The Board places on record its appreciation for the contribution made by Mr. Amar Agarwalla during his tenure as Director.

Mr. Gupteshwar Nath Ojha resigned as a Director of the Company, effective 8th September, 2007. The Board places on record its appreciation for the contribution made by Mr. Gupteshwar Nath Ojha during his tenure as Director.

Retirement by Rotation:

Mr. Rajesh Sharma and Mr. Sanjay Khemani, Directors retires by rotation and being eligible offers themselves for re-appointment at the ensuing Annual General Meeting.

Brief Resume of Mr. Rajesh Sharma and Mr. Sanjay Khemani are furnished in the Notes below Notice of Annual General Meeting of the Company.

Appointment of Additional Director:

Mr. Purushottam Srinivasan was appointed as an Additional Director of the Company on 30th June, 2007. In terms of Section 260 of the Companies Act, 1956, Mr. Purushottam Srinivasan vacates the Office of Director at the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Purushottam Srinivasan for the Office of Director being liable to retire by rotation.

Mr. Pawankumar Varma was appointed as an Additional Director of the Company on 8th September, 2007. In terms of Section 260 of the Companies Act, 1956, Mr. Pawankumar Varma vacates the Office of Director at the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Pawankumar Varma for the office of Director being liable to retire by rotation.

Appointment of Whole Time Director:

Mr. Suresh Gattani was appointed as a Whole Time Director of the Company with effect from 8th September, 2007 for a period of two years. His appointment as Whole Time Director of the Company is subject to the approval of the Shareholder in ensuing Annual General Meeting.

Appropriate resolutions for reappointment of the aforesaid Directors and appointment of Mr. Suresh Gattani as Whole Time Director of the Company are being moved at the ensuing Annual General Meeting, which the Board recommends for your approval.

The Board recommends appointment/re-appointment of aforesaid Directors.

RESERVE BANK OF INDIA DIRECTIONS

Pursuant to shifting of registered office from the State of West Bengal, Kolkata to the State of Maharashtra, Mumbai, and your Company has received a fresh certificate of registration from RBI, Mumbai. Your Company is a non-deposit taking NBFC.

During the Financial Year 2007-2008 the Company has not accepted any deposits from the public and there were no deposits, which become due for repayment or renewal. The Company has complied with the directives issued by the Reserve Bank of India under the Non Banking Financial Companies (Reserve Bank of India) Directions, 2007.

SUBSIDIARY COMPANIES:

The Audited Statement of accounts along with the report of the Board of Directors relating to the Company's subsidiary, MMSPL for the year ended 31st March, 2008 are annexed as per section 212 of the Companies Act, 1956. The relevant information as required under section 212(5) of the Companies Act, 1956 of the said Company is also annexed herewith.

Further, as required under Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, in compliance with the listing agreement/s with the Stock Exchanges, consolidated statement of accounts together with the Auditor's Report are annexed.

Your Company has also promoted a new company Money Matters Investment Advisors Private Limited (MMIAPL) on 15th April, 2008 as its wholly owned subsidiary. Since MMIAPL was incorporated after the year under review the Audited Statement of accounts and statement as required under section 212 of the Companies Act, 1956 is not applicable.

AUDITORS

M/s. Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants, retire as Statutory Auditors of the Company at the ensuing Annual General Meeting and have given their consent for re-appointment.

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 31st March, 2008 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 are not applicable. The Company has no foreign exchange earnings and there was no Foreign Exchange outgo during the year.

ADDITIONAL DISCLOSURES

In line with the requirements of the Accounting Standards of the Institute of Chartered Accountants of India, your Company has 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 Operating Management, and after due enquiry, confirm that:

- i) in the preparation of annual accounts, all applicable accounting standards have been followed;
- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2008 and of the profit of the Company for the accounting year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

Your Company did not employ any person whose particulars are required to be attached to this report under section 217(2A) of the Companies Act, 1956.

APPRECIATION

Your Directors would like to express their appreciation for the assistance and co-operation received from Banks & Business Associates, during the year under review. Your Directors also wish to place on record their appreciation of the services of the Staff and Officers for the Contribution to the performance of the Company.

For and on behalf of the Board

Place: Mumbai
Dated: 13th August, 2008

Rajesh Sharma
Chairman

Management Discussion and Analysis

Opportunities

During the year under review your Company acquired 100% equity share capital of Money Matters Securities Private Limited (MMSPL), thereby, making MMSPL wholly owned subsidiary of your Company. MMSPL is a registered stock broker of Bombay Stock Exchange and National Stock Exchange.

The growth in the economy & investor friendly measures has attracted the attention and participation of retail investors in the Indian Capital markets, in addition to the participation of Institutional Clients. MMSPL intends to cater its services to the High Networth Individuals, Corporates and Institutional Clients which will help MMSPL in growing its business.

The Indian Capital Markets over the decade have become more transparent in line with the developed countries. The reform measures taken by SEBI have brought in greater transparency in the Stock Markets. The derivative segment is also gaining momentum thereby providing more depth to the Stock Markets. The expected growth in Gross Domestic Product of India has made it one of the fastest growing economies in the world in the recent years. This expected growth in the economy is attracting investments from foreign institutional investors. With the economic activity picking up momentum and with investor friendly measures and reforms in infrastructure front from the Government, the Indian Stock Market is poised to record good growth and provide better returns in the long run.

Your Company intends to diversify into new business activity of providing margin funding facility to High Networth Individuals.

The Company intends to leverage its strength and experience in stock market operations and financial advisory services and expects to gain compatibility in competitive market in the coming years and ward off competitive pressures from other players.

Threats:

The finance industry is becoming increasingly competitive, and your Company's growth will depend on its ability to compete effectively. The Company's main competitors are other NBFCs. While some of them may not have knowledge base and operational flexibilities as that of your Company, but they have greater financial resources with an access to cheaper funds.

The sub-prime crisis in the developed economies has spilled all over the world. The risk management in such volatile market conditions is of paramount importance. The Company has put in place proper risk management system wherein the perceived threats are addressed by the management in a timely manner by taking corrective actions in mitigating the risks.

The recent volatile primary & secondary equity markets and series of interest rate hikes by RBI may constrain corporates to chart out further expansion plans. This will directly impact the intermediaries and advisors like your Company which generate fee based income from such fund raising programmes.

Future Prospects and Outlook

The impact of the economic liberalization initiated by the Government of India has begun to manifest itself and has opened a lot of opportunities in the financial markets.

The Financial year 2008-2009 is going to be viewed with tremendous interest by all concerned players to see whether the booming capital market and a buoyant economy are an aberration or here to stay. It is expected that the buoyancy in the markets should not remain, as the Indian industries and corporate earnings are still seen on the growth path. Though in terms of the price earning multiples, the Indian market does look expensive when compared with peers in the Asian region.

The experience of the new promoters in the financial advisory services enables your Company to gear itself to meet the future challenges by diversifying and venturing into new business activities and consolidating its existing activities. Your Directors look to the future with optimism.

The impact of the economic liberalization initiated by the Government of India has begun to manifest itself in the form of inflation showing a downward trend. This alongwith the competitive lending rates by Banks & Financial Institution is expected to usher in a new era of growth of finance companies.

Your Company has geared itself to meet the future challenges by adopting the approach of consolidating its existing activities.

Industry Structure & Developments

The Company's principal line of business is trading in shares and securities, financial advisory services and lending activities. Due to robust economic growth and bullish market situation, the financial markets have witnessed an upward phenomenon except for the turbulence in the last quarter of 2008.

Global economic dynamics are going through a major change in the last few years. Your Company is trying to extract more HNI's and Institutional clients and providing them various types of financial products in which company is dealing.

The measures taken by the Securities and Exchange Board of India to bring transparency in the stock market and to protect the interest of the general shareholders backed by compulsory and rolling settlement of securities in dematerialised form brought new life in the artery of the finance field. The introduction of trading in derivatives has also added more depth in stock market and the growth of derivative segment is gaining momentum. With the economic activity picking up momentum and with friendly measures, the Indian stock market is poised to record growth with potential of better returns in the long run.

Segment-Wise or Product-Wise Performance

Segment-wise or Product-wise performance is reported in the notes to accounts forming part of the financial statement.

Discussion on Financial Performance with respect to Operational Performance

Your attention is drawn to the report on financial results and operations of the Company and to the aforesaid comments on opportunities and threats, risk and concern, future prospects and outlook. The Company's financial position is satisfactory under the current financial market.

Risk & Concerns

The Company is exposed to the normal industry risk factors being associated with capital market, which interalia includes economic/business cycle fluctuations in the stock prices in the market besides the interest rate volatility and credit risk. Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

Internal Control System and their Adequacy

The Company has a proper and adequate system of internal control to ensure that all activities are monitored and controlled against any unauthorised use or disposition of assets and that the transactions are authorised, recorded and reported correctly.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The audit committee of the Board of Directors reviews the adequacy of internal controls.

Human Resources

Organisational development is the key of the success in the fierce competitive markets where we operate. We believe:

- o Our employees are our assets.
- o Increasing employee engagement through various initiatives on special occasions such as on achievement of certain milestones as well as annual festivals.

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

Corporate Governance is a dynamic concept thriving under a constantly changing environment. Corporate Governance encompasses good corporate practices, laws, procedures, standards and implicit rules that determine a Management's ability to take sound decisions with respect to its various stakeholders viz. its shareholders, creditors, partners, associates, employees and the Government. The objective of Corporate Governance is to maximize long-term shareholder value through an open and transparent disclosure regime, enabling every stakeholder to have access to fullest information about the Company and its functioning. Your Company is firmly of the view that Corporate Governance is not an end in itself but a facilitator in maximizing the objective of shareholder value. Any Corporate which embodies principles of Corporate Governance like openness, transparency, ownership fairness in its functioning is bound to maximize shareholder value and also its own corporate values.

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 has 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

Your Company has a Non-Executive Chairman. The Board of Directors of your Company comprises of five members including Executive, Non-Executive and Non-Executive Independent Directors. The Non-Executive Independent Directors bring independent judgement in the Board's deliberations and decisions. Your Company is having one Whole Time Director on the Board. There are three Non-Executive Independent Directors on the Board and one Non-Executive Director.

ii) Board Meeting

During the financial year under review seventeen Board Meetings were held as detailed below. The maximum time gap between two Board Meetings did not exceed 3 months.

Meetings of Board of Directors	Dates of the Meeting
	17 th April, 2007
	15 th May, 2007
	23 rd May, 2007
	18 th June, 2007
	30 th June, 2007

	16 th July, 2007
	30 th July, 2007
	8 th September, 2007
	15 th October, 2007
	16 th November, 2007
	5 th December, 2007
	13 th December, 2007
	15 th December, 2007
	18 th January, 2008
	6 th February, 2008
	28 th February, 2008
	27 th March, 2008

The information as required under Annexure 1 to clause 49 of the listing agreement is made available to the Board. The agenda and the papers for consideration at the Board Meeting were sent to all the Directors well in advance prior to each meeting. All the information required to be furnished to the Board to enable the Board to take informed decisions was made available to them alongwith detailed agenda notes. The Company placed before the Board all statutory and other important items recommended by SEBI on Corporate Governance.

Attendance of each Director at the Board Meeting and last Annual General Meeting (AGM) and the number of Companies and Committees where he is Director/Member as on the date of the Directors' Report:

Name of the Director	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM held on 16 th June, 2007	Number of Directorship in other Companies	*No. of Committee positions held in other Companies
Mr. Rajesh Sharma	Promoter Non - Executive Director	11	Yes	24	Nil
Mr. Suresh Gattani ¹	Whole Time Director	10	No	1	Nil
Mr. Purushottam Srinivasan ²	Non-Executive Independent Director	10	No	1	Nil
Mr. Sanjay Khemani	Non-Executive Independent Director	7	No	2	Nil
Mr. Pawankumar Varma ³	Non-Executive Independent Director	10	No	7	Nil
Mr. Ramautar Agarwalla ⁴	Managing Director	6	Yes	#4	Nil

Mr. Amar Agarwalla ⁵	Executive Director	7	Yes	#6	Nil
Mr. Gupteshwar Nath Ojha ⁶	Non-Executive Independent Director	7	Yes	#—	Nil
Mr. Mahesh Kumar Mindia ⁷	Non-Executive Independent Director	6	Yes	#2	Nil
Mr. Bhanwarlal Runthala ⁸	Non-Executive Independent Director	4	Yes	#—	Nil

¹ Appointed as Whole Time Director on 08.09.2007

² Appointed on 30.06.2007

³ Appointed on 08.09.2007

⁴ Resigned on 30.07.2007

⁵ Resigned on 08.09.2007

⁶ Resigned on 08.09.2007

⁷ Resigned on 30.07.2007

⁸ Resigned on 30.06.2007

*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.

the details as to number of directorship in other companies of the Directors who have resigned is provided only upto the date of their resignation.

iii) **Director with materially significant related party transactions, pecuniary or business relationship with the Company**

Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives.

iv) **Details of Directors being appointed and re-appointed**

- A) Mr. Rajesh Sharma retires by rotation and being eligible offers himself for re-appointment. Mr. Rajesh Sharma, aged 38 years is a Chartered Accountant with over 15 years of varied experience in financial consultancy and risk management, operations & controls, merchant banking, corporate restructuring, management consultancy, accounting and auditing, concurrent audits, system audits and system development. Mr. Sharma has also undertaken various assignments of setting up projects for the clients and raising the necessary financial resources for its successful implementation. Mr. Sharma has also advised clients on all aspects regarding the issue of capital, whether equity or debt. This enabled him to understand various businesses & their process.
- B) Mr. Sanjay Khemani, retires by rotation and being eligible offers himself for re-appointment. Mr. Sanjay Khemani aged 40 years is a Chartered Accountant and Company Secretary is having more than 15 years of experience in financial services and corporate consultancy in mergers and acquisition, financial advisory, debt syndication and also have an experience as a category IV Merchant Banker.
- C) Mr. Purushottam Srinivasan who has been appointed as an Additional Director on 30th June, 2007 holds office up to the date of the ensuing Annual General Meeting. A member has proposed his name as a candidate for the office of Directors under the provision of section 257 of the Companies Act, 1956 and being eligible for appointment to the office of Director is appointed as a Director of the Company, subject to the approval of shareholders in the ensuing Annual General Meeting. Mr. Purushottam has graduated in Civil Engineering and also a MSC (Hons) Maths. He has more than 24 years of experience covering the field of engineering and finance having expertise in debt syndication, private equity, securitisation and treasury operations pertaining to SLR & Non SLR papers.

