



MANSI
FINANCE (CHENNAI) LTD.

For Information
Director

14th Annual Report 2007 - 2008

MANSI FINANCE (CHENNAI) LIMITED

Regd. Off: 'Mansi Mansion', 22B Mulla Sahib Street,
Sowcarpet, Chennai – 600 079.

PROXY FORM

I/We _____ of _____ being a member(s) of Mansi Finance (Chennai) Limited, hereby appoint _____ of _____ of failing him/her _____ 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 Tuesday, 30th day of September 2008 at 09.30 a.m. at the Registered Office of the Company at 'Mansi Mansion', No. 22-B, Mulla Sahib Street, Sowcarpet, Chennai – 600 079, and at any adjournment thereof.

Signed this _____ day of _____ 2008 Address:

Revenue
Stamp

Membership Folio No.

Signature _____
No. of shares held

- Note: 1. The Proxy must be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the meeting.
2. Proxy need not be a member.

MANSI FINANCE (CHENNAI) LIMITED

Regd. Office: 'Mansi Mansion', 22B Mulla Sahib Street,
Sowcarpet, Chennai – 600 079.

I hereby record my presence at the Thirteenth Annual General Meeting of the Company to held on Friday, 30th September, 2008 at 09.30 A.M. at the Registered Office of the Company at 'Mansi Mansion', 22-B Mulla Sahib Street, Sowcarpet, Chennai-600 079.

Signature _____

Full Name of the Member/Proxy

Note: Member attending the meeting in person are requested to complete the attendance slip and hand it over the entrance of the meeting hall.

NOTICE

Notice is hereby given that the **Fourteenth Annual General Meeting** of **MANSI FINANCE (CHENNAI) LIMITED** will be held on **Tuesday**, the **30th day of September, 2008** at **9.30 a.m.** at the Registered office of the Company at '**Mansi Mansion**', **No. 22-B, Mulla Sahib Street, Sowcarpet, Chennai – 600 079**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss Account along with schedule forming part there to for the year ended 31st March, 2008 and Report of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Shri. **BHUPAT L THAKKAR** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration from the conclusion of this meeting until the conclusion of next Annual General Meeting. M/s. SIROHIA & CO, Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment.

By order of the Board
For Mansi Finance (Chennai) Limited

Place: Chennai
Date: 30-06-2008

Suresh Bafna
Chairman & Managing Director

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 such proxy need not be member of the Company.
2. Proxies in order to be effective must be received at the registered office of the Company at No. 22-B, Mulla Sahib Street, Sowcarpet, Chennai – 600 079, at any time but not less than 48 hours before the meeting. A format of proxy is enclosed.
3. The Register of Members and Share Transfer Books will be closed from Wednesday, the 24th September, 2008 to Tuesday, the 30th September, 2008 (both days inclusive).

By order of the Board

Suresh Bafna

Chairman & Managing Director

Place: Chennai

Date : 30-06-2008.

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Fourteenth Annual Report and Audited Accounts for the year ended 31st March, 2008. The summarised financial results of the Company, are given hereunder:

FINANCIAL RESULTS:

Particulars	Year ended 31 st March 2008 (Rs. In lakhs)	Year ended 31 st March 2007 (Rs. In lakhs)
Profit before Depreciation & Tax	26.87	57.38
Less: Depreciation	<u>4.06</u>	<u>3.25</u>
	22.81	54.13
Less: Provision for Income Tax	9.50	15.00
Less: Fringe Benefit Tax	0.55	-
Less: Income Tax (Previous Year)	3.89	11.03
Less: Fringe Benefit Tax (Py)	<u>0.70</u>	<u>0.58</u>
Net Profit For The Year	8.17	27.54
Add: Balance Brought Forward From Previous Year	<u>109.35</u>	<u>81.81</u>
Balance Carried Forward To Balance Sheet	117.52	109.35

DIVIDEND:

Since your Board is looking forward to expand the business of the Company and hence your Directors do not recommend any dividend for the year under report.

DEPOSITS:

The Company has not accepted any public deposits during the year.

RESERVE BANK OF INDIA REGULATIONS:

Your Company is generally complying with the Directors of the Reserve Bank of India regarding prudential norms of accounting, capital adequacy ratio, provisions for bad and doubtful debts and other requirements as per the directors issued from time to time.

DIRECTORS:

Shri. BHUPAT L THAKKAR, Director of your Company, retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS:

The Auditors of the Company M/s. SIROHIA & CO, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A Certificate under section 224(1B) of the Companies Act, 1956 has been received from them.

AUDITORS REPORT:

The observations in the Auditors' report are self-explanatory and requires no further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company does not carry on any activity relating to conservation of energy, technology absorption and foreign exchange earnings and out go.

PARTICULARS OF EMPLOYEES:

Particulars of Employees in terms of requirement of section 217(2A) of the Companies Act, 1956 are not given since none of the employees is drawing more than the limits prescribed under the Act.

CORPORATE GOVERNANCE:

The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance. The same is annexed with this report.

Report to Corporate Governance for the year 2007-2008 and Management Discussion and Analysis are forming a part of this annual report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of provisions of Section 217(2A) of the Companies Act, 1956, your Director confirm.

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS:

Your Directors would like to express their grateful appreciation for the assistance and continued co-operation extended by the Banks, Government Authorities and Clients during the period under review. Your Directors wish to place on record their deep sense of appreciation for the devotion and sense of commitment shown by the employees at all level and acknowledge their contribution for its success.

For and on behalf of the Board

Place: Chennai
Date: 30-06-2008.

Suresh Bafna
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2007-2008

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company always strives to achieve optimum performance at all level by to corporate governance practices, such as:

- Fair and transparent business practice
- Effective management Control by Board
- Adequate representation of promoter, executive and independent directors on the Board.
- Compliance of Law
- Transparent and timely disclosures of financial and management information.

2. Board of Directors:

The board of Directors of Mansi Finance (Chennai) Limited consists of Four Directors. There are no institutional nominees on the Board. The details of Composition and categories of Director are given below:

S.No.	Name of the Director	Category
1.	Mr. Suresh Bafna	Executive Director
2.	Mr. Bhupat L Thakkar	Independent Director
3.	Mr. Yuvaraj A. Jain	Non Executive Director
4.	Mr. M.K. Tated	Independent Director

The chairman of the Board is Shri. SURESH BAFNA, Managing Director. None of Non-Executive Directors of the Company is holding any equity shares in the Company.

The Composition and category of Directors and their memberships in other Board/Committees as of 31st March, 2008, is as under-

S. No.	Name of the Director	Category	No. of other director-ships	No. of Memberships in other Board Committees
1	Mr. Suresh Bafna	Promoter-Executive Director	2	Nil
2	Mr. Bhupat L.Thakkar	Independent Director	Nil	Nil
3	Mr. Yuvaraj A. Jain	Non-Executive Director	2	Nil
4	Mr. M.K. Tated	Independent Director	Nil	Nil

3. Board Procedure:

Board Meeting:

During 2007-2008, the Board of Directors met Six (6) times on 16.04.2007, 30.06.2007, 31.07.2007, 31.10.2007, 31.01.2008 & 15.03.2008.

The details of the meeting of the Board of Directors are given below:

Board of Directors:

Date of Meeting	Total Members	Attendance by number of members	Date of Meeting	Total Members	Attendance by number of members
16-04-2007	4	4	31-10-2007	4	4
30-06-2007	4	4	31-01-2008	4	4
31-07-2007	4	4	15-03-2008	4	4

The annual operating plans, budgets, quarterly results, performance of various units/divisions and various other information, including those specified under Annexure 1A to the Clause 49 Listing Agreement entered into by the Company with the Stock Exchanges, as may be amended from time to time, were duly placed before the Board of Directors of the Company.

Attendance of Directors at the Board Meetings and last Annual General Meeting:

S. No.	Name of Director	Attendance	
		Board Meeting	Last AGM
1	Mr. Suresh Bafna	6	Yes
2	Mr. Bhupat L Thakkar	6	No
3	Mr. Yuvaraj A. Jain	6	Yes
4	Mr. M. K. Tated	6	Yes

4. Remuneration to Directors:

During this the Company had paid remuneration of Rs.258000/- to Shri. SURESH BAFNA, Managing Director. Presently, the Company has not formulated a scheme for grant of Stock options either to the Executive Directors or employees.

5. Audit Committee:

The Audit Committee consists of two Independent Directors and one Non-executive Director. The members of the Committee are Shri. M.K. TATED, Chairman, Shri. BHUPAT L THAKKAR and Shri. YUVARAJ A JAIN. The Statutory Auditor, Internal Auditor and Senior Executive officer are the invitees of all the meetings of committee.

The terms of reference of the Audit Committee are wide enough covering the mandatory items as required under clause 49 of the Listing and its major functions are;

- To receive the Quarterly, Half-yearly and Annual Financial results, management Discussion and Analysis statement of the Company, before submission to the Board.
- To recommend appointment of Auditors and fixing their remuneration.
- To discuss with the statutory auditor the nature and scope of the audit
- To review the internal audit reports and internal control system and their compliance thereof.

The Audit Committee met 4 times during the year and Attendance of Audit Committee is as under:

Date of Meeting	Total Members	Attendance by number of members
30-06-2007	3	3
31-07-2007	3	3
31-10-2007	3	3
31-01-2008	3	3

6. Shareholders/Investors Grievance Committee Meeting:

The Board has constituted an Investors Grievance Committee which looks into the shareholders and Investors grievances. The members

of the committee are Shri. YUVARAJ A JAIN, Chairman, and Shri. M.K. TATED.

Attendance of Shareholders/Investors Grievance Committee:

Date of Meeting	Total Members	Attendance by number of members	Date of Meeting	Total Members	Attendance by number of members
16-04-2007	2	2	31-10-2007	2	2
30-06-2007	2	2	31-01-2008	2	2
31-07-2007	2	2	15-03-2008	2	2

- The Company's Shares are compulsorily traded in dematerialised form. Hence the Committee has met at relevant intervals considering the volume of transfers received in the physical segment.
- The Company has no transfers pending at the close of the financial year.
- No complaints were received during the year 2007-2008

7. Remuneration Committee:

The Company has constituted Remuneration Committee consisting of with two independent Directors Shri. BHUPAT L THAKKAR and Shri. M.K. TATED as required under section 198, 269 and 309 read with schedule XIII to the Companies Act, 1956. The Main objective of the Committee is to decide amount of salary payable to Managing Directors/Whole-Time Directors in case the total payment is exceeding limit prescribed under section 198 of the Companies

Act, 1956. During the year the Company had paid remuneration of Rs.258000/- to Shri. SURESH BAFNA, Managing Director.

Attendance of the Committee during the year is follows:

Date of Meeting	Total Members	Attendance by number of members
30-06-2007	2	2
31-07-2007	2	2
31-10-2007	2	2
31-01-2008	2	2

8. General Body Meeting;

The details of the location and time for last three Annual General Meetings are given below:

Year	Location	Date	Time	No. of Special Business
2004-2005	'Mansi Mansion', No. 22, Mulla Sahib Street, Sowcarpet, Chennai – 79	30 th September, 2005	09.00 A.M.	3
2005-2006	'Mansi Mansion', No. 22, Mulla Sahib Street, Sowcarpet, Chennai – 79	30 th September, 2006	10.00 A.M.	---
2006-2007	'Mansi Mansion', No. 22, Mulla Sahib Street, Sowcarpet, Chennai – 79	29 th September, 2007	09.30 A.M.	---

9. Directors:

Shri. BHUPAT L THAKKAR, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

10. Disclosure:

No transaction of material nature has been entered into by the Company with its promoters, Directors or the management or relative etc., that may have potential conflict with the interest of the Company.

Disclosure of non-compliance by the Company:

There were no instance of non-compliance or penalty, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.

Transaction with the related parties are disclosed in point No. 3.2 of Notes to the Accounts in the Financial Statement of this Annual Report 2007-2008.