- D) Mr. Suresh Gattani was appointed as a Whole Time Director of the Company with effect from 8th September, 2007 for a period of two years. His appointment as Whole Time Director of the Company is subject to the approval of the Shareholder in ensuing Annual General Meeting.
- E) Mr. Pawankumar Varma who has been appointed as an Additional Director on 8th September, 2007 holds office up to the date of the ensuing Annual General Meeting. A member has proposed his name as a candidate for the office of Directors under the provision of section 257 of the Companies Act, 1956 and being eligible for appointment to the office of Director is appointed as a Director of the Company, subject to the approval of shareholders in the ensuing Annual General Meeting. Mr. Varma has graduated in Commerce and is also a Member of the Institute of Chartered Accountants of India. He has more than 15 years experience in the field of taxation, finance and accountancy. He is a practicing Chartered Accountant and is also on the board of many companies as an independent director.

C. Code of Conduct

The Company has adopted a code of conduct for all the Board Members and Senior Management of the Company. All Board Members and Senior Management have affirmed compliance with the code of conduct for the year ended 31st March, 2008.

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 of Independent and Non-Executive Directors. The Audit Committee was specifically laid out fully to comply with the requirements of clause 49 of the listing agreement with the Stock Exchanges and the spirit of Corporate Governance. The Audit Committee also complies with the relevant provisions of the Companies Act, 1956.

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) to overview the Company's financial reporting process and disclosure of its financial information.
- b) to review the results announcement and 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 judgemental 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) to consider the appointment of the statutory auditors, the audit fee, and any matters of resignation or dismissal;
- d) to discuss with the statutory auditor before the audit commences the nature and scope of the audit;
- e) to discuss problems and reservations arising from the statutory audit, and any matters the statutory auditor may wish to discuss (in the absence of management where necessary);

- f) to review the statutory auditors' audit reports and presentations and managements' response;
- g) to 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) to review the internal audit programme, to ensure co-ordination 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 management of their intentions;
- i) to consider the major findings of internal investigations and managements response;
- j) to 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) to 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.
- l) to 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) carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

ii) **Composition**

The Audit Committee was re-constituted on 8th September, 2007 due to resignation by the earlier Directors/Members of the Committee. The re-constituted Audit Committee comprises Mr. Sanjay Khemani (Independent Director) as the Chairman. Other members include Mr. Purushottam Srinivasan (Independent Director) and Mr. Rajesh Sharma (Non-Executive Director). The Whole Time Director, and the Statutory Auditors were invitees to the meeting.

iii) During the financial year 2007-08, 5 Meetings of the Audit Committee were held on following dates:

Meetings of Audit Committee	Date of Meetings
	17 th April,2007
	21 st May,2007
	16 th July,2007
	15 th October,2007
	18 th January,2008

Attendance of each member at the Audit Committee Meetings:

Sr.No.	Name	Designation	Category	No. of meetings attended
1.	Mr.Gupteshwar Nath Ojha ⁹	Chairman	Non Executive Independent Director	3
2.	Mr.Bhanwarlal Runthala ¹⁰	Member	Non Executive Independent Director	2
3.	Mr. Mahesh Kumar Mindia ¹¹	Member	Non Executive Independent Director	3
4.	Mr. Rajesh Sharma ¹²	Member	Non Executive Director	3
5.	Mr. Sanjay Khemani ¹³	Chairman	Non Executive Independent Director	2
6.	Mr. Purushottam Srinivasan	Member	Non Executive Independent Director	2

⁹ Mr. Gupteshwar Nath Ojha the Chairman of Audit Committee has resigned as a Director and as a member on 08.09.2007, on his resignation, Mr. Sanjay Khemani the new member of the committee will be the Chairman of the Audit Committee w.e.f 08.09.2007

¹⁰ Mr. Bhanwarlal Runthala resigned on 30.06.2007

¹¹ Mr. Mahesh Kumar Mindia resigned on 30.07.2007

¹² Mr. Rajesh Sharma appointed as Member on 30.06.2007

¹³ Mr. Sanjay Khemani became a member from 30.06.2007 and a Chairman of the Committee with effect from 08.09.2007

The Chairman of the Audit Committee Mr. Gupteshwar Nath Ojha, was present at the Annual General Meeting of the Company held on 16th June, 2007.

E) Remuneration Committee (Non-Mandatory)

The Company has during the year i.e. on 8th September, 2007 constituted Remuneration Committee comprising of three Non-Executive 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 Managing Director, Whole Time Director, Manager and other top managerial personnel of the Company.

The Committee met once on 8th September, 2007 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 2007-2008 are given below:-

(Amount Rupees in Lacs)

Name	Salary	Commission	Perquisite	Other
Mr. Ramautar Agarwalla	0.55	Nil	Nil	Nil
Mr. Amar Agarwalla	0.55	Nil	Nil	Nil
Mr. Suresh Gattani	5.20	Nil	0.13	Nil

The sitting fees payable to the Non-Executive Directors is decided by the Board and is distributed based on the number of Board Meetings attended.

The details of sitting fees paid to the Non-Executive Directors for attending Board Meeting:

Name	Sitting fees (Rs.)
Mr. Rajesh Sharma	27,500
Mr. Sanjay Khemani	17,500
Mr. Purushottam Srinivasan	25,000
Mr. Pawankumar Varma	25,000
*Mr. Gupteshwar Nath Ojha	3,500
*Mr. Bhanwarlal Runthala	2,000
*Mr. Mahesh Kumar Mindia	3,000

* Mr. Bhanwarlal Runthala resigned on 30th June, 2007

* Mr. Mahesh Kumar Mindia resigned on 30th July, 2007

* Mr. Gupteshwar Nath Ojha resigned on 8th September, 2007

Details of equity shares of the Company held by the Directors as on 31st March, 2008 are as under:

Name	No. of equity shares held
Mr. Rajesh Sharma	26,50,000
Mr. Sanjay Khemani	10
Mr. Suresh Gattani	90

No other convertible instrument was held by any of the above Non-Executive Directors.

The Company has no scheme for stock option.

F) Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee was constituted by our Directors at their Board meeting held on 8th September, 2007. The Shareholders/Investors Grievance Committee currently comprises Mr. Rajesh Sharma (Non-Executive Director) as the Chairman. Other members include Mr. Suresh Gattani (Whole Time Director) and Mr. Pawankumar Varma (Independent Director).

The Board has designated Mr. Ashok Agarwal as the Compliance Officer of the Company. With effect from 26th July, 2008 the Board has designated Mr. Vishal Joishar the Company Secretary of the Company as the Compliance Officer of the Company.

The Shareholders/Investors Grievance Committee has been 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.

Three meetings of the Committee were held during the year 1st April, 2007 to 31st March, 2008. The meetings were held on following dates:

Meetings of Shareholder/Investors Grievance Committee	Date of Meetings
	7 th December, 2007
	18 th December, 2007
	29 th December, 2007

No investors complaint/grievance remained unattended/pending for more than thirty days as on 31st March, 2008.

G) 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 decided risk management objectives. The operating staffs are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. The 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, Non-Executive Director, Mr. Suresh Gattani, Whole Time Director and Mr. Ashok Agarwal, Principal Officer of the Company.

H) MANAGEMENT

Management discussions and analysis are a part of the annual report.

I) SHARE HOLDERS INFORMATION

i) Disclosures regarding appointment or re-appointment of Directors

- A) Pursuant to the provisions of section 256 of the Companies Act,1956 Mr. Rajesh Sharma retires by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.
- B) Pursuant to the provisions of section 256 of the Companies Act,1956 Mr. Sanjay Khemani retires by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.
- C) Mr. Purushottam Srinivasan who has been appointed as an Additional Director on 30th June, 2007 holds office up to the date of the ensuing Annual General Meeting. A member has proposed his name as a candidate for the office of Directors under the provision of section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director is appointed as a Director of the Company, subject to approval of shareholders in the ensuing Annual General Meeting.
- D) Mr. Suresh Gattani was appointed as a Whole Time Director with effect from 8th September, 2007 for a period of two years holds office up to the date of the ensuing Annual General Meeting. His appointment as Whole Time Director of the Company is subject to the approval of the shareholders in ensuing Annual General Meeting.
- E) Mr. Pawankumar Varma who has been appointed as an Additional Director on 8th September, 2007 holds office up to the date of the ensuing Annual General Meeting. A member has proposed his name as a candidate for the office of Directors under the provision of section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director is appointed as a Director of the Company, subject to approval of shareholders in the ensuing Annual General Meeting.

ii) Disclosures

- 1) The Board of Directors received, from time to time, disclosures relating to financial and commercial transactions from key managerial personnel of the Company, where they and/or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.
- 2) The details of related party transactions are placed before and reviewed by the audit committee.
- 3) The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to the capital markets during the last three years.
- 4) No strictures were imposed on the Company by any regulatory authority on any matter related to the capital market during the last three years.

iii) Publication of financial results

The Company gives coverage through leading financial news papers the quarterly, half yearly and Annual Financial Results.

iv) Shareholders/Investors Grievance Committee

The present composition of the Shareholders/Investors Grievances Committee is as follows:-

Name	Nature of Directorship	Membership
Mr. Rajesh Sharma	Non-Executive Director	Chairman
Mr.Suresh Gattani	Whole Time Director	Member
Mr. Pawankumar Varma	Non-Executive Independent Director	Member

The Committee oversees the performance of M/s. MCS Limited, the Registrars and Share Transfer Agent of the Company and recommends measures to improve the level of investor related services. Though the powers to approve share transfer/transmission are delegated to the Registrars and Share Transfer Agent, all the share transfer/transmission cases approved by the Registrars are reported to the Committee. The Committee also keeps a close watch on disposal status of all complaints/grievances of shareholders. The Company has received four complaints from its Shareholders/Investors during this year and all the complaints are redressed.

The Registrar and Share Transfer Agent, was delegated authority to attend to share transfer formalities at least once in a fortnight, which 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 share holders and the investors.

J) General Shareholder Information

i) General Body Meetings

The details of last three Annual General Meetings are given below:

Particulars	2007	2006	2005
Date and Time	16 th June, 2007 at 10.00 a.m.	27 th September, 2006 at 10.00 a.m.	10 th September, 2005 at 10.00 a.m.
Venue	35/1, Diamond Harbour Road, Kolkata-700027.	35/1, Diamond Harbour Road, Kolkata-700027.	35/1, Diamond Harbour Road, Kolkata-700027.
Any Special Resolution passed	Yes	No	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 Financial Express or The Asian Age and Mumbai Lakshdeep, in English, and vernacular languages. 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, shareholding pattern etc. are provided to the special website www.sebiedifar.nic within the time frame prescribed in this regard.

iii) **Important locations**

Registered Office:

Dover Securities Ltd
1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai-400020. India
Tel. No. – (022)- 6651 8015
Fax No. - (022) - 22019051

Registrar and Share Transfer Agent for Demat & Physical Shares

M/s. MCS Limited
77/2A, Hazra Road,
Kolkata - 700 029.
Tel. No.(033) - 24767350 to 54, 2454 – 1892/1893
Fax No. (033) -24747674/2454-1961
E-mail:mcsca1@cal2vsn1.net.in., mcsca1@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 & Share Transfer Agent of the Company at the above address.

For redressal of complaints & grievances

Please write or contact:-

Mr. Vishal Joishar
Company Secretary

Dover Securities Ltd.

1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines, Mumbai-400020.
Tel. No. – (022) - 66518015
Fax No. - (022) - 22019051

v) **14th Annual General Meeting**

Date	13 th September, 2008
Time	10.00 a.m.
Venue	1-B, Court Chambers , 35, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai-400020.

vi) **Financial year 2007-2008**

1st April, 2007 to 31st March, 2008.

vii) **Date of book closure**

9th September, 2008 to 13th September, 2008 (both days inclusive).

viii) **Dividend payment dates**

No Dividend was declared for the year.

ix) **Listing on stock exchanges**

The Company's shares are listed and traded on the following Stock Exchange:-

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

Note:- Listing Fees upto the Financial Year 2007-2008 have been paid.