11. CEO/CFO Certification:

As required under Clause 49 of the Listing Agreements CEO/CFO certificate duly signed by Shri. SURESH BAFNA, Managing Director was placed at the meeting of the Board of Directors held on 30.06.2008.

12. Code of Conduct:

The Board of Mansi Finance (Chennai) Limited has laid down a code of conduct for all the Board members and the Senior Management. The Code of conduct has not been posted in the Company's website because company has no website. All the Board

Members and the senior management personnel have affirmed compliance of the code. A declaration of Managing Director of the Company is attached with this Annual Report.

13. Means of Communication:

The Annual, half yearly and quarterly are regularly submitted to the Stock Exchanges in accordance with the listing Agreement and also published in News papers. The Unaudited results for every quarter and the Audited results for the year end is published in Makkal Kural & Trinity Mirror news papers. The Management discussion and analysis is forming part of the Annual Report.

6. General shareholders Information:

- a). Annual General Meeting: Fourteenth Annual general Meeting of the Company will be held on Tuesday the 30th September, 2008 at No. 22-B, Mulla Sahib Street, Sowcarpet, Chennai – 600 079 at 9.30 a.m.
- b). Date of Book Closure: The Register of Members and Share Transfer Book of the Company will remain closed from 24th September, 2008 to 30th September, 2008 (both days inclusive).
- c). Financial year: 1st April , 2007 to 31st March, 2008
- d). Reporting for:
 - Quarter ending June 30, 2008 end of July, 2008
 - Quarter ending September 30, 2008 end of October, 2008
 - Quarter ending December 31, 2008 end of January, 2009
 - Year ending March, 31 2009 end of June , 2009
 - Annual General meeting In month of September, 2009

e) Listing on Stock Exchanges: Bombay Stock Exchange Ltd
and script code 511758

f) Market Price Data

Months	BSE		
	High (Rs.)	Low (Rs.)	Volume (No.)
April 2007	5.83	4.05	1200
May 2007	9.84	6.95	3810
June 2007	7.86	7.12	516
July 2007	10.74	7.25	1240
August 2007	11.65	8.76	707
September 2007	11.07	8.94	398
October 2007	10.40	9.90	650
November 2007	10.60	7.23	6004
December 2007	7.69	5.72	58592
January 2008	10.67	5.29	87866
February 2008	5.82	4.38	59644
March 2008	4.59	4.00	29885

g) Share Transfer System :

Registrar and Share Transfer Agents : M/s. Cameo Corporate services Ltd. All the transfers are processed and approved by the Share Transfer Committee.

h). Distribution of Shareholdings as on March, 31 2008:

Distribution of shareholding pattern based on categories of shareholders as on March 31, 2008.

S. No.	Category	No. of shares held	% of share holding
1	Indian Promoters	1643114	46.48
2.	Persons acting in concert with the promoters	-----	-----
3	Private Corporate Bodies	376481	10.65
4	Indian Public	1515305	42.87
	Total	3534900	100.00

Note: Total Foreign share holdings are NIL

Distribution of Shareholding based on slab of shareholding as on 31st March 2008

Slab of Shareholding	Shareholders	%	Amount (in Rs.)	%
0010 – 5000	2400	80.43	3960120	11.20
5001 – 10000	195	6.54	1753540	4.96
10001 – 20000	272	9.12	4053130	11.46
20001 – 30000	35	1.17	375990	2.47
30001 – 40000	4	0.13	141920	0.40
40001 – 50000	55	1.84	2750000	7.78
50001 – 100000	6	0.20	476360	1.35
100001 & above	15	0.50	21337940	60.36
TOTAL	2982	100	35349000	100

i) Dematerialisation of Shares:

The Company's equity shares are included in the list of Companies whose scripts have been mandated by SEBI for settlement only in dematerialized form by all investors. The Company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer depository service to its shareholders and has paid one time custody charges to NDSL and regularly paying annual charges to CDSL for the benefit of its members. The Company's ISIN is INE094E01017.

j) Outstanding GDR's/ADR's/ Warrants or any Convertible Instruments:

During the year no Global Depository Receipts (GDRs) /American Depository Receipts (ADRs) / Warrants or any convertible instruments were issued.

k) Investor Correspondence:

For transfer, Transmission, dematerialization of shares and change of address may be pleased to contact:

M/s. Cameo Corporation Services Limited

'Subramanian Buildings',
No. 1, Club House Road,
Chennai – 600 002.
Phone: (044) 28460930

For any other queries in relating to Secretarial matters may be contacted with:

Mansi Finance (Chennai) Limited

'Mansi Mansion',
No. 22, Mulla Sahib Street, Sowcarpet, Chennai – 600 079.
Phone: (044) 25292139

Shareholders, holdings shares in electronic mode shall send all their correspondences to their respective Depository Participant.

DECLARATION OF M D & C E O

I, SURESH BAFNA, Managing Director and CEO of the Mansi Finance (Chennai) limited do hereby declare that the Company has duly complied with the requirements relating to the code of conduct as laid down in clause 49(I)(D) of the Listing Agreement with the Stock Exchanges.

Suresh Bafna

Managing Director

Mansi Finance (Chennai) Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

With the Indian economy growing at the average annual growth rate of 8 percent over the past three years, the demand for automobiles has gone up and consequently the demand for finance too. This is expected to be sustained for another five years, in view of continued thrust of the successive governments in infrastructure development.

Interest rates have started moving upward which is evident from the hike in reverse repo rate effected thrice in the last fiscal by the Reserve Bank of India. This will increase the cost of borrowing with consequential affect on the lending rate.

Opportunities:

The continued exponential growth in the country has created enormous opportunities for financial intermediaries to exploit favourable and propel their business to greater heights.

India has emerge as one of the fastest growing economies in the globe and has generated a lot of interest among foreign investors both financial and strategic. Global players see India as the future economic powerhouse and they are making huge investments in different business within the country. Buoyant market conditions and sustained economic growth over the past few years coupled with a very positive outlook in the coming years give the business of our Company.

Threats:

Ever surge in business opportunities economic growth with it new entrants into the market. New entrants could be a threat to the various business segments of the Group. However, competition has only help the Group build a strong business model, employ the best human talent and capitalize on the long years of excellent client relationship and a proven track record.

Segment-wise or product-wise performance:

At present the Company is carrying on only one segment of financing business.

Risks and concerns:

Any change in the interest rate in the market will have impact of the profit of the company. The company has a defined credit policy duly approved and review by the Management from time to time. The credit policy is strictly implemented and the debtors are regularly monitored. However any default or downgrade of credit worthiness of customers may affect profitability.

The company strives to comply with all the statutory laws of the Country. But the same law may be misused by opposite party especially the defaulters. It may happen in financial business that some people may get loan from the financiers with no intention to repay.

Internal control systems and their adequacy:

The company has instituted adequate internal control procedure commensurate with the nature of its business and size of its operations. It is based on well-defined individual roles and responsibilities with

their limit of authority at various level, as well as effective feedback flow. All the significant observations and follow-up actions thereon are reported to the Board of Directors. An Audit Committee consisting of two independent and one non-executive directors are in place.

Human Resource/Industrial Relation:

Your company believes that its employees represent the backbone of its success. The company, on one hand provides its people with an environment in which they develop, excel and innovate, while on other, it sets challenging targets and rewards superior performance.

- ★ The HR Policies of the company have been designed to achieve the following goals:
- ★ Better quality and safety
- ★ Research and development capabilities
- ★ Lesser attrition rate.

Industrial relations at all the works of the company remained cordial and harmonious during the current period under review. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the company to remain at the forefront of the industry.

There is no transaction conflicting with the interest of the company.

Cautionary statement

Estimates and expectations stated in this Management Discussion and Analysis may be “forward-looking statements” within the meaning of the applicable laws and regulations. Actual results could differ materially

from those expressed or implied. Important factors that could make a difference to your Company's operation include economic conditions affecting the interest rate, inflation, changes in the interest rate, changes in the Government regulations, tax laws, other statutes and incidental factors. The Company undertakes no responsibility to update or revise any forward-looking statement.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Member of Mansi Finance (Chennai) Limited

We have examined the compliance of conditions of Corporate Governance by Mansi Finance (Chennai) Limited (the Company) for the year ended on 31st March 2008 as stipulated in Clause 49 of Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examinations 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.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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

For **SIROHIA & CO.,**
CHARTERED ACCOUNTANTS

(VINOD KUMAR)
PARTNER

Place: Chennai
Date : 30-06-2008.

REPORT OF THE AUDITORS TO THE MEMBERS
OF MANSI FINANCE CHENNAI LIMITED

We have audited the attached Balance Sheet of MANSI FINANCE (CHENNAI) LIMITED as at 31st March 2008 and also the annexed Profit & Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We Report that :

1. As required by the Companies (Auditor's Report order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, We annexe hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexeure referred in paragraph 1 above.

- (a) We have obtained all the information and explanation 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 such books.
- (c) The Balance Sheet and the Profit & Loss account dealt with by the report are in agreement with the books of account of the Company.
- (d) In our opinion, the Balance Sheet and the Profit and loss Account are in compliance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable
- (e) According to the information and explanations given to us, in relation to the affairs of the Company, none of the Directors are disqualified from being appointed as Directors as on 31st March, 2008 under Section 274 (1)(g) of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.

- i. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008
- ii. In so far as it relates to the Profit & Loss account, of the Profit for the period ended on that date.
- iii. In so far it relates to the Cash flow statement, of the cash flows of the Company for the year ended on that date.

AS PER OUR REPORT OF EVEN DATE ATTACHED

**FOR M/S. SIROHIA & CO
CHARTERED ACCOUNTANTS**

**PLACE : CHENNAI
DATE : 30-06-2008**

**(VINOD KUMAR)
PARTNER
M.No.207094**

ANNEXURE TO THE AUDITORS' REPORT

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All these assets have been physically verified by the management at reasonable intervals. As Informed to us no material discrepancy have been noticed between the physical verification and books of the Company.

(c) During the year, In our opinion Compay has not disposed of substantial part of fixed assets.
2. Physical verification of Inventory is not applicable since the comapany is not a traded in goods during the year.
3. During the year Company has not taken/granted any loans from Companies and firms listed in the Register maintained under section 301 of the Companies Act,1956. Company availed Loans from directors/Corporates. The rate of interest and terms and conditions of the loan are, prima facie, not prejudicial to the interest of the Company. There is no overdue amount of loans taken.
4. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets. During the course of audit, no major weakness has been noticed in the above controls and therefore the reporting of the same does not arise.
5. According to the information and explanations given to us, there are no contract/agreements during the year which need to be entered in to the register maintained under section 301 of the Companies Act,1956.

6. In our opinion and according to the information and explanations given to us , the Company has not accepted deposits from the public within the meaning of Section 58A of the Companies Act,1956 and the rules framed thereunder.
7. The Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. We are informed by the Company, that maintenance of Cost records has not been prescribed by the Central Government U/s 209(1)(d) of the Companies Act, 1956.
9. (a) According to the explanations given to us, the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 are not applicable to the Company. As per records of the Company, no Undisputed amount is payable, in respect of Income Tax, Wealth Tax, Sales tax and Customs duty, as at 31st March, 2008 outstanding for a period of more than six months from the date they became payable.
- (b) Except for Income Tax demand as given below, according to information and explanation given to us, there are no dues of sales tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

Name of the Statute	Amount(Rs)	Period to which amount relates	Forum where the dispute pending
Income Tax Act,1961	42,087.00	Assessment year 2004-2005	C.I.T(Appeals) Chennai
Income Tax Act,1961	119,420.00	Assessment year 2005-2006	C.I.T(Appeals) Chennai

10. Company does not have any accumulated loss at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial years.
11. In our opinion and according to the information and explanation given to us, there is no amount due to a financial institution and debenture holders. However in the case of dues to bank, the Company has not defaulted in payments.
12. We are of opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares and other similar securities.
13. According to the information and explanations given to us, the provisions of special statutes applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.
14. Based on our examination of records and the information and explanations given to us, the Company does not deal/trade in shares, securities, debentures and other investments. Investments in shares & securities are held in Company's name.
15. According to the information and explanations given to us, the company has not given guarantees for loans taken from financial institutions or banks.
16. According to the information and explanations given to us, the company has not raised any term loan.
17. According to the information and explanations given to us, and on overall examination of the balance sheet, we report that the no funds raised on short term basis have been used for long term investment.