DELISTING

Your Company got delisted from Jaipur Stock Exchange Ltd. with effect from 31st March, 2008 and from The Calcutta Stock Exchange Association Ltd. with effect from 9th July, 2008. The Calcutta Stock Exchange Association Ltd. has additionally noted that henceforth, the securities of the Company will be available for trading on their exchange under the Permitted Category.

x) **Stock code**

Stock Exchange	Stock Code
Bombay Stock Exchange Ltd.	531595

Demat ISIN No. for the Company's ordinary shares:

INE180C01018

xi) **Market Price Data, High, Low during each month during the financial year 2007-2008(Company's shares are traded only on Bombay Stock Exchange)**

Month	Bombay Stock Exchange		No. of Shares Traded
	High (Rs.)	Low (Rs.)	
April 2007	18.16	13.99	33738
May 2007	18.14	14.80	8105
June 2007	17.40	15.25	3378
July 2007	17.30	15.00	3976
August 2007	17.80	15.45	2953
September 2007	34.80	16.20	514536
October 2007	96.20	36.50	21697
November 2007	141.95	92.20	21021
December 2007	121.55	73.35	25601
January 2008	251.05	127.60	19137
February 2008	189.60	116.60	3689
March 2008	209.00	126.40	20869

xii) **Depository connectivity**

NSDL & CDSL

xiii) **Distribution of shares holding as on 31st March, 2008**

Category Wise Distribution

Category	No. of Shares	% of Holding
A) Promoters Holding		
Individuals	2750000	30.55
Bodies Corporate	2915939	32.40
Total (A)	5665939	62.95

B) Non-Promoters Holding		
i) Institutions		
Mutual Fund	Nil	Nil
Foreign Institutional Investors	Nil	Nil
Nationalised Banks	Nil	Nil
Non-Nationalised Banks	Nil	Nil
Government Companies	Nil	Nil
Total (B)(i)	Nil	Nil
ii) Non-Institutions		
Bodies Corporate	1604902	17.83
Foreign Company	Nil	Nil
Non Resident Indian	Nil	Nil
Trust	Nil	Nil
Public	1729359	19.22
Total (B)(ii)	3334261	37.05
Grand Total (A+B)	9000200	100.00

Distribution Schedule

No. of Shares held	No. of shareholders	% of shareholders
1 – 500	257	73.2194
501 – 1000	47	13.3903
1001– 2000	8	2.2792
2001– 3000	3	0.8547
3001– 4000	1	0.2849
4001- 5000	2	0.5698
5001-10000	8	2.2792
10001-50000	8	2.2792
50001-100000	6	1.7094
And Above	11	3.1339
Total	351	100.0000

xiv) Dematerialisation of equity shares and liquidity

The Company's shares are currently traded only in dematerialized form on one stock exchange viz. BSE. To facilitate trading in dematerialized form, the Company has tied up arrangements with both the present depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository

Services (India) Ltd. (CDSL). Shareholders can open account with any of the depository participants registered with any of these depositories. As on 31st March, 2008, about 55.03% of the Company's shares were held in dematerialized form.

Following shares of the Company are under lock-in-period as on the date of this report as required under the SEBI guidelines for issue of shares on a preferential basis:

Sr. 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)	Lock in Period upto
1	Rajesh Sharma	2400000	26.67	12/12/2010
2	Roopam Multitrade Pvt. Ltd.	650000	7.22	12/12/2008
3	Pujit Aggarwal	425000	4.72	12/12/2008
4	Gunjan Aggarwal	425000	4.72	12/12/2008
5	Ramesh Chandra Sharma (HUF)	90000	1.00	12/12/2010
6	Seema Sharma	5000	0.05	12/12/2010
7	Ramesh Chandra Sharma	5000	0.05	12/12/2010
	TOTAL	4000000	44.43	

xv) **Compliance Certificate**

Compliance Certificate for Corporate Governance from the Auditors of the Company is annexed herewith.

K) **Non Mandatory Requirements**

a) **Chairman of the Board**

The Company has an Non-Executive Chairman.

b) **Remuneration Committee**

The Company has constituted Remuneration Committee on 8th September, 2007.

c) **Shareholders' Rights**

Half yearly/quarterly financial results including summary of the significant events are presently not being sent to the shareholders of the Company.

d) **Audit Qualification**

Nil

e) **Training of Board Members**

There was no Directors training Programme during the year under review.

f) **Mechanism for evaluating Non-Executive Board Members:**

There is no mechanism for evaluating Non-Executive Board Members at present.

g) **Whistle Blower Policy**

There is no Whistle Blower Policy at Present.

h) **Postal Ballot**

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

For and on behalf of the Board

Place: Mumbai
Dated: 13th August, 2008

Rajesh Sharma
Chairman

DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended 31st March, 2008.

For Dover Securities Limited

Place: Mumbai
Date: 13th August, 2008

Suresh Gattani
Whole Time Director

COMPLIANCE CERTIFICATE

To
The Members of Dover Securities Limited

We have examined the compliance of conditions of Corporate Governance by DOVER SECURITIES LIMITED for the year ended 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges with the relevant records and documents maintained by the company and produced to us.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation 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.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of the effectiveness with which the management has conducted the affairs of the company.

During the year Company has not received any grievances from any shareholders as per the records maintained by the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respect by the Company.

For **AGARWAL GUPTA NOKARI &**

RUSTAGI ASSOCIATES
Chartered Accountants

(B.C.KHAITAN)
Partner
Membership No.17387

Place:Kolkata
Dated:18/04/08

AUDITOR'S REPORT

To
the Members of **DOVER SECURITIES LIMITED**

1. We have audited the attached Balance Sheet of DOVER SECURITIES LIMITED, as at March 31st, 2008, and also the profit and loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 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, as on 31st March'2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March'2008 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 31st March, 2008;
 - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date;
- And
- (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
Membership No.17387

Place:Kolkata
Dated:18/04/08

ANNEXURE TO THE AUDITORS REPORT
(Referred to in paragraph 3 of our report of even date)

- (i) (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 disposed of substantial/major part of fixed assets.
- (ii) (a) As per the information furnished the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification were not material in relation to the operation of the company and the same have been properly dealt with in the books of account.
- (iii) (a) In our opinion and according to the information and explanations provided to us, during the year, Company has granted loans to parties covered under section 301 of the Companies Act, 1956 amounting to Rs. 12198.19 Lacs (Number of Parties 2). At the year-end, outstanding balance of loans granted is Rs. 5000.00 Lacs (number of Parties 1).
- (b) In our opinion and according to the information and explanations provided to us, the rate of interest and other terms and conditions of such loans given by the company, secured or unsecured, 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) During the year the Company has taken unsecured loans aggregating to Rs. 6435.00 Lacs (number of parties 4) covered in the register maintained under section 301 of the Companies Act, 1956. At the year end the outstanding balances of loans taken aggregated to Rs. Nil.
- (f) In our opinion and according to the information and explanations provided to us, the rate of interest and other terms and conditions of such loans, taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the Company.
- (g) In our opinion and according to the information and explanations provided to us, during the year, payment of principal amount and interest generally have been regular/as per stipulations.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system 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.
- (v) 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.
- (vi) The Company has not accepted any deposit from the Public within the meaning of section 58A and 58AA of the Companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) 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, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- (xiv) 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.
- (xv) 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.
- (xvi) The Company has not availed of any term loans during the year.
- (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. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The Company has made preferential allotment of shares aggregating to 40,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 40/- each during the year as per the SEBI Guidelines. Out of the above 25,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 40/- each are subscribed by the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures during the year. Therefore, the provisions of clause 4 (xix) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed by us for expressing our opinion on these financial statements 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
Membership No.17387

Place:Kolkata
Dated:18/04/08

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
I. SOURCE OF FUNDS			
SHARE HOLDERS FUND			
Share Capital	1	90002000	50002000
Reserves & Surplus	2	204334119	1683863
Unsecured Loans	3	600000000	-
Deferred Tax Liabilities		46536	102763
		<u>894382655</u>	<u>51788626</u>
II. APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		157000	1763507
Less: Depreciation		5930	973346
Net Block		<u>151070</u>	<u>790161</u>
INVESTMENTS	5	232013414	-
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	82900	22370921
Sundry Debtors	7	-	319310
Cash & Bank Balances	8	21046845	1848829
Other Current Assets	9	1183248	11871
Loans & Advances	10	659510519	26632068
		<u>681823512</u>	<u>51182999</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	9697	50834
Provision	12	21835644	133700
		<u>21845341</u>	<u>184534</u>
NET CURRENT ASSETS		659978171	50998465
Miscellaneous expenditure (To the extent not written off)	13	2240000	-
		<u>894382655</u>	<u>51788626</u>
ACCOUNTING POLICIES	19		
NOTES ON ACCOUNTS	20		

As per our Report Annexed :

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

(B. C. KHAITAN)
Partner
Membership No.17387
Place: Kolkata
Dated: 18/04/08

For and on behalf of the Board

RAJESH SHARMA
Chairman

SURESH GATTANI
Whole Time Director
Place: Mumbai
Dated:18/04/08

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	Schedule	FOR THE YEAR ENDED 31-03-2008 Rs.	FOR THE YEAR ENDED 31-03-2007 Rs.
I. INCOME			
Income from Trading in Shares & Securities	14	27078556	(1942192)
Interest Income (Gross)		16073886	3113677
(TDS for the year Rs. 3761735 Previous Year Rs. 698711)			
Fees from Financial Advisory Services		32100000	-
(TDS for the year Rs. 4086455 Previous Year Rs. Nil)			
Other Income	15	2538795	31459
		77791237	1202944
II. EXPENDITURE			
Payment to Employees	16	294761	188727
Administrative & Other Expenses	17	2018382	714617
Financial Charges	18	12467467	-
Loss on Sale of Fixed Assets		40750	-
Depreciation		70931	137695
		14892290	1041039
III. PROFIT BEFORE TAXATION (I-II)			
		62898947	161905
Less: Provision for Taxation		(20300000)	(52100)
Less: FBT		(5000)	(15000)
Add/(Less):Deferred Tax		56227	(15458)
		42650174	79347
Add : Prior Period Adjustment		-	91019
Add/(Less) : Income Tax Adjustment		81	(22523)
Profit After Taxation		42650255	147843
Less:Transferred to Reserve Fund in terms of Section 45 IC(1) of the Reserve Bank of India Act,1934		8530051	29569
IV. NET PROFIT			
		34120204	118274
Add: Balance Brought Forward		1443619	1325345
Balance carried to Balance Sheet		35563824	1443619
ACCOUNTING POLICIES	19		
NOTES ON ACCOUNTS	20		

As per our Report Annexed :

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

(B. C. KHAITAN)
Partner
Membership No.17387
Place: Kolkata
Dated: 18/04/08

For and on behalf of the Board

RAJESH SHARMA
Chairman

SURESH GATTANI
Whole Time Director
Place: Mumbai
Dated:18/04/08

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008.

PARTICULARS	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
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SCHEDULE-1

SHARE CAPITAL

Authorised

45250000 (5250000) Equity Shares of Rs.10/- Each	452500000	52500000
<u>Issued, Subscribed & paid up</u>		
9000200 (5000200) Equity Shares of Rs.10/- Each fully paid up	90002000	50002000
	<u>90002000</u>	<u>50002000</u>

SCHEDULE-2

RESERVES & SURPLUS

Profit & Loss Account	35563824	1443619
Share Premium Account	160000000	
Reserve Fund in term of Section 45 I C(1) of the Reserve Bank of India Act,1934		
Balance B/F from last year	240244	210675
Set Aside this year	<u>8530051</u>	<u>877029</u>
	<u>204334119</u>	<u>29569</u>
		<u>240244</u>
		<u>1683863</u>

SCHEDULE-3

UNSECURED LOANS

Inter Corporate Loans	600000000	-
	<u>600000000</u>	<u>-</u>

SCHEDULE - 4

FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON		AS ON		UPTO		FOR THE		AS ON	
	01.04.2007	ADDITION	DEDUCTIONS	31.03.2008	01.04.2007	YEAR	DEDUC-TIONS	AS ON	31.03.2008	31.03.2007
Motor Cars	694111	-	694111	0	438361	9308	447,669	0	0	255750
Computers	495294	117000	495294	117000	381014	45144	421158	5000	112000	114280
Electronic Typewriter	8791	-	8791	0	5091	209	5,300	0	0	3700
Office Equipments	97381	40,000	97381	40000	31365	3243	33,678	930	39070	66016
Refrigerators	51544	-	51544	0	23666	1224	24,890	0	0	27878
Fax Machine	29200	-	29200	0	13314	694	14,008	0	0	15886
Air Conditioner	130200	0	130200	0	43302	3092	46,394	0	0	86898
Electrical Appliance	14795	-	14795	0	6396	351	6,747	0	0	8399
Electrical Fittings	32269	-	32269	0	4270	1022	5,292	0	0	27999
Furniture & Fixture	209922	-	209922	0	26567	6644	33,211	0	0	183355
Total	1763507	157000	1763507	157000	973346	70931	1038347	5930	151070	790161
Previous Year	1724307	39200	0	1763507	926670	137695	91,019	973346	790161	797637

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008.