18. According to the information and explanations given to us, the company has not made preferential allotment of shares to any parties and listed in the Register maintained under section 301 of the Companies Act.
19. According to the information and explanations given to us, the during the period covered by our audit report, the company has not issued any debentures.
20. According to the information and explanations given to us, the company has not raised any money by public issues.
21. According to the information and explanations given to us, the no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR M/S. SIROHIA & CO
CHARTERED ACCOUNTANTS**

**PLACE : CHENNAI
DATE : 30-06-2008**

**(VINOD KUMAR)
PARTNER
M.No.207094**

Balance Sheet As 31st MARCH 2008

	Schedule		Year ended 31st March 2008		Year ended 31st March 2007		
		Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
I. SOURCES OF FUNDS							
Shareholders' Funds							
(a) Capital	1			35,349,000.00		35,349,000.00	
(b) Reserves & Sturplus	2			17,695,774.48		16,878,388.13	
Loan Funds							
(a) Secured Loans	3	1,338,784.04			568,241.00		
(b) Unsecured Loans	4	21,603,668.78		22,942,452.82	13,372,694.78	13,940,935.78	
				<u>75,987,227.30</u>		<u>66,168,323.91</u>	
II. APPLICATION OF FUNDS							
Fixed Assets							
(a) Gross Block	5	18,582,900.00			27,055,952.00		
(b) Less: Depreciation		(1,843,064.84			(11,307,070.35)		
(c) Net Block				16,739,835.16		15,748,881.65	
Investments	6			14,309,631.27		15,055,196.37	
Current Assets, Loans & Advances							
Loan Debtors	7	47,722,487.00			42,651,063.00		
Cash & Bank Balances	8	(1,720,575.63			1,133,270.89		
Advances & Deposits	9	1,994,843.50			2,325,347.00		
		<u>47,996,754.87</u>			<u>46,109,680.89</u>		
Less: Current Liabilities							
& Provisions	10	<u>(3,104,867.00)</u>			<u>(10,837,176.00)</u>		
Net Current Assets				44,891,887.87		35,272,504.89	

Balance Sheet As 31st MARCH 2007

Schedule	Year ended 31st March 2008		Year ended 31st March 2007	
	Rs.	Ps.	Rs.	Ps.
<u>Miscellaneous Expenditure</u>				
Preliminary Expenses				
(To the extent not written off or adjusted)		45,873.00		91,741.00
TOTAL	0.00	75,987,227.30	0.00	66,168,323.91

AS PER OUR REPORT OF EVEN DATE

For **SIROHIA & CO.,**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

VINOD KUMAR

Partner

SURESH BAFNA

Chairman & Managing Director

M K TATED

Director

PLACE: CHENNAI

DATE :30-06-2008

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2007**

	Schedule	Year ended 31st March 2008		Year ended 31st March 2007	
		Rs.	Ps.	Rs.	Ps.
INCOME					
Interest received		8,998,484.50		9,607,484.00	
Bad debt recovered		259,785.00		220,000.00	
Dividend received		85,062.97		32,460.93	
Short Term Profit on sale of shares/MF Units		677,607.67		639,994.09	
Long Term Profit on Sale of Shares		499,866.53		0.00	
Rent received		44,425.00		47,430.00	
		<u>10,565,231.67</u>		<u>10,547,369.02</u>	
<u>EXPENDITURE</u>					
Financial charges		3,709,570.13		1,443,508.21	
Administrative Expenses	11	3,969,195.80		3,282,059.76	
Depreciation		406,252.49		324,987.65	
Preliminary expenses written off		45,868.00		45,868.00	
Long Term Loss On Share		0.00		35,939.74	
Loss on Sale of Fixed Assets		153,338.00		0.00	
		<u>8,284,224.42</u>		<u>5,132,363.36</u>	

Profit/(Loss) Before Tax	2,281,007.25	5,415,005.66
Less: Provision for Tax	950,000.00	1,500,000.00
Fringe Benefit Tax	55,000.00	0.00
Income tax (previous year)	389,077.00	1,102,992.00
Fringe Benefit tax	69,544.00	57,569.00
	<u>1,463,621.00</u>	<u>2,660,561.00</u>
Profit/(Loss) After Tax	817,386.25	2,754,444.66
Add: Profit/(Loss) Carried Forward from Last Year	10,935,036.23	8,180,591.47
Balance Carried forward to Balance Sheet	<u>11,752,422.48</u>	<u>10,935,036.13</u>

AS PER OUR REPORT OF EVEN DATE

For **SIROHIA & CO.,**
Chartered Accountant

For and on behalf of the Board

VINOD KUMAR
Partner

SURESH BAFNA
Chairman & Managing Director

M.K. TATED
Director

PLACE : CHENNAI
DATE : 30.06.2008

SCHEDULE ATTACHED TO AND FORMING PART TO THE BALANCE SHEET AS AT 31st MARCH 2008

	Year ended 31st March 2008		Year ended 31st March 2007	
	Rs.	Ps.	Rs.	Ps.
SCHEDULE 1: CAPITAL				
AUTHORISED SHARE CAPITAL				
55,00,000 Equity shares of Rs. 10/- each	55,000,000.00		55,000,000.00	
ISSUED AND SUBSCRIBED				
35,34,900 Equity shares of Rs. 10/- each fully paid-up	35,349,000.00		35,349,000.00	
	35,349,000.00		35,349,000.00	
SCHEDULE 2: RESERVES & SURPLUS:				
Share Premium	5,349,000.00		5,349,000.00	
Statutory Reserves	594,352.00		594,352.00	
Surplus Carried from Profit and Loss Account	11,752,422.48		10,935,036.13	
	17,695,774.48		16,878,388.13	
SCHEDULE 3: SECURED LOANS:				
ICICI Bank - Car1 (Against Car Hypothecation)	359,945.00		568,241.00	
ICICI Bank - Car2 (Against Car Hypothecation)	515,322.00		0.00	
Andhra Bank OD A/c (Against Bank FD)	463,517.04		0.00	
	1,338,784.04		568,241.00	
SCHEDULE 4: UNSECURED LOANS:				
Loan from Directors	15,882,763.78		10,711,065.78	
Inter Corporate Loan	5,720,905.00		2,661,629.00	
	21,603,668.78		13,372,694.78	