PARTICULARS	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE- 5		
INVESTMENTS		
Long Term :		
Quoted : Trade	-	-
Unquoted : Trade		
Equity Shares : Subsidiaries		
62,00,000 (Previous Year Nil) Equity Share of Rs. 10/- each of Money Matters Securities Private Limited	62000000	-
Others		
100 (Previous Year Nil) Dena Bank Lower Tier II Bonds	100000000	-
6376391.25 Units(Previous Year Nil) LIC Mutual Fund Liquid Fund	70013414	-
	<u>232013414</u>	<u>-</u>

SCHEDULE-6

INVENTORIES

(As Certified by the Management)

	31.03.2008		31.03.2007	
	Qty.	Value Rs.	Qty.	Value Rs.
A. QUOTED				
Amal Limited	-	-	7500	46743
Centurion Bank of Punjab Ltd.	4,900	81,100	4900	81100
Core Health Care Ltd.	-	-	5000	98900
First Source Solutions Ltd	-	-	849	54336
Goldstar Steel Ltd.	-	-	1600	6480
Integrated Technologies Ltd.	-	-	4000	72670
Javelin Technologies Ltd.	-	-	2000	172620
Lawreshwar Polymers Ltd	-	-	9318	149088
MCS Limited	-	-	3553	129294
Nicco Park & Resorts Ltd.	-	-	1000	75690
Shringar Cinemas Ltd.	-	-	3000	247750
Vardhman Lab Ltd.	300	1,800	300	1800
(Market Value of Quoted Investments Rs. 213714)	<u>5,200</u>	<u>82,900</u>	<u>43020</u>	<u>1136471</u>
B. UNQUOTED				
Aravali Merchants Pvt Ltd	-	-	150000	15000000
Adhunik Tie-up Pvt Ltd	-	-	50000	5000000
Ganpati Advisory Ltd	-	-	22250	1234450
TOTAL	<u>-</u>	<u>-</u>	<u>222250</u>	<u>21234450</u>
(Total A+B)	<u>5200</u>	<u>82900</u>	<u>265270</u>	<u>22370921</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	ASAT 31.03.2008 Rs.	ASAT 31.03.2007 Rs.
SCHEDULE-7		
SUNDRY DEBTORS		
More than Six Months	-	-
Other Debts	-	319310
	<u>-</u>	<u>319310</u>
SCHEDULE-8		
CASH & BANK BALANCES		
Cash in hand	44584	77238
Balances with Scheduled Banks in Current Accounts	21002261	1711923
Cheques in Hand	-	59668
	<u>21046845</u>	<u>1848829</u>
SCHEDULE-9		
OTHER CURRENT ASSETS		
Security & Other Deposit	300000	609
Prepaid Expenses	878219	11262
Service Tax Assets	5029	-
	<u>1183248</u>	<u>11871</u>
SCHEDULE-10		
LOANS & ADVANCES		
(Unsecured, Considered Good recoverable in cash or in kind or for value to be received)		
Loans		
(Includes Rs. 50,00,00,000/- (Previous Year Nil) to Associate Company Money Matters Advisory Services Limited as of 31-3-08)		
	501000400	20788832
Interest Receivable	-	373144
Advance Payment of Income Tax (Including Tax Deducted at Source)	20262771	951494
Infrastructure Leasing and Financial Services Limited Advances	246348 1000	2000000
Equity Share Application Money		
With Subsidiaries	138000000	-
With Others	-	2500000
Advance FBT	-	18598
	<u>659510519</u>	<u>26632068</u>
SCHEDULE-11		
LIABILITIES		
Sundry Creditors for Expenses	9697	23142
Gratuity Payable	-	27692
	<u>9697</u>	<u>50834</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008.

PARTICULARS	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE- 12		
PROVISIONS		
Provision for ROC Fees	1400000	-
Provision for Audit fees	39852	-
TDS Payable	5092	-
Provision for Taxation B/f	48000	48000
Add: Provision for Current year	20352100	52100
	<u>20400100</u>	<u>100100</u>
Less: Tax Adjustment	48,000	-
(A)	<u>20352100</u>	<u>100100</u>
Provision for FBT B/f	33600	18600
Add: Provision for Current year	5000	15000
(B)	<u>38600</u>	<u>33600</u>
(A+B)	<u>21835644</u>	<u>133700</u>
SCHEDULE- 13		
Miscellaneous Expenditure (To the extent not written off)		
Opening Balance	-	-
Addition during the year	2800000	-
	2800000	-
Less : Written off during the year	560000	-
	<u>2240000</u>	<u>-</u>
SCHEDULE-14		
INCOME FROM SHARES & SECURITIES		
Sale of shares & securities	2108668184	9288038
Loss in arbitrage of Shares	(2158023)	-
Income from Futures & Options	1081638	(148413)
Closing Stock	82900	22370921
	<u>2107674698</u>	<u>31510546</u>
Sub Total		
Less:		
Opening Stock	22370921	8979388
Purchases	2056393968	24443867
Delivery & Brokerage Charges	6250	-
Depository Charges	758797	3976
Service Tax, Ed Cess & TOT Charges	3919	25507
Stamp Duty	671015	-
Transaction Charges	391271	-
Sub-Total	<u>2080596142</u>	<u>33452738</u>
	<u>27078556</u>	<u>(1942192)</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008.

PARTICULARS	ASAT 31.03.2008 Rs.	ASAT 31.03.2007 Rs.
SCHEDULE-15		
OTHER INCOME		
Dividend Received	481	28171
Dividend Received on Mutual Fund	1782523	-
Interest on I.T.Refund	18441	2160
Short Term Capital Gain Mutual Funds	196	101
Liabilities Written Back	0	1027
Bank Interest	5361	-
Brokerage	74088	-
Interest on Bank Fixed Deposits	328253	-
Interest on Bonds	329452	-
	<u>2538795</u>	<u>31459</u>
SCHEDULE-16		
PAYMENT TO EMPLOYEES		
Salaries & Bonus	286076	156000
Staff Tea & Tiffin at Office	8685	30420
Provision for Gratuity	-	2307
	<u>294761</u>	<u>188727</u>
SCHEDULE-17		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	144918	24000
Postage & Stamps	6849	12708
Printing & Stationery	17890	28006
Insurance	-	7203
Conveyance Expenses	3616	7965
Office Maintenance Expenses	-	12874
Telephone Expenses	4631	64904
Computer Maintenance	363	18000
Legal & Professional Fees	31000	21835
Filing Fees	209550	6000
Advertisement Expenses	18804	33899
Rates & Taxes	3695	2910
General Expenses	10519	13610
Custodial Fees	26730	15714
Books & Periodicals	4376	11510
Listing Fees	93000	38042
Share Registrar Expenses	6778	21190
Business Promotion Expenses	16855	6098
Motor Car Expenses	42200	97097
Audit Fees	47500	19642
Remuneration to Directors	629995	126000

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	ASAT 31.03.2008 Rs.	ASAT 31.03.2007 Rs.
<u>SCHEDULE-17 (Contd..)</u>		
Preliminary expenses w/off	560000	-
Office Expenses	8725	-
Electric Charges	-	56221
Accounting Charges	-	18000
Directors Sitting Fees	103500	8500
Meeting Expenses	2000	2000
Travelling Expenses	22769	33007
Securities Transaction Tax	2118	7682
	<u>2018382</u>	<u>714617</u>
<u>SCHEDULE-18</u>		
FINANCIAL CHARGES		
Bank Charges	4447	-
Interest on Loan	11709322	-
Financial Charges	3398	-
Franking Charges	750300	-
	<u>12467467</u>	<u>-</u>

SCHEDULES TO THE ACCOUNTS

19. ACCOUNTING POLICIES

A) Basis of preparation of Financial Statement

- i) The Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted Accounting principles and the provisions of the Companies Act, 1956 as adopted by the Company. The same are prepared on a going concern basis.
- ii) The Company follows Mercantile System of Accounting and recognises income and expenditure on Accrual Basis.
- iii) Estimates and Assumptions used in the preparation of the Financial Statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, Which may differ from the actual results at a subsequent date.

B. Fixed Assets:

Fixed Assets are stated at the original cost including other Expenses relating to acquisition and installation.

C. Depreciation

Depreciation is provided for in the accounts till 30th September 2007 on straight line method. However for assets acquired on or after 1st October 2007 depreciation is charged on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

D. Inventories:

- i) Quoted shares: Quoted shares & securities held as Stock -In -Trade are valued at cost or market value, as per prudential norms Directions(RBI) the block valuation method for accounting.
- ii) Unquoted shares : Unquoted shares & securities held as Stock -In-Trade are valued at cost or Book value as per prudential norms Directions(RBI)the block valuation method for accounting.

E. Revenue Recognition:

- i) Sales Comprises Sales of Securities and are recognized on passing of property in the goods.
- ii) Dividend income from Investments is recognized when the Company's right to receive payment is established.
- iii) Interest Income is recognized on a time proportion basis depending upon amount outstanding and the rate applicable.

F. Recognition of Income & Expenditure:

Income and Expenditure are accounted for on accrual basis.

G. Income Tax

- i) The Current charge for Income Tax is based on the tax liability computed after considering tax allowances and exemptions.
- ii) Deferred Tax assets or liability is recognized for timing differences between the profit as per Financial Statements and the Profit offered for Income Taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax asset or liability is recognized only for those timing differences that originate during the tax holidays period but reversed

after the tax holidays period. Deferred Tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

H. Provision Against NPA's:

The Company, being a Non-Banking Financial Company, comes under the purview of the guidelines for prudential norms prescribed by the RBI. As a result, the following policies have been followed by the Company.

- a) Income is not recognized in respect of Non-performing Assets, if any.
- b) As per the guidelines for prudential norms prescribed, the company makes provision against Non-performing Assets (NPA), if any.

I. Retirement/Terminal benefits

Provision has been made in the books of Account for the Gratuity payable to company's employees at the year end.

J. Miscellaneous Expenditure

Preliminary and Deferred Revenue Expenditure are amortised over a period of 5 years.

SCHEDULES TO THE ACCOUNTS

20. 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:

	<u>31.03.2008</u>	<u>31.03.2007</u>
Salary to Managing Director	22000	66000
Gratuity to Managing Director	33000	—
Salary to Executive Director	25000	60000
Gratuity to Executive Director	30000	—
Salary to Whole Time Director	<u>519995</u>	<u>—</u>
	<u>629995</u>	<u>126000</u>

- 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.
- The company during the year has changed the method of depreciation from Straight Line Method to Written Down Value Method. As the all of the opening assets are sold during the year before 30th September, 2007, the impact of the change in method of depreciation is NIL.
- 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 traded goods

Description	Unit	31.03.2008		31.03.2007	
		Quantity	Value Rs.	Quantity	Value Rs.
A. Opening Stock:					
Shares	Nos.	265270	22370921	512612	8979388
B. Purchases:					
Shares	Nos.	8161032	2056393968	296947	24443867
C. Sales:					
Shares	Nos.	8421102	2108668184	535175	9288038
D. Consolidated/Reduced					
Shares	Nos.	(—)	—	(9114)	—
E. Closing Stock:					
Shares	Nos.	5200	82900	265270	22370921

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)

	Up to 31.03.07	For the Current Year	Total as at 31.03.2008
Deferred Tax Liabilities: Tax impact of difference between carrying amount of Fixed Assets in Financial Statement and Income Tax Return.	102763	56227	46536

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.

INFORMATION ABOUT BUSINESS SEGMENT

REVENUE	Shares & Securities	Financing Activity	Financial Advisory Services	Unallocated	Year ended 31.03.2008
Segment Revenue	27079036	18519671	32174088	18441	77791237
Previous Year	(1914021)	3113778	0	3187	1202944
Less Inter segment Revenue	0	0	0	0	0
Previous Year	0	0	0	0	0
Total	27079036	18519671	32174088	18441	77791237
Previous Year	(1914021)	3113778	0	3187	1202944
RESULT					
Segment Result	24750980	6031747	32138548	(22329)	62898947
Previous Year	(2687680)	2846671	0	2914	161905
Provision for Tax	0	0	0	(20300000)	(20300000)
Previous Year	0	0	0	(52100)	(52100)
Provisions for FBT	0	0	0	(5000)	(5000)
Previous Year	0	0	0	(15000)	(15000)
Deferred Tax	0	0	0	56227	56227
Previous Year	0	0	0	(15458)	(15458)
Income Tax Adjustments	0	0	0	81	81
Previous Year	0	0	0	(22523)	(22523)
Prior Period Adjustments	0	0	0	0	0
Previous Year	0	0	0	91019	91019
Total Results	24750980	6031747	32138548	(20271021)	42650255

Previous Year	(2687680)	2846671	0	(11148)	147843
Capital employed					
Segment Assets	200136487	692342972	67511	1835685	894382655
Previous Year	28637043	22314012	0	837571	51788626
Segment Liabilities	0	600000000	0	46536	600046536
Previous Year	0	0	0	102763	102763
Net Segment Assets	200136487	92342972	67511	1789149	294336119
Previous Year	28637043	22314012	0	632045	51685863
Other Information					
Capital Expenditure	54652	37377	64934	37	157000
Previous Year	29373	9817	0	10	39200
Depreciation	69264	609	1057	1	70931
Previous Year	103175	34485	0	35	137695

BUSINESS AND GEOGRAPHICAL SEGMENTS

i) **Business Segments:**

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

(A) Income from Trading in Shares & Securities

(B) Financing Activity and

(C) Income from Financial Advisory Services.

ii) **Geographical Segments:**

The Company's business is concentrated in similar Geographical political and economic condition, hence, Geographical Segment reporting is not applicable.

iii) **Segment Revenue and Expenses:**

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.

iv) **Segment Capital Employed:**

Segment Capital employed represents the net assets in that Segment. It excludes Capital reserve and tax related assets.

v) **Inter Segment transfers:**

There is no Segment transfer between business Segment and Geographical Segment.

vi) **Unusual Item:**

Nil

vii) **Extraordinary Loss/Income:**

Nil

10. Related Party Transactions:

The Company has acquired 100% shares of Money Matters Securities Private Limited on 27th March, 2008. 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:

Sr No.	Name of the Related Party	Relationship
1	Money Matters Securities Private Limited	Wholly owned Subsidiary w.e.f 28-03-2008

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

Key Management Personnel and their Relatives:

- 1 Mr. Suresh Gattani Whole Time Director
- 2 Mr. Ramautar Agarwalla Managing Director
- 3 Mr. Amar Agarwalla Executive Director

Other Related Parties

- 1 Money Matters Advisory Services Limited
- 2 Money Matters (India) Private Limited
- 3 Money Matters Properties Private Limited
- 4 Rolesoft Properties Private Limited
- 5 Dnyaneshwar Trading & Investments Private Limited

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

Sr No.	Nature of Transaction/relationship/major parties	2007-08	2006-07
1	Subscription to Equity Shares Subsidiaries Money Matters Securities Private Limited	62000000	0
2	Interest Expenses Money Matters Properties Private Limited Rolesoft Properties Private Limited Dnyaneshwar Trading & Investments Private Limited	888189 331082 4130419	0 0 0

3	Interest Income		
	Money Matters (India) Private Limited	213024	0
	Money Matters Advisory Services Limited	14075930	0
4	Brokerage Paid		
	Subsidiaries		
	Money Matters Securities Private Limited	19388	0
5	Payment of Salaries Commission and perquisites		
	Key Management Personnel		
	Mr. Suresh Gattani	519995	0
	Mr. Suresh Gattani Perquisites	13333	0
	Mr. Ramautar Agarwalla (including Gratuity Paid)	55000	66000
	Mr. Amar Agarwalla (including Gratuity Paid)	55000	60000

D. Amount due to / from related parties:

Sr No.	Nature of Transaction/relationship/major parties	2007-08	2006-07
1	Loans & Advances Receivable		
	Other Related Party		
	Money Matters Advisory Services Limited	500000000	0
	Key Management Personnel		
	Suresh Gattani	500000	0
2	Advances against equity contribution		
	Subsidiaries		
	Money Matters Securities Private Limited	138000000	0

11. Earning per share:

Earning per share is calculated as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The reconciliation of number of shares used in computing basic and diluted earning per share is as below:-

	Unit	2007-2008	2006-2007
a) Amount used as the numerator profit after Taxation	Rs.	42650255	147843
b) Number of Shares listed as the denominator	Nos.	9000200	5000200
c) Nominal value of Shares	Rs.	10	10
d) Earning per Share	Rs.	4.74	0.03

12. Corresponding Figures of the previous year have been regrouped/rearranged to confirm with this year's grouping wherever necessary.

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

Particulars (Rs. in lakhs)

Liabilities Side

1 Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:

	Amount Outstanding	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	6,000.00	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (Specify nature)	-	-
Total	6,000.00	-

Assets Side

2 Breakup of Loans and Advances including bills receivables (other than those included in (4) below):

	Amount Outstanding
a) Secured	-
b) Unsecured	6,595.11

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) 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	-
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		620.00
(b) Preference		-
ii) Debentures and Bonds		1,000.00
iii) Units of mutual funds		700.13
iv) Government Securities		-
v) Others (please specify)		-

5 **Borrower groupwise classification of assets financed as in (2) and (3) above:**

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	1,380.00	1,380.00
b) Companies in the same group	-	5,005.00	5,005.00
c) Other related parties	-	-	-
2. Other than related parties	-	210.11	210.11
Total	-	6,595.11	6,595.11

6 **Investor groupwise 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	620.00	620.00
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	1,700.96	1,700.96
Total	2,320.96	2,320.96

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	-	-

Signature to Schedule '1' to '20'

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

For and on behalf of the Board

RAJESH SHARMA
Chairman

(B. C. KHAITAN)
Partner
Membership No.17387

SURESH GATTANI
Whole Time Director

Place: Kolkata
Dated: 18/04/08

Place: Mumbai
Dated:18/04/08

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956.

I. Registration Details:		
Registration No.	:	L65921MH1994PTC173469
State Code.	:	11
Balance Sheet Date	:	31.03.2008
II. Capital Raised During the year		(Amount in Rs.)
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	200000000
III. Position of Mobilisation and Deployment of Funds:		
Total Liabilities	:	894382655
Total Assets	:	894382655
Sources of Funds:		
Paid up Capital	:	90002000
Reserves & Surplus	:	204334119
Secured Loans	:	Nil
Unsecured Loans	:	600000000
Application of Funds:		
Net Fixed Assets	:	151070
Investments	:	232013414
Net Current Assets	:	659978171
Miscellaneous Expenditure	:	2240000
Accumulated Losses	:	Nil
IV. Performance of Company:		
Total Income	:	77791237
Total Expenditure	:	14892290
Profit/(Loss) Before Tax	:	62898947
Profit/(Loss) After Tax and adjustment	:	42650255
Earning Per Share	:	4.74
Dividend Rate (%)	:	Nil
V. Generic Names of three principal Products/services of Company:		
(As per Monetary terms)		
Item Code No.	:	Not Applicable
Product Description	:	a) Share Trading b) Financing Activity c) Financial Advisory Services

For AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES
Chartered Accountants

(B. C. KHAITAN)
Partner
Membership No.17387
Place: Kolkata
Dated: 18/04/08

For and on behalf of the Board

RAJESH SHARMA
Chairman

SURESH GATTANI
Whole Time Director
Place: Mumbai
Dated:18/04/08

Cash Flow Statement for the Year Ended 31st March 2008

Particulars	2008	2007
Cash Flow From Operating Activities		
Profit Before Taxation & Extraordinary Items	62,898,947	161,905
Add:		
Depreciation	70,931	137,695
Miscellaneous Expenses W/off	560,000	-
Loss on sale of Fixed Assets	40,750	-
Provision for Gratuity	-	2,307
Less:		
Preliminary Expenses Incurred	(2,800,000)	-
Dividend Received	(1,783,004)	28,171
Operating Profit	58,987,624	273,736
Adjustment For:		
(Increase)/Decrease in Sundry Debtors	319,310	(319,310)
(Increase)/Decrease in Stock-in-trade	22,288,021	(13,391,533)
(Increase)/Decrease in Loans & Advances	(632,878,451)	14,725,911
(Increase)/Decrease in Other Current Assets	(1,171,377)	10,145
Increase/(Decrease) in Current Liabilities	(41,137)	(30,013)
Increase/(Decrease) in Provisions	21,701,944	67,100
Income Tax Adjustment	81	(22,523)
Direct Taxes Paid	(20,300,000)	(52,100)
FBT Paid	(5,000)	(15,000)
Net Cash Generated From Operation before Extraordinary Items	(551,098,985)	1,246,413
Less: Extraordinary items (Net of Tax)	-	-
Net Cash Generated From Operations	(551,098,985)	1,246,413
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(157,000)	(39,200)
(Increase)/Decrease in Investments	(232,013,414)	-
Sale of Fixed Assets	684,411	-
Dividend Received	1,783,004	28,171
Net Cash Flow Used In Investing Activities	(229,702,999)	(11,029)
Cash Flow From Financing Activities		
Increase/(Decrease) in Unsecured Borrowings	600,000,000	-
Increase/(Decrease) in Share Capital	40,000,000	-
Increase/(Decrease) in Share Premium	160,000,000	-
Net Cash Flow From Financing Activities	800,000,000	-
Net Cash Flow Generated During the year from all activities	19,198,016	1,235,384
Net Increase/Decrease in Cash & Cash Equivalents		
Opening Cash & Cash Equivalents	1,848,829	613,445
Closing Cash & Cash Equivalents	21,046,845	1,848,829
Net Increase/Decrease in Cash & Cash Equivalents	19,198,016	1,235,384

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

(B. C. KHAITAN)
Partner
Membership No.17387
Place: Kolkata
Dated: 18/04/08

For and on behalf of the Board

RAJESH SHARMA
Chairman

SURESH GATTANI
Whole Time Director
Place: Mumbai
Dated:18/04/08

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

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

Sr No. Name of the Subsidiary		Money Matters Securities Private Limited
1 Financial Year of the subsidiary ended on		31-03-2008
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 Dover Securities Limited	Nos.	6200000
b) Shareholding per cent in the subsidiary held by Dover Securities Limited	%	100
3 The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of Dover Securities Limited:		
a) Not dealt with in the accounts of Dover Securities Limited to:		
(i) For the Financial Year ended 31-03-2008	Rs.	28,078,703
(ii) For the previous financial years since it became a subsidiary	Rs.	28,451,558
b) Dealt with in the accounts of Dover Securities Limited to:		
(i) For the Financial Year ended 31-03-2008	Rs.	Nil
(ii) For the previous financial years since it became a subsidiary	Rs.	Nil

For and on behalf of the Board

RAJESH SHARMA
Chairman

SURESH GATTANI
Whole Time Director

Place: Mumbai
Dated:18/04/08

Money Matters Securities Private Limited

Directors' Report to the Members

Your Directors have pleasure in presenting the 2nd Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2008.

Financial Highlights

	<i>(Rs. in Lacs)</i>	
	<u>2008</u>	<u>2007</u>
Sales & Other Income	477.53	14.19
Profit before Taxation	343.49	4.89
Less: Provision for Taxation	62.71	1.16
Profit after Taxation	280.79	3.73

Operations

The year under review represents the second year of your Company's Stock broking operations. The Company's focus has been on significantly expanding the client base in HNI, Corporate and Institutional category. During the year under review, the gross revenue increased to Rs. 477.53 Lacs from Rs. 14.19 Lacs and profit after tax increased to Rs. 280.79 Lacs from Rs. 3.73 Lacs. A snapshot on performance of the Company is mentioned under the head of 'Financial Highlights' above. Your Directors are hopeful for the better results in the next financial year.

Dividend

Due to the growing market and business opportunities the Board has decided to re-deploy the profit towards growth of the Company and hence decided not to recommend dividend for the year.

Change in Control

During the year under review your Company has become the wholly owned subsidiary of Dover Securities Limited (DSL) with effect from 28th March, 2008, a public listed company on Bombay Stock Exchange Ltd. due to acquisition of 100% equity capital of your Company by DSL from the current shareholders of your Company.

Directors

During the year under review, Mrs. Seema Sharma resigned as a Director of the Company. Your Directors feel privileged to have had an association with Mrs. Seema Sharma and express their appreciation for the valuable contribution made by her during her tenure as Director of your Company.

Mr. Sanjay Khemani, an Independent Director on the Board of Dover Securities Limited ('holding company') is appointed as a Nominee on the Board of your Company by Dover Securities Limited as per the requirement of clause 49 of the listing agreement w.e.f. 26th July, 2008.

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 have been followed;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these

Money Matters Securities Private Limited

have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the loss of the Company for the year ended on that date;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

Auditors

M/s. Vishnu Saraf & Associates, Chartered Accountants, retire as Auditors of the Company at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members will be required to appoint Auditors for the current year and fix their remuneration.

Public Deposits

The Company has not accepted 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 activities which are being carried on by the Company, 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 foreign exchange during the year under review.

Strengthening of Human Capital

The Company has been 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, launch new products as per market requirements and timely execution.

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 31st March, 2008 or not less than Rs. 2,00,000 per month during any part of the year under review.

Acknowledgement

We take the opportunity to express our deep sense of gratitude to the Company's Bankers, Clients and other government authorities. We would like to place on record our appreciation of the sincere efforts made by the employees at all levels of the organization.

For and on behalf of the Board

Rajesh Sharma
Chairman

Mumbai, 1st August, 2008.

Money Matters Securities Private Limited

AUDITOR'S REPORT

TO,

THE MEMBERS,

MONEY MATTERS SECURITIES PRIVATE LIMITED

We have audited the attached Balance Sheet of **MONEY MATTERS SECURITIES PRIVATE LIMITED** as at **31st March, 2008**, 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 extend 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 :

Money Matters Securities Private Limited

- i) In case of Balance Sheet, of the state of affairs of the company as at 31st March, 2008
- 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 the Cash Flow Statement, of the cash flow for the year ended on that date.

For VISHNU SARAF & ASSOCIATES
Chartered Accountants

(V.K. Saraf)
Proprietor
M.No. 047755

Date : 11/04/2008

Address :

149/151 Dadi Seth Agiari Lane
22, Shree Narayan Niwas, 2nd Floor
Mumbai 400 002

Money Matters Securities Private Limited

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, 2008 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 parts of fixed assets have 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 not taken unsecured loan from the parties covered in the register maintained under section 301 of the Act .
(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) We have been explained that there are adequate internal control procedure commensurate with size of the company and the nature of its business. We have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) The transactions that need to be entered into a register in pursuance of Section 301 of the Act have been entered.
(b) 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 have been made at prices 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) 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) 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

Money Matters Securities Private Limited

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) 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 material fraud on or by the company has been noticed during the year under review.