SCHEDULE 5 - FIXED ASSETS

S. No	Description	Gross Block			Depreciation				Written Down Value	
		As at 1.4.2007	Additions/ (Deletion)	Deletion	As at 31.3.2007	On (Deletions)	For the year	As at 31.3.2008	As at 1.4.2007	As at 31.3.2007
1	Computers	387,761.00	43,213.00	0.00	171,753.85	0.00	32,918.16	204,672.01	216,007.15	226,301.99
2	Furniture & Fittings	817,354.00	10,200.00	0.00	694,639.81	0.00	22,770.63	717,410.44	122,714.19	110,143.56
3	Land	10,713,571.00	4,155,645.00	0.00	—	—	—	—	10,713,571.00	14,869,216.00
4	Machineries (Leased Assets)	12,720,383.00	0.00	12,720,383.00	9,462,691.00	9,462,691.00	0.00	0.00	3,257,692.00	0.00
5	Office Equipments	654,394.00	9,250.00	0.00	293,123.70	0.00	50,840.48	343,964.18	361,260.30	319,669.82
6	Vehicles	1,762,499.00	799,928.00	770,905.00	694,862.00	407,567.01	299,723.22	577,018.21	1,077,637.00	1,214,503.79
		27,055,952.00	5,018,236.00	13,491,288.00	11,307,070.35	9,870,258.01	406,252.49	1,843,064.84	15,748,881.64	16,739,835.16
	Previous year	23,907,574.00	3,148,378.00	0.00	10,982,062.70	0.00	324,987.65	11,307,070.35	22,388,182.30	15,748,881.65

		Year ended 31st March 2008		Year ended 31st March 2007	
		Rs.	Ps.	Rs.	Ps.
<u>Schedule 6 - Investments</u>					
<u>Quoted Equity Shares</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	
Advent Computers Ltd	4,440	383,480.00	4,440	383,480.00	
Aksh Opti Fiber Ltd	7,500	465,976.63	7,500	465,976.63	
Aptech Ltd	0	0.00	2,500	538,084.50	
Balmer Laarie & co	1,000	668,078.45	0	0.00	
Bata India Limited	28	6,069.46	28	6,069.46	
Ceat Ltd	0	0.00	2,500	341,720.25	
Coimbatore Poiner Mills	200	200.00	200	200.00	
Crestani	2,500	357,494.91	2,500	357,494.91	
Deccan Aviation Ltd	0	0.00	2,500	383,391.38	
Devaki Hospital	17,865	318,826.37	17,865	318,826.37	
Essar Oil Limited	2,100	97,000.00	2,100	97,000.00	
Essar Steel	0	0.00	2,000	114,951.60	
Finolex Industries Ltd	1,000	76,850.00	1,000	76,850.00	
Global Vect	0	0.00	500	129,540.98	
Gujarath Sidh Cement	2,500	196,345.94	23,500	442,260.35	
Himachal Futbe	5,000	158,454.50	5,000	158,454.50	
Inox Leisure ltd	500	68,238.27	0	0.00	
Ivrcl Infrast & Proj	323	85,832.62	323	85,832.62	
Jaiprakash Hydro Power	2,200	75,528.86	12,200	403,202.76	
Kotak Mahindra Finance	500.00	159,218.64	500	159,218.64	
MRPL	1,000	66,400.00	1,000	66,400.00	
Nagarjuna Fertilizer	0	0.00	1,000	175,473.23	
Nucleus Software Expo	1,000	307,461.10	500	509,830.73	
Maruti Udyog	250	155,399.49	250	155,399.49	
Ntpc	2,214	256,391.16	2,214	256,391.16	
Ongc	360	262,756.90	360	262,756.90	
Oswal Chem Fertilizer	2,500	103,398.95	0	0.00	

MANSI FINANCE (CHENNAI) LTD.

Petronet LNG	1,400	81,589.11	1,400	81,589.11
Polaris Software	1,000	235,538.15	1,000	235,538.15
Punjab National Bank	71	33,283.80	71	33,283.80
Redington India Ltd	1,000	341,648.73	0	0.00
Reliance Industries Ltd	500	545,100.00	782	668,553.21
Sai Television	200	8,000.00	200	8,000.00
Sasken Communication Techno.	500	255,643.49	0	0.00
Sonata Software	10,000	644,147.42	10,000	644,147.42
Tata Consultancy Ltd	247	214,646.68	247	214,646.68
Uco Bank	5,000	116,901.19	5,000	116,901.19
Ultra Tech Ltd	100	43,690.97	100	43,690.97
Vaibhav Gems	22,215	6,362,714.47	22,215	6,362,714.47
Vysya Bank Ltd	831	58,525.01	831	58,524.91

13,210,831.27

14,356,396.37

Optionally Fully Convertible Debentures

Essar Oil Limited	47,500.00	47,500.00
-------------------	-----------	-----------

Unquoted Equity Shares

Sambhav energy Ltd	20,000	200,000.00	0	0.00
Mansi Chhog Impex Ltd	20,000	200,000.00	0	0.00

Government Of India Securities

Government of India Bond	600,000.00	600,000.00
--------------------------	------------	------------

Other Investment

Mahindra Time share	51,300.00	51,300.00
---------------------	-----------	-----------

14,309,631.27

15,055,196.37

Note:

1) Aggregate Value Of Quoted Investments	13,210,831.27	14,356,396.37
2) Market Value Of Quoted Investments	7,607,596.00	14,394,980.00

	Year ended 31st March 2008		Year ended 31st March 2007	
	Rs.	Ps.	Rs.	Ps.
<u>Schedule 7 - Loan Debtors</u>				
Debts outstanding for more than 6 months (Considered Good)				
Secured	6,021,186.00			
Unsecured	110,060.00	6,131,246.00	15,873,000.00	
Other Debts (Considered Good)				
Secured	33,640,241.00			
Unsecured	<u>7,951,000.00</u>	41,591,241.00	26,778,063.00	
		<u>47,722,487.00</u>	<u>42,651,063.00</u>	
<u>Schedule 8 - Cash & Bank Balances</u>				
(a) Cash in hand		283,207.81	820,185.89	
(b) Balances with Scheduled Banks				
In Current Account		(2,692,411.44)	(332,000.00)	
In Deposit Account		688,628.00	645,085.00	
		<u>(1,720,575.63)</u>	<u>1,133,270.89</u>	
<u>Schedule 9 - Advances & Deposits</u>				
(Recoverable in cash or in kind for value to be received Unsecured, considered good)				
Advances		1,979,842.50	2,310,346.00	
Deposits		15,001.00	15,001.00	
		<u>1,994,843.50</u>	<u>2,325,347.00</u>	
<u>Schedule 10 - Current Liabilities & Provisions</u>				
<u>Current Liabilities</u>				
Interest received in advance		76,900.00	138,500.00	
Liability for expenses		25,197.00	26,514.00	
Other Creditors		971,660.00	8,146,052.00	
<u>Provision</u>				
Provision for Income Tax		950,000.00	1,500,000.00	
Provision for Tax-FBT		55,000.00	0.00	
Provision for Non Performing Assets		1,026,110.00	1,026,110.00	
		<u>3,104,867.00</u>	<u>10,837,176.00</u>	

	Year ended 31st March 2008		Year ended 31st March 2007	
	Rs.	Ps.	Rs.	Ps.
SCHEDULE 11 - ADMINISTRATIVE & OTHER EXPENSES				
Advertisement	12,825.00		31,513.00	
Audit Fees	28,090.00		28,090.00	
Bank Charges & Commission	27,016.00		38,293.86	
Books & periodicals	0.00		25,000.00	
Business Promotion	3,575.00		0.00	
Commission paid	0.00		58,656.49	
Electricity Expenses	89,630.65		119,780.00	
Gifts & Compliments	72,167.00		131,488.00	
Insurance	75,840.00		0.00	
Entertainment Exp	900.00		57,016.99	
Consulting Fees	451,957.00		209,851.00	
Listing Fees	46,351.27		20,980.00	
Office & General Expenses	328,476.85		302,155.62	
Postage & Telegram	24,720.00		16,473.50	
Printing & Stationery	187,556.17		133,282.55	
Professional Charges	26,000.00		21,367.00	
Rent Paid	330,900.00		102,000.00	
Petrol & Vehicle Maintenance	160,200.69		79,383.25	
Repairs & Maintenance	102,898.50		92,583.00	
Salaries & Allowances	979,048.00		806,224.00	
Directors Salary	258,000.00		246,000.00	
Security Charges	29,885.00		25,360.00	
Share Transfer Fee	5,114.51		30,499.13	
Software Expenses	25,110.00		19,000.00	
Staff Welfare	159,576.00		89,300.50	
Stamp Paper Charges	19,905.00		19,037.00	
Telephone Charges	192,359.76		176,164.22	
Travelling & Conveyance	240,250.40		202,790.13	
Vehicle Expenses	0.00		85,038.00	
Charity & Donation	89,200.00		111,777.00	
Demat Charges	1,643.00		2,955.52	
	<u>3,969,195.80</u>		<u>3,282,059.76</u>	

NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 INCOME RECOGNITION

- a The Financial Statements are prepared under the historic cost convention in accordance with the generally accepted Accounting Principles
- b Income And Expenditure is accounted for on accrual basis. In the case of Non Performing Assets Interest income is recognized on receipt basis.

1.2 The Company follows the directions prescribed by the Reserve Bank of India for Non - Banking Financial Companies and the applicable Accounting Standards issued by the Institute Of Chartered Accountants Of India.

1.3 VALUATION OF FIXED ASSETS :

Fixed Assets are stated at historical cost Less accumulated depreciation.

1.4 DEPRECIATION/ AMORTIZATION POLICY :

Depreciation on Fixed Assets are provided on written down value method as per the rates specified in the Schedule XIV of The Companies Act, 1956.

1.5 VALUATION OF INVESTMENTS :

Long - Term Investments are stated at cost

1.6 TAXATION

Current Tax is the amount of tax payable on the taxable income

for the year and determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Since there is no significant timing difference, no deferred tax has been provided.

1.7 IMPAIRMENT OF ASSETS

The Company is basically a finance Company holding only finance assets hence no impairment of assets is accounted for

2 OTHER NOTES ON ACCOUNTS

2.1 REMUNERATION TO DIRECTORS :

	2007 - 2008	2006 - 2007
	(Rs.)	(Rs.)
Salary & Perquisites	258,000.00	246,000.00

2.2 REMUNERATION TO AUDITORS :

	2007 - 2008	2006 - 2007
	(Rs.)	(Rs.)
Statutory Audit	19,000.00	19,000.00
Tax Audit	6,000.00	6,000.00
Service Tax	3,090.00	3,090.00
	28,090.00	28,090.00

2.3 Balances of loans & advances, sundry creditors, sundry debtors and other loans are as per books and subject to confirmation.

3 GENERAL**3.1 SEGMENT REPORTING**

The company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard - AS17 - Segment Reporting.