For **VISHNU SARAF & ASSOCIATES**
Chartered Accountants

(VISHNU SARAF)
Proprietor
Membership No.47755

Place: Mumbai
Date : 11/04/2008

Money Matters Securities Private Limited
BALANCE SHEET AS AT 31ST MARCH, 2008

(Amount in Rupees)

	Sch.	As at 31/3/2008	As at 31/3/2007
SOURCES OF FUNDS :			
Share Capital	1	62,000,000	62,000,000
Share Application Money		138,000,000	-
Reserves & Surplus	2	28,451,558	372,855
Deferred Tax Liability		541,857	-
Total		228,993,415	62,372,855
APPLICATION OF FUND :			
FIXED ASSETS			
Gross Block	3	23,119,463	-
Less : Depreciation		738,116	-
Net Block		22,381,347	-
INVESTMENTS	4	15,996,232	30,069,000
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	5	69,296,694	-
Cash & Bank Balances	6	162,695,117	4,725,248
Loan & Advances	7	54,670,107	26,268,861
		286,661,918	30,994,109
Less : CURRENT LIABILITIES & PROV.			
Current Liabilities & Provisions	8	98,178,679	131,000
NET CURRENT ASSETS		188,483,239	30,863,109
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	9	2,132,597	1,440,746
Total		228,993,415	62,372,855
Significant Accounting Policies	14		
Notes forming part of the Accounts	15		

As per our attached report of even date
For VISHNU SARAF & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

Rajesh Sharma
Managing Director

V. K. Saraf
Proprietor
Place : Mumbai
Date : 11/04/2008

Nitin Khivasara
Executive Director

Money Matters Securities Private Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

(Amount in Rupees)

PARTICULARS	Sch.	For the year 2007-08	For the period 2006-07
INCOME :			
Equity Brokerage		18,369,633	-
Short Term Capital Gain		22,051,190	331,848
Interest Income		5,622,530	823,400
Dividend		1,689,434	263,713
Miscellaneous Receipts		19,854	-
Total		47,752,641	1,418,961
EXPENDITURE :			
Direct Cost	10	2,713,320	-
Employees Cost	11	3,998,651	-
Administrative & Other Expenses	12	1,943,986	803,580
Security Transaction Tax (Investments)		172,843	118,787
Financial Charges	13	3,303,216	7,739
Depreciation	3	738,116	-
Mis. Exp. Written Off.	9	533,149	-
Total		13,403,281	930,106
PROFIT BEFORE TAX		34,349,360	488,855
Less : Provision for Tax		5,700,000	116,000
Less : Provision for FBT		28,800	-
Less : Provision for Deferred Tax		541,857	-
PROFIT AFTER TAXES		28,078,703	372,855
Add : Balance carried forward from last year		372,855	-
BALANCE CARRIED OVER TO BALANCE SHEET		28,451,558	372,855
Basic & Diluted Earning Per Share (Rs.)		4.53	0.06
Significant Accounting Policies	14		
Notes forming part of the Accounts	15		

**As per our attached report of even date
For VISHNU SARAF & ASSOCIATES
Chartered Accountants**

For and on behalf of the Board

**V. K. Saraf
Proprietor**

**Rajesh Sharma
Managing Director**

**Place : Mumbai
Date : 11/04/2008**

**Nitin Khivasara
Executive Director**

Money Matters Securities Private Limited

PARTICULARS	As at 31/3/2008 (Rupees)	As at 31/3/2007 (Rupees)
<u>SCHEDULE '1' SHARE CAPITAL :</u>		
AUTHORISED :		
2,50,00,000 (Pre. Year 75,00,000) Equity Shares of Rs. 10/- each	250,000,000	75,000,000
	<hr/>	<hr/>
	250,000,000	75,000,000
	<hr/>	<hr/>
ISSUED, SUBSCRIBED & PAID UP :		
62,00,000 (62,00,000) Equity Shares of Rs. 10/- each fully paid up	62,000,000	62,000,000
	<hr/>	<hr/>
Total	62,000,000	62,000,000
	<hr/>	<hr/>
<u>SCHEDULE '2' RESERVES & SURPLUS :</u>		
Surplus in Profit & Loss Account	28,451,558	372,855
	<hr/>	<hr/>
Total	28,451,558	372,855
	<hr/>	<hr/>

SCHEDULE '3' ; FIXED ASSETS

(Amt. in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2007	Additions during the year	As at 31.03.2008	Total up to 31.03. 2007	Provided for the year	Total up to 31.03.2008	Total as at 31.03.2008	Total as at 31.03.2007
COMPUTERS	-	3,811,650	3,811,650	-	451,327	451,327	3,360,323	-
FURNITURE & FIXTURES	-	18,036,970	18,036,970	-	272,058	272,058	17,764,912	-
OFFICE EQUIPMENTS	-	1,270,843	1,270,843	-	14,731	14,731	1,256,112	-
TOTAL AS AT 31-03-2008	-	23,119,463	23,119,463	-	738,116	738,116	22,381,347	-
TOTAL AS AT 31-03-2007	-	-	-	-	-	-	-	-

Money Matters Securities Private Limited

PARTICULARS	As at 31/3/2008 (Rupees)	As at 31/3/2007 (Rupees)
<u>SCHEDULE '4' : INVESTMENTS</u>		
IN SHARES & SECURITIES :		
Long Term : Trade - Quoted (At Cost)		
10,000 (Pre. Year Nil) Equity Shares of Dish TV Ltd	739,189	-
23,056 (Pre. Year Nil) Equity Shares of ESS DEE Alum Ltd	12,434,415	-
50,000 (Pre. Year Nil) Equity Shares of WWI Ltd	2,252,571	-
25,000 (Pre. Year Nil) Warrant of Orbit Ltd	570,057	-
(See Note No. 4 of Schedule '15')		
(Market value of quoted Investment Rs. 157.63 lac Previous Year Nil)		
Share application Money	-	30,069,000
Total	15,996,232	30,069,000
<u>SCHEDULE '5' Sundry Debtors</u>		
(Unsecured, considered good)		
More than six months	-	-
Others	69,296,694	-
Total	69,296,694	-
<u>SCHEDULE '6' CASH AND BANK BALANCES :</u>		
Cash on hand	131,466	7,420
Bank Balances with Secheduled Banks		
In Current Account	56,563,651	4,717,828
In Fixed Deposit A/C	106,000,000	-
Total	162,695,117	4,725,248
<u>SCHEDULE '7' LOANS & ADVANCES :</u>		
Advance Recoverable in Cash or in Kinds	19,609,733	1,167,344
Sundry Deposits	33,938,140	25,003,000
T.D.S. (Ass.Year 2008-09)	1,023,717	-
T.D.S. (Ass.Year 2007-08)	98,517	98,517
Total	54,670,107	26,268,861

Money Matters Securities Private Limited

PARTICULARS	As at 31/3/2008 (Rupees)	As at 31/3/2007 (Rupees)
<u>SCHEDULE '8' CURRENT LIABILITIES & PROVISION:</u>		
Sundry Creditors	93,430,768	-
Sundry Creditors for Expenses	1,427,411	15,000
Provision for Taxation (Net of Tax Paid)		
Assessment Year 2007-08	97,700	116,000
Assessment Year 2008-09	3,200,000	-
Provision for FBT (Net of Tax Paid)		
Assessment Year 2008-09	22,800	-
Total	98,178,679	131,000
<u>SCHEDULE '9' MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Pre Operative Expenses	745,356	745,356
Less: Written off	149,071	-
	596,285	745,356
Preliminary Expenses	1,920,390	695,390
Less: Written off	384,078	-
	1,536,312	-
Total	2,132,597	1,440,746
<u>SCHEDULE '10' DIRECT COST :</u>		
Lease Line Charges	112,400	-
Software Running Exp	825,740	-
Exchange & Statutory Charges	1,698,240	-
V-Sat Exp	76,940	-
Total	2,713,320	-

Money Matters Securities Private Limited

PARTICULARS	As at 31/3/2008 (Rupees)	As at 31/3/2007 (Rupees)
<u>SCHEDULE '11' EMPLOYEE COST :</u>		
Salaries	2,557,161	-
House Rent Allowance	96,253	-
Conveyance Allowance	84,500	-
Medical Allowance	43,750	-
Contribution to Provident fund	8,586	-
Staff Welfare Exp.	67,951	-
Motor Car Expenses	218,450	-
Staff Recruitment Exp	922,000	-
Total	3,998,651	-
<u>SCHEDULE '12' ADMINISTRATIVE & OTHER EXPENSES :</u>		
Director's Remuneration	1,185,471	781,250
Conveyance Expenses	34,979	-
Printing & Stationery	102,330	830
Telephone Expenses	58,072	-
Internet Expenses	55,865	-
Professional Fees	4,050	-
Auditor's Remuneration	50,000	15,000
Rent	150,000	-
Rates & Taxes	31,864	6,500
Electricity Charges	23,775	-
Insurance Exp	146,473	-
Repair & Maintenances	24,625	-
Postage & Courier Exp	39,257	-
Office & Miscellaneous Expenses	37,225	-
Total	1,943,986	803,580
<u>SCHEDULE '13' FINANCIAL CHARGES :</u>		
Interest on Loan	536,986	-
Bank Guarantee Charges	2,737,102	-
Bank Charges & Commission-Other	29,128	7,739
Total	3,303,216	7,739

Money Matters Securities Private Limited

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 prorata 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. VALUATION OF INVENTORIES

Inventories are being valued at cost or net realizable value whichever is lower.

6. RETIREMENT BENEFITS:

- (i) Contributions of the Company to the Provident Fund for the year has been charged to the Profit & Loss account.
- (ii) 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.

7. TREATMENT OF CONTINGENT LIABILITIES

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

8. MISCELLANEOUS EXPENDITURE

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

9. 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.

Money Matters Securities Private Limited

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 2300 Lacs (Previous Year Nil) (The guarantee is backed by fixed deposit placed by the Company with the Banks of Rs. 1000 lac).

4. (i) The market value of the quoted investments are based on the quotation of Bombay Stock Exchange at the close of the year.
- (ii) Provision for the diminution in the value of quoted investment has not been made because in the opinion of the management the diminution in the prices of investments are temporary in nature.
5. Auditors Remuneration :

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fee	35,000/-	15,000/-
Tax Audit Fee	10,000/-	NIL
Certification Work	5000/-	NIL
Total	50,000/-	15,000/-

6. 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.
7. Sundry Debtors includes Rs. 396.60 lac but not due (Pre.Year Nil) from M/s Money Matters Advisory Services Limited a company in which director is interested as director and maximum debit balance outstanding during the year was Rs. 396.60 lac (Previous Year Nil) .
8. During the year under review the company has sanctioned/availed following financial facilities from banks :-

Nature of Facility		Bank of India	Union Bank of India
Bank Gtee Limit	Sanctioned Utilised	Rs. 2000 Lacs Rs. 1500 Lacs	Rs. 800 Lacs Rs. 800 Lacs
Loan Against Shares	Sanctioned Utilised	Rs. 2000 Lacs NIL	Rs. 500 Lacs NIL

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

Money Matters Securities Private Limited

PART : A :

- (i) The Company is Subsidiary Company of M/s Dover Securities Limited.
- (ii) Shri Rajesh Sharma (Director) is Key managerial Person.
- (iii) Shri Sanjay Sharma is Director.
- (iv) Shri Nitin Khivasara is Director.
- (v) Smt. Seema Sharma is a related person where transactions have took placed.
- (vi) Followings are the related companies where transactions have took placed :-
 - a. Money Matters Infrastructure Private Limited.
 - b. Money Matters Advisory Services Limited
 - c. Money Matters (India) Private Limited

PART : B :

Transaction with an the above are furnished below:

Nature of Transaction	Current Year Rs. In Lac	Previous Year Rs. In Lac
a.) Directors Remuneration (Expenses)		
1. Mr. Sanjay Sharma	1.50	0.81
2. Mr. Nitin Khivasara	10.35	0.00
3. Smt. Seema Sharma (Since Resigned)	0.00	7.00
b.) Rent (Expenses)		
Money Matters Infrastructure Pvt. Ltd.	1.50	0.00
c) Brokerage (Income)		
Money Matters Advisory Services Limited	0.67	0.00
Money Matters (India) Private Limited	40.41	0.00
Dover Securities Limited	0.19	0.00
Rajesh Sharma	0.03	0.00

Money Matters Securities Private Limited

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

Particulars	Year Ended on 31 st March, 2008 (Rs.)	Year Ended on 31 st March, 2007 (Rs.)
Profit After Tax	2,80,78,703	3,72,855
Weighted Average Number of Equity shares (Nominal value Rs. 10/) each.	62,00,000	62,00,000
Basis (Nos.) Diluted -	Rs. 4.53	Rs. 0.06
Basic/Diluted Earning Per Shares	Rs. 4.53	Rs. 0.06

- 11 (i) The Company mainly engaged in the business of Equity Broking 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.
12. 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)

Money Matters Securities Private Limited

CASH FLOW STATEMENT

Particulars	Amt.in Rs.
A CASH FLOW FROM OPERATION ACTIVITIES	
Net Profit Before Tax	34349360
Adjustment For :	
Depreciation	738116
Misc. Expl W/o	533149
Interest Received	(5622530)
Dividend Received	(1689434)
Short Term Capital gain	(22051190)
Net Change in W/C	(5379062)
NET CASH FLOW from Operating Activities (A)	878410
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of Fixed assets	(23119463)
Change in Investments	14072768
Interest Received	5622530
Dividend Received	1689434
Short Term Capital Gain	22051190
NET CASH FLOW from Investing Activities (B)	20316459
C CASH FLOW FROM FINANCIAL ACTIVITIES	
Share Application Money	138000000
Increased in Preliminary Exp	(1225000)
Cash Flow from Financial Activities	136775000
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	157969869
Add : Opening Balance of Cash and Cash Equivalents	4725248
CLOSING CASH & CASH EQUIVALENTS (A+B+C)	162695117

Note : Cash & Cash Equivalents include :

- Cash in Hand
- Balance balance in Current A/C
- Balance balance in FD A/C

For VISHNU SARAF & ASSOCIATES
Chartered Accountants

V. K. Saraf
Proprietor
Place : Mumbai
Date : 11/04/2008

For and on behalf of the Board

Rajesh Sharma
Managing Director

Nitin Khivasara
Executive Director

Money Matters Securities Private Limited

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

I. Registration Details

Registration No. : 161153 of 2006 State Code : 11
Balance Sheet Date : 31-03-2008

II. Capital raised during the year (Rs. In. Thousand)

Public Issue NIL Right Issue : NIL
Bonus Issue NIL Private Placement : NIL

III. Position of Mobilisation and Deployment of funds (Rs. In. Thousand)

Total Liabilities	228,993	Total Assets	228,993
<u>Sources of funds</u>		<u>Applicable of funds</u>	
Paid up Capital	62,000	Fixed Assets	22,381
Reserve & Surplus	28,452	Investments	15,996
Share Application	138,000	Net Current Assets	188,483
Deffered Tax	542	Miscellaneous Exp.	2,133
Total	<u>228,993</u>	Total	<u>228,993</u>

IV. Performance of Company (Rs. In. Thousand)

Turnover and other Income 47,753
Total Expenditure 13,403
Profit/(Loss) before tax 34,349
Profit/(Loss) after tax 28,079
Earning per shares (Rs.) 4.53
Dividend Rate % -

V. Generic names of Three Principal Products/Services of Company.
(as per monetary terms)

Item Code No. : N.A.
Production Description : Equity Broking

Signatures to schedules 1 to 15

As per our attached report of even date
For VISHNU SARAF & ASSOCIATES
Chartered Accountants

V. K. Saraf
Proprietor
Place : Mumbai
Date : 11/04/2008

For and on behalf of the Board

Rajesh Sharma
Managing Director

Nitin Khivasara
Executive Director

AUDITOR'S REPORT

To,

The Board of Directors on the consolidated financial statement of Dover Securities Limited and its subsidiaries

1. We have audited the attached Consolidated Balance Sheet of **DOVER SECURITIES LIMITED**, and its subsidiaries ("**the DOVER SECURITIES GROUP**") as at March 31st, 2008, 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 subsidiary namely, Money Matters Securities Private Limited whose financial statements reflect total assets of Rs. 226860818/- As at 31st March, 2008, total revenues of Rs. 325252/- and the cash outflow being Rs. 26196644/- for the period 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 this subsidiary is based solely on the report of the other auditors.
4. We report that the consolidated financial statement have been prepared by the Company 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', issued by the Institute of Chartered Accountants of India, on the basis of the separate audited financial statements of the Dover Securities Group included in the consolidated financial statements.
5. In our opinion and to the best of our information and explanations given to us and on consideration of the separate audit report on individual audited financial statements of the Dover Securities Group, we are of the opinion that the said 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 Dover Securities Group as at 31st March, 2008;
 - (b) in the case of the Consolidated Profit & Loss Account, of the consolidated results of operations of the Dover Securities Group for the year ended on that date; and
 - (c) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Dover Securities Group for the year ended on that date.

For **AGARWAL GUPTA NOKARI &**

RUSTAGI ASSOCIATES
Chartered Accountants

(B.C.KHAITAN)
Partner
Membership No.17387

Place:Kolkata
Dated:18/04/08

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	AS AT 31.03.2008 RS.
I. SOURCE OF FUNDS		
SHARE HOLDERS FUND		
Share Capital	1	90,002,000
Reserves & Surplus	2	232,785,677
Unsecured Loans	3	600,000,000
Deferred Tax Liabilities		588,393
		923,376,070
II. APPLICATION OF FUNDS		
Fixed Assets	4	
Gross Block		23,276,463
Less: Depreciation		744,046
Net Block		22,532,417
INVESTMENTS	5	186,009,646
CURRENT ASSETS, LOANS & ADVANCES		
Inventories	6	82,900
Sundry Debtors	7	69,296,694
Cash & Bank Balances	8	183,741,962
Other Current Assets	9	35,121,388
Loans & Advances	10	542,242,486
		830,485,430
LESS: CURRENT LIABILITIES & PROVISIONS		
Liabilities	11	96,312,820
Provision	12	23,711,200
		120,024,020
NET CURRENT ASSETS		710,461,410
Miscellaneous expenditure (To the extent not written off)	13	4,372,597
		923,376,070
ACCOUNTING POLICIES	20	
NOTES ON ACCOUNTS	21	

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

(B. C. KHAITAN)
Partner
Membership No.17387
Place: Kolkata
Dated: 18/04/08

For and on behalf of the Board

RAJESH SHARMA
Chairman

SURESH GATTANI
Whole Time Director
Place: Mumbai
Dated:18/04/08

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

Schedule		FOR THE YEAR ENDED 31.03.2008 Rs.
I. INCOME		
Income from Trading Shares & Securities	14	27,078,556
Stock Broking Income		219,203
Income from Interest(Gross) (TDS for the year Rs. 3761735 Previous Year Rs. 698711)		16,073,886
Financial services activities (TDS for the year Rs. 4086455 Previous Year Rs. Nil)		32,100,000
Other Income	15	2,644,844
		78,116,489
II. EXPENDITURE		
Stock Broking Operational Expenses	16	75,211
Payment to Employees	17	351,924
Administrative & Other Expenses	18	2,045,448
Financial Charges	19	12,523,535
Loss on Sale of Fixed Assets		40,750
Depreciation		112,882
		15,149,750
III. PROFIT BEFORE TAXATION (I-II)		62,966,739
Less: Provision for Taxation		(20,323,000)
Less: FBT		(5,150)
Add/(Less):Deferred Tax		56,227
		42,694,816
Add : Prior Period Adjustment		-
Add/(Less) : Income Tax Adjustment		81
Profit After Taxation		42,694,897
Less:Transferred to Reserve Fund in terms of Section 45 IC(1) of the Reserve Bank of India Act,1934		8,530,051
IV. NET PROFIT		34,164,846
Add: Balance Brought Forward		1,443,619
Balance carried to Balance Sheet		35,608,465
ACCOUNTING POLICIES	20	
NOTES ON ACCOUNTS	21	

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

(B. C. KHAITAN)
Partner
Membership No.17387
Place: Kolkata
Dated: 18/04/08

For and on behalf of the Board

RAJESH SHARMA
Chairman

SURESH GATTANI
Whole Time Director
Place: Mumbai
Dated:18/04/08

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

PARTICULARS	ASAT 31.03.2008
Rs.	Rs.

SCHEDULE-1

SHARE CAPITAL

Authorised

45250000 Equity Shares of Rs.10/- Each 452500000

Issued, Subscribed & paid up

9000200 Equity Shares of Rs.10/- Each fully paid up 90002000

90002000

SCHEDULE-2

	ASAT 01-04-2007	Additions	Deductions	ASAT 31-03-2008
--	--------------------	-----------	------------	--------------------

RESERVES & SURPLUS

Capital Reserve on Consolidation	-	28,406,916	-	28,406,916
Share Premium Account	-	160,000,000	-	160,000,000
Reserve Fund in term of Section 45 I C(1) of the Reserve Bank of India Act,1934	240,244	8,530,051	-	8,770,295
Less: Provisions, per contra	_____	_____	_____	_____
	240,244	196,936,967	-	197,177,211
Retained Earnings	<u>1,443,619</u>	<u>34,164,846</u>	-	<u>35,608,465</u>
Total	<u>1,683,863</u>	<u>231,101,813</u>	-	<u>232,785,677</u>
Previous Year	NA	NA	NA	NA

NOTES:

(a) Additions to retained earnings represents Rs. Nil Transferred from profit and loss account.

(b) Retained earnings comprises of general reserves and Profit and Loss Account balances.

SCHEDULE-3

UNSECURED LOANS

Inter Corporate Loans 600,000,000

600,000,000

SCHEDULE-4
FIXED ASSETS

(Amount in Rs.)

DOVER
Securities Limited

PARTICULARS	GROSS BLOCK							DEPRECIATION			NET BLOCK	
	AS ON 01.04.2007	Addition on account of Conso- lidation	ADDITION	DEDUCT- IONS	AS ON 31.03.2008	UPTO 01.04.07	For the Period till Conso- lidation	For the Year	DEDUCT- IONS	AS ON 31.03.2008	AS ON 31.03.2008	AS ON 31.03.2007
Motor Cars	694111	0	-	694111	0	438361	0	9308	447,669	0	0	255750
Computers	495294	3811650	117000	495294	3928650	381014	446380	50091	421158	456327	3472323	114280
Electronic Typewriter	8791	-	-	8791	0	5091	0	209	5,300	0	0	3700
Office Equipments	97381	1270843	40,000	97381	1310843	31365	12831	5143	33,678	15661	1295182	66016
Refrigerators	51544		-	51544	0	23666	0	1224	24,890	0	0	27878
Fax Machine	29200		-	29200	0	13314	0	694	14,008	0	0	15886
Air Conditioner	130200			130200	0	43302	0	3092	46,394	0	0	86898
Electrical Appliance	14795		-	14795	0	6396	0	351	6,747	0	0	8399
Electrical Fittings	32269		-	32269	0	4270	0	1022	5,292	0	0	27999
Furniture & Fixture	209922	18036970	-	209922	18036970	26567	236954	41748	33,211	272058	17764912	183355
Total	1763507	23119463	157000	1763507	23276463	973346	696165	112882	10,38,347	744046	22532417	790161
Previous Year	1724307	0	39200	0	1763507	926670	0	137695	91,019	973346	790161	797637

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

PARTICULARS	AS AT 31.03.2008
Rs.	Rs.
<u>SCHEDULE-5</u>	
INVESTMENTS	
Long Term :	
100 Dena Bank Lower Tier II Bonds	100,000,000
6376391.25 Units of LIC Mutual Fund Liquid Fund	70,013,414
Fully Paid Equity Shares of other Companies	15,996,232
	<u>186,009,646</u>
<u>SCHEDULE-6</u>	
INVENTORIES	
(As Certified by the Management)	
	31.03.2008
	Qty. Value Rs.
A. QUOTED	
Centurion Bank of Punjab Ltd.	4,900 81,100
Vardhman Lab Ltd.	300 1,800
(Market Value of quoted Investments Rs. 213714/-)	
Total	<u>5,200 82,900</u>
<u>SCHEDULE-7</u>	
SUNDRY DEBTORS	
More than Six Months	-
Other Debts	69,296,694
	<u>69,296,694</u>
<u>SCHEDULE-8</u>	
CASH & BANK BALANCES	
Cash in hand	176,050
Balances with Scheduled Banks in Current Accounts	77,565,912
Balances with Scheduled Banks in Fixed Deposits	106,000,000
	<u>183,741,962</u>
<u>SCHEDULE-9</u>	
OTHER CURRENT ASSETS	
Security & Other Deposit	34,238,140
Prepaid Expenses	878,219
Service Tax Assets	5,029
	<u>35,121,388</u>

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

PARTICULARS	AS AT 31.03.2008
Rs.	Rs.
SCHEDULE- 10	
LOANS & ADVANCES	
(Unsecured, Considered Good, Advances are recoverable in cash or in kind or for value to be received)	
Advances recoverable in cash or in kinds	19,857,081
Loans	501,000,400
(Includes Rs. 50,00,00,000/- to Associate Company Money Matters Advisory Services Limited as of 31-3-08)	
Advance Payment of Income Tax (Including Tax Deducted at Source)	21,385,005
	<u>542,242,486</u>
SCHEDULE- 11	
LIABILITIES	
Sundry Creditors	93,430,768
Sundry Creditors for Expenses	2,882,052
	<u>96,312,820</u>
SCHEDULE- 12	
PROVISIONS	
Provision for Taxation	23,649,800
Provision for FBT	61,400
	<u>23,711,200</u>
SCHEDULE- 13	
Miscellaneous Expenditure (To the extent not written off)	
Pre-Operative Expenditure	596,285
Preliminary Expenses	3,776,312
	<u>4,372,597</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Schedule	FOR THE YEAR ENDED 31.03.2008 Rs.
SCHEDULE-14	
INCOME FROM SHARES & SECURITIES	
Sale of shares & securities	2108668184
Loss in arbitrage of Shares	(2158023)
Income from Futures & Options	1081638
Closing Stock	82900
Sub Total	<u>2107674698</u>
Less:	
Opening Stock	22370921
Purchases	2056393968
Delivery & Brokerage Charges	6250
Depository Charges	758797
Service Tax, Ed Cess & TOT Charges	3919
Stamp Duty	671015
Transaction Charges	391271
Sub-Total	<u>2080596142</u>
	<u>27078556</u>
SCHEDULE-15	
OTHER INCOME	
Dividend Received	481
Dividend Received on Mutual Fund	1,782,523
Interest on I.T.Refund	18,441
Short Term Capital Gain Mutual Funds	196
Bank Interest	5,361
Brokerage	74,088
Interest on Bank Fixed Deposits	434,302
Interest on Bonds	329,452
	<u>2,644,844</u>
SCHEDULE-16	
Stock Broking Operational Expenses	
Clearing & Settlement Charges	69,650
SEBI Turnover Fees	5,561
	<u>75,211</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Schedule	FOR THE YEAR ENDED 31.03.2008 Rs.
SCHEDULE-17	
PAYMENT TO EMPLOYEES	
Salaries & Bonus	340,687
Staff Tea & Tiffin at Office	11,237
	351,924
SCHEDULE-18	
ADMINISTRATIVE & OTHER EXPENSES	
Rent	144,918
Postage & stamps	7,690
Printing & Stationery	17,970
Insurance	1,605
Conveyance Expenses	4,439
Electricity Expenses	1,548
Internet Expenses	142
Telephone Expenses	5,754
Computer Maintenance	363
Professional Fees	31,000
Filing Fees	209,550
Advertisement Expenses	18,804
Rates & Taxes	3,695
General Expenses	13,533
Custodial Fees	26,730
Books & Periodicals	4,376
Listing Fees	93,000
Share Registrar Expenses	6,778
Business Promotion Expenses	16,855
Motor Car Expenses	42,200
Audit Fees	47,500
Remuneration to Directors	641,456
Preliminary & Pre Op expenses w/off	565,843
Office Expenses	9,312
Directors Sitting Fees	103,500
Meeting Expenses	2,000
Travelling Expenses	22,769
Securities Transaction Tax	2,118
	2,045,448
SCHEDULE-19	
FINANCIAL CHARGES	
Bank Charges	60,485
Interest on Loan	11,709,352
Financial Charges	3,398
Franking Charges	750,300
	12,523,535

SCHEDULES TO THE ACCOUNTS

20. ACCOUNTING POLICIES

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

The consolidated financial statements relate to Dover Securities Limited (the parent Company), its subsidiary Money Matters Securities Private Limited. The Parent Company with its Subsidiary constitute the Group.

- i) The financial Statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e. year ended 31st March, 2008.
- ii) The Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted Accounting principles and the provisions of the Companies Act, 1956 as adopted by the Company. The same are prepared on a going concern basis.
- iii) The Company follows Mercantile System of Accounting and recognises income and expenditure on Accrual Basis.
- iv) Estimates and Assumptions used in the preparation of the Financial Statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date.
- v) The accounts of the Indian Subsidiary is 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 subsidiary 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 therefrom 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 subsidiary have been consolidate using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) The share of equity in the subsidiary companies as on the date of investments, is in excess of cost of investments of the Company, it is recognized as 'capital reserve' and shown under the head Reserves and Surplus, in the consolidated financial statements.