3.2 RELATED PARTY DISCLOSURES**RELATED PARTY**

- a) Associates With Whom The Company Had Transactions :
 Madras Mercantile Agency
 Sajjan Kanwar Bafna
 Adit S Bafna
- b) Key Management Personnel
 Sri Suresh Bafna , Managing Director

The Disclosures Of Related Party Transactions During The Year And The Balances As On 31st March 2008 Are As Follows:

Nature Of Transactions	Associates	Key Management Personnel
Interest Paid	2,539,240.00	
Balance At The End Of The Year	15,882,763.78	
Remuneration	—	258,000.00
Salary paid	234,000.00	—
Rent paid	330,900.00	—

3.3 Basic & diluted earning per share

	2007 - 2008	2006 - 2007
Net profit for the year	817,386	2,754,445
Weighted average number of Equity shares	3,534,900	3,534,900
Nominal value of shares	Rs.10 per share	Rs.10 per share
Basic & diluted Earning per share	0.23	0.78

3.4 Previous Year's Figures Have Been Re- Grouped And Re-Classified Wherever Necessary, To Confirm To Current Year's Classification.

3.5 Contingent Liabilities:

Disputed Income Tax liability for Asst year 2004-2005 and 2005-2006 Rs.1,61,507.

Appeal is pending before Commissioner of Income Tax (Appeal).

3.6 There are no small scale Industries, to whom the Company owes any dues.

For AND BEHALF OF THE BOARD

AS PER OUR REPORT OF EVEN DATE ATTACHED

**FOR M/S. SIROHIA & CO
CHARTERED ACCOUNTANTS**

(SURESH BAFNA)

Director

(M K TATED)

Director

(VINOD KUMAR)

Partner

PLACE : CHENNAI

DATE :30-06-2008

CASH FLOW STATEMENT

	Amount in Rs. 2007-2008 (in thousands)	Amount in Rs. 2006-2007 (in thousands)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss)	817.39	2,754.44
Less:		
Dividend received	(85.06)	(32.46)
Profit on sale of shares	(1,177.47)	(639.99)
Profit on sale of fixed assets	0.00	0.00
	<u>(445.15)</u>	<u>2,081.99</u>
Add:		
Depreciation	406.25	324.99
Preliminary expenses	45.87	45.87
Provision for taxation	1,005.00	1,500.00
Loss on sale of shares	0.00	35.94
Loss on sale of fixed assets	153.34	0.00
Provisions-net	0.00	89.15
	<u>1,165.31</u>	<u>4,077.94</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
(Increase)/Decrease in Current Assets	(4,784.46)	11,151.28
Increase/(Decrease) in Current Liabilities	(7,238.06)	(29.21)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (A)	(10,857.20)	15,200.01
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(5,018.24)	(3,148.38)
Purchase of Investments	(1,837.00)	(12,539.40)
Sale of Fixed assets	2,121.33	0.00
Sale of Investments	2,583.00	776.00
Profit on sale of shares	1,77.47	604.05

MANSI FINANCE (CHENNAI) LTD.

Profit on sale of fixed assets	(153.34)	0.00
Dividend received	85.06	32.46
NET CASH INFLOW/(OUTFLOW) FROM INVESTING	(1,041.71)	(14,275.27)
ACTIVITIES (B)		
CASH FLOW FROM FINANCING ACTIVITIES		
Acceptance/(Repayment) of Loans	9,001.52	1,915.35
Proceeds from issue of shares	0.00	0.00
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	9,001.52	1,915.35
ACTIVITIES (C)		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) (A)+(B)+(C)	(2,897.39)	2,840.09
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	488.19	(2,351.90)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(2,409.20)	488.18

For and on behalf of the Board

As per our report of even
For M/S. SIROHIA & CO
CHARTERED ACCOUNTANTS

SURESH BAFNA
Chairman & Managing Director

M K TATED
Director

VINOD KUMAR
Partner

**BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS

Registration No.	28734
State Code	18
Balance Sheet Date	31.03.2008

II. CAPITAL RAISED DURING THE YEAR(Amount in Rs. In Thousands)

Public Issue	Nil
Bonus Issue	Nil
Rights Issue	Nil
Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS(Amount in Rs. In Thousand)

Total Liabilities	75987
Total Assets	75987

SOURCE OF FUNDS

Paid-up Capital	35349
Reserves and Surplus	17696
Secured Loans	1339
Unsecured Loans	21603

APPLICATIONS OF FUNDS

Net Fixed Assets	16740
Investments	14309
Net Current Assets	44892
Miscellaneous Expenditure	46

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. In Thousand)

Turnover	10565
Total Expenditure	8284

BOARD OF DIRECTORS

Mr. SURESH BAFNA

Mr. BHUPAT L. THAKKAR

Mr. YUVARAJ A. JAIN

Mr. M.K. TATED

Chairman & Managing Director

Director

Director

Director

REGISTERED OFFICE

"Mansi Mansion"

22-B, Mulla Sahib Street

Sowcarpet, Chennai - 600 079

Phone - 25292139

BANKERS

ANDHRA BANK

40, Anna Pillai Street,

Sowcarpet, Chennai - 600 079

TAMILNADU MERCANTILE BANK LTD.,

Chennai.

AUDITORS

SIROHIA & CO.,

Chartered Accountants

No.51, Maddox Street,

1st Floor (Near Veterinary College)

Chennai-600 112.

Phone : 26401741

SHARE TRANSFER AGENTS

CAMEO CORPORATE SERVICES LTD

Subramanian Buildings

1, Club House Road,

Chennai - 600 002

Phone : 28460390

ANNUAL REPORT 2007 -2008

CONTENTS

NOTICE	1
DIRECTORS' REPORT	5
CORPORATE GOVERNANCE REPORT	9
MANAGEMENT DISCUSSION AND ANALYSIS	21
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE	25
AUDITORS' REPORT	26
ANNEXURE TO AUDITORS' REPORT	29
BALANCE SHEET	32
PROFIT & LOSS ACCOUNT	34
SCHEDULES	36
CASH FLOW STATEMENT	45
BALANCE SHEET ABSTRACT	47

BOOK - POST

To

.....

.....

.....

.....

If undelivered, please return to :

MANSI FINANCE (CHENNAI) LIMITED

MANSI MANSION

22-B, Mulla Sahib Street,
Ground Floor, Sowcarpet,
Chennai - 600 079.