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:

- i) Quoted shares: Quoted shares & securities held as Stock -In -Trade are valued at cost or market value, as per prudential norms Directions(RBI) the block valuation method for accounting.
- ii) Unquoted shares : Unquoted shares & securities held as Stock -In-Trade are valued at cost or Book value as per prudential norms Directions(RBI)the block valuation method for accounting.

F) Revenue Recognition:

- i) Sales Comprises Sales of Securities and are recognized on passing of property in the goods.
- ii) Dividend income from Investments is recognized when the Company's right to receive payment is established.
- iii) Interest Income is recognized on a time proportion basis depending upon amount outstanding and the rate applicable.

G) Recognition of Income & Expenditure:

Income and Expenditure are accounted for on accrual basis.

H) Income Tax

- i) The Current charge for Income Tax is based on the tax liability computed after considering tax allowances and exemptions.
- ii) Deferred Tax assets or liability is recognized for timing differences between the profit as per Financial Statements and the Profit offered for Income Taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax asset or liability is recognized only for those timing differences that originate during the tax holidays period but reversed after the tax holidays period. Deferred Tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

I) Provision Against NPA's:

The Company, being a Non-Banking Financial Company, comes under the purview of the guidelines for Prudential norms prescribed by the RBI. As a result, the following policies have been followed by the Company.

- a) Income is not recognized in respect of Non-performing Assets, if any.
- b) As per the guidelines for prudential norms prescribed, the company makes provision against Non-performing Assets (NPA), if any.

J) Retirement/Terminal benefits

Provision has been made in the books of Account for the Gratuity payable to company's employees at the year end, if applicable.

K) Contingent Liabilities

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

L) Miscellaneous Expenditure

Preliminary and Deferred Revenue Expenditure are amortised over a period of 5 years.

SCHEDULES TO THE ACCOUNTS

21. NOTES ON ACCOUNTS

1. Contingent Liabilities Not provided for:

Guarantees given by the banks on behalf of the Group for 2300 Lacs (Previous Year Nil) (The guarantee is backed by fixed deposit placed by the Company with the Banks of Rs. 1000 lac).

2. 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.

3. **Remuneration to the Directors Includes:**

	31.03.2008
Salary to Managing Director	22000
Gratuity to Managing Director	33000
Salary to Executive Director	25000
Gratuity to Executive Director	30000
Salary to Whole Time Director	519995
Salary to Executive Director	11461
	641456

4. 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.

5. Provision for Gratuity is not made as the provisions of the Act are not applicable to the Company for the Current year.

6. 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 traded goods

			31.03.2008
Description	Unit	Quantity	Value Rs.
A. Opening Stock:			
Shares	Nos.	265270	22370921
B. Purchases:			
Shares	Nos.	8161032	2056393968

C. Sales:

Shares	Nos.	8421102	2108668184
--------	------	---------	------------

D. Consolidated/Reduced

Shares	Nos.	(—)	—
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E. Closing Stock:

Shares	Nos.	5200	82900
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7. 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)

	Up to 31.03.07	For the Current Year	Total as at 31.03.2008
Deferred Tax Liabilities:			
Tax impact of difference between carrying amount of Fixed Assets in Financial Statement and Income Tax Return.	102763	485630	588393

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.

INFORMATION ABOUT BUSINESS SEGMENT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	Shares & Securities	Financing Activity	Financial Advisory Services	Stock Broking Activity	Unallocated	Year Ended 31-03-2008
Segment Revenue	27079036	18625720	32174088	219203	18441	78116489
Less Inter segment Revenue	0	0	0	0	0	0
Total	27079036	18625720	32174088	219203	18441	78116489
RESULT						
Segment Results	24750980	6137796	32138548	(38257)	(22329)	62966739
Provision for Tax	0	0	0	0	(20323000)	(20323000)
Provisions for FBT	0	0	0	0	(5150)	(5150)
Deferred Tax	0	0	0	0	56227	56227
Income Tax Adjustments	0	0	0	0	81	81
Prior Period Adjustments	0	0	0	0	0	0

Total Results	24750980	6137796	32138548	(38257)	(20294171)	42694897
Capital employed						
Segment Assets	16226653	692061955	7281	212997183	2082999	923376070
Segment Liabilities	0	600000000	0	541857	46536	600588393
Net Segment Assets	16226653	92061955	7281	184003768	2036463	322787677
Other Information						
Capital Expenditure	153311	1347	2340	41680	1	198680
Depreciation	69264	609	1057	41951	1	112882

Notes:

This being the first year of consolidation, previous years figures for the segment reporting is not available and hence not provided.

BUSINESS AND GEOGRAPHICAL SEGMENTS

i) **Business Segments:**

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

- (A) Trading in Shares & Securities
- (B) Financing Activity
- (c) Financial Advisory Services and
- (D) Stock Broking Activity

ii) **Geographical Segments:**

The Company's business is concentrated in similar Geographical political and economic condition, hence, Geographical Segment reporting is not applicable.

iii) **Segment Revenue and Expenses:**

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.

iv) **Segment Capital Employed:**

Segment Capital employed represents the net assets in that Segment. It excludes Capital reserve and tax related assets.

v) **Inter Segment transfers:**

There is no Segment transfer between business Segment and Geographical Segment.

vi) **Unusual Item:**

Nil

vii) **Extraordinary Loss/Income:**

Nil

9. Related Party Transactions:

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:

Sr No.	Name of the Related Party	Relationship
1	Money Matters Securities Private Limited	Wholly Owned Subsidiary w.e.f. 28-03-2008

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

Key Management Personnel and their Relatives:

- | | | |
|---|------------------------|-----------------------------|
| 1 | Mr. Suresh Gattani | Whole Time Director |
| 2 | Mr. Ramautar Agarwalla | Managing Director |
| 3 | Mr. Amar Agarwalla | Executive Director |
| 4 | Mr. Nitin Khivasara | Executive Director of MMSPL |
| 5 | Mr. Sanjay Sharma | Director of MMSPL |

Other Related Parties

- 1 Money Matters Advisory Services Limited
- 2 Money Matters (India) Private Limited
- 3 Money Matters Properties Private Limited
- 4 Rolesoft Properties Private Limited
- 5 Dnyaneshwar Trading & Investments Private Limited

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

Sr No.	Nature of Transaction/relationship/major parties	2007-08
1	Subscription to Equity Shares	
	Subsidiaries	
	Money Matters Securities Private Limited	62000000

2	Interest Expenses	
	Money Matters Properties Private Limited	888189
	Rolesoft Properties Private Limited	331082
	Dnyaneshwar Trading & Investments Private Limited	4130419
3	Interest Income	
	Money Matters (India) Private Limited	213024
	Money Matters Advisory Services Limited	14075930
4	Brokerage Paid	
	Subsidiaries	
	Money Matters Securities Private Limited	19388
5	Payment of Salaries Commission and perquisites	
	Key Management Personnel	
	Mr. Suresh Gattani	519995
	Mr. Suresh Gattani Perquisites	13333
	Mr. Ramautar Agarwalla (including Gratuity Paid)	55000
	Mr. Amar Agarwalla (including Gratuity Paid)	55000
	Mr. Nitin Khivasara	11461

D. Amount due to / from related parties:

Sr No.	Nature of Transaction/relationship/major parties	2007-08
1	Loans & Advances Receivable	
	Other Related Party	
	Money Matters Advisory Services Limited	500000000
	Key Management Personnel	
	Suresh Gattani	500000
2	Sundry Debtors Receivable	
	Other Related Party	
	Money Matters Advisory Services Limited	39660748

10. Earning per share:

Earning per share is calculated as per Accounting Standard 20 issued by the Institute of Chartered

Accountants of India. The reconciliation of number of shares used in computing basic and diluted earning per share is as below:-

	Unit	2007-2008
a) Amount used as the numerator profit after taxation	Rs.	42694897
b) Number of Shares listed as the denominator	Nos.	9000200
c) Nominal value of Shares	Rs.	10
d) Earning per Share	Rs.	4.74

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

Particulars (Rs. in lakhs)

Liabilities Side

1 Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:

	Amount Outstanding	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	6,000.00	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (Specify nature)	-	-
Total	6,000.00	-

Assets Side

2 Breakup of Loans and Advances including bills receivables (other than those included in (4) below):

	Amount Outstanding
a) Secured	
b) Unsecured	6,595.11

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) 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	-
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	620.00
(b) Preference	-
ii) Debentures and Bonds	1,000.00
iii) Units of mutual funds	700.13
iv) Government Securities	-
v) Others (please specify)	-

5 **Borrower groupwise classification of assets financed as in (2) and (3) above:**

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	1,380.00	1,380.00
b) Companies in the same group	-	5,005.00	5,005.00
c) Other related parties	-	-	-
2. Other than related parties	-	210.11	210.11
Total	-	6,595.11	6,595.11

6 **Investor groupwise 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	620.00	620.00
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	1,700.96	1,700.96
Total	2,320.96	2,320.96

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	-	-

12. 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.

13. Sundry Debtors includes Rs. 396.60 Lacs but not due (Previous Year Nil) from M/s Money Matters Advisory Services Limited a company in which director is interested as director and maximum debit balance outstanding during the year was Rs. 396.60 Lacs (Previous Year Nil).

14. Corresponding Figures of the previous year have not been given as this is the first year of consolidation.

Signature to Schedule '1' to '21'

As per Our Report Annexed:

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

For and on behalf of the Board
RAJESH SHARMA
Chairman

(B. C. KHAITAN)
Partner
Membership No.17387

SURESH GATTANI
Whole Time Director

Place: Kolkata
Dated: 18/04/08

Place: Mumbai
Dated:18/04/08

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	2007-2008
Cash Flow From Operating Activities	
Profit Before Taxation & Extraordinary Items	62,966,739
Add:	
Depreciation	112,882
Miscellaneous Expenses W/off	565,843
Loss on sale of Fixed Assets	40,750
Less:	
Preliminary Expenses Incurred	(2,800,000)
Dividend Received	(1,783,004)
Operating Profit	59,103,210
Adjustment For:	
(Increase)/Decrease in Sundry Debtors	(68,977,384)
(Increase)/Decrease in Stock-in-trade	22,288,021
(Increase)/Decrease in Loans & Advances	(515,610,418)
(Increase)/Decrease in Other Current Assets	(35,109,517)
Increase/(Decrease) in Current Liabilities	96,261,986
Increase/(Decrease) in Provisions	23,577,500
Income Tax Adjustment	81
Direct Taxes Paid	(20,323,000)
FBT Paid	(5,150)
Net Cash Generated From Operation before Extraordinary Items	(438,794,671)
Less: Extraordinary items (Net of Tax)	-
Net Cash Generated From Operations	(438,794,671)
Cash Flow From Investing Activities	
Purchase of Fixed Assets	(198,680)
(Increase)/Decrease in Investments	(186,009,646)
Sale of Fixed Assets	684,411
Dividend Received	1,783,004

Net Cash Flow Used In Investing Activities	(183,740,911)
Cash Flow From Financing Activities	
Increase/(Decrease) in Unsecured Borrowings	600,000,000
Increase/(Decrease) in Share Capital	40,000,000
Increase/(Decrease) in Share Premium	160,000,000
Net Cash Flow From Financing Activities	800,000,000
Net Cash Flow Generated During the year from all activities	177,464,418
Net Increase/Decrease in Cash & Cash Equivalents	
Opening Cash & Cash Equivalents	6,277,544
Closing Cash & Cash Equivalents	183,741,962
Net Increase/Decrease in Cash & Cash Equivalents	177,464,418

Notes:

1. The cash flow statement has been prepared under the 'indirect method' as set out in Accounting Standard (AS) 3 'Cash Flow Statements.'
2. Figures for the previous year have not been provided for as this is the first period of consolidation

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

(B. C. KHAITAN)
Partner
Membership No.17387

Place: Kolkata
Dated: 18/04/08

For and on behalf of the Board

RAJESH SHARMA
Chairman

SURESH GATTANI
Whole Time Director

Place: Mumbai
Dated:18/04/08

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DOVER SECURITIES LIMITED

Reg. Off. : 1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines, Mumbai-400 020.

ATTENDANCE SLIP

(To be presented at the entrance)

Regd. Folio No./Client ID No. _____

No. of shares held _____

DP ID No. _____

I certify that I am a Member/Proxy for the member of the Company.

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the Company to be held at 1-B, Court Chambers, 35, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai-400020 on Saturday the 13th day of September, 2008 at 10.00 a.m.

Member's/ Proxy's name in BLOCK Letters

Signature of Member/Proxy

NOTE : Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting.
Members are requested to bring their copies of the Annual Report to the meeting.

----- ✂ ----- Tear Here ----- ✂ -----



DOVER SECURITIES LIMITED

Reg. Off. : 1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines, Mumbai-400 020.

PROXY FORM

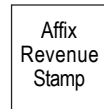
Reg. Folio No. /Client ID No. _____

DP ID No. _____

I/We..... of
..... being a member/members of the above named Company
hereby appointof.....or failing
him of as my/our proxy
to vote for me/us on my/our behalf at the FOURTEENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday
the 13th day of September, 2008 at 10.00 a.m. and at any adjournment(s) thereof.

Signed this day of 2008.

Signature.....



NOTE : This proxy form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 HOURS BEFORE the meeting.

U. C. P.

If undelivered, please return to:

DOVER SECURITIES LIMITED

1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai-400 020.

CRYSTAL (022) - 6614 0900
cfl_mum@crystalforms.com