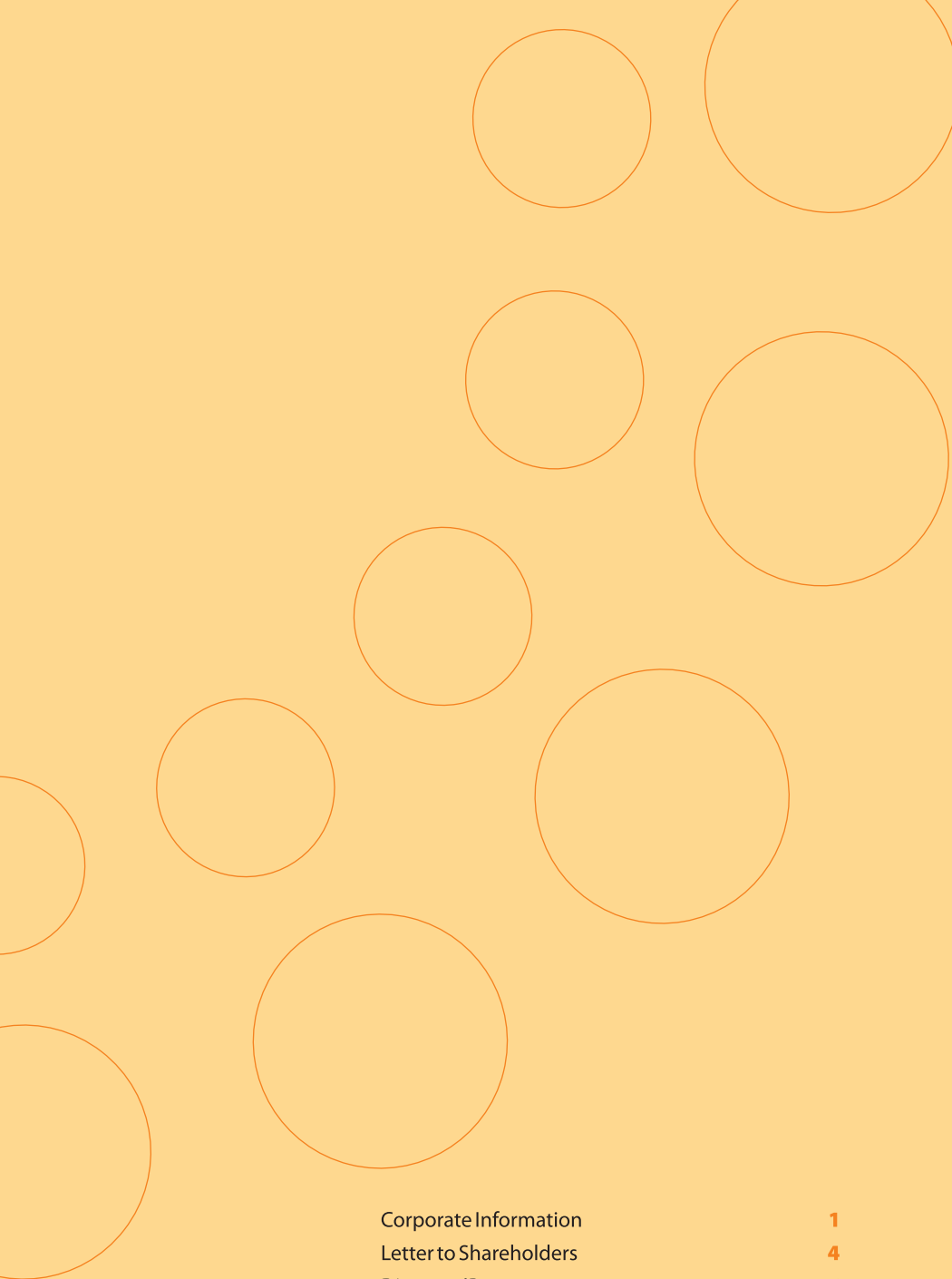


**TRANSFORMING TODAY.
TRANSCENDING TOMORROW.**





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. R. N. Bhardwaj
Non Executive Independent Director
(From August 21, 2009)

Mr. V. P. Singh
Non Executive Independent Director
(From August 21, 2009)

Dr. B. Samal
Non Executive Independent Director
(From August 21, 2009)

Mr. Sanjiv Kapoor
Non Executive Independent Director
(From July 10, 2010)

Mr. Rajesh Sharma
Chairman and Managing Director

Mr. Pramod Kasat
Whole-time Director
(From April 16, 2010)

CORE MANAGEMENT TEAM

Mr. Rajesh Sharma
Managing Director

Mr. Pramod Kasat
Whole-time Director

Mr. Rohit Mehta
Head-Debt Resolution

Mr. Omprakash Jain
Head- Business Development

Mr. Shrenik Vora
Head- High Yield & Recap

Mr. Rajesh Sureka
Head- Debt Execution

SR.VICE PRESIDENT - F&A

Mr. Ashok Agarwal

SR.VICE PRESIDENT

Mr. Suresh Gattani

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Mr. Yogesh Kolwalkar

AUDITORS

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

BANKERS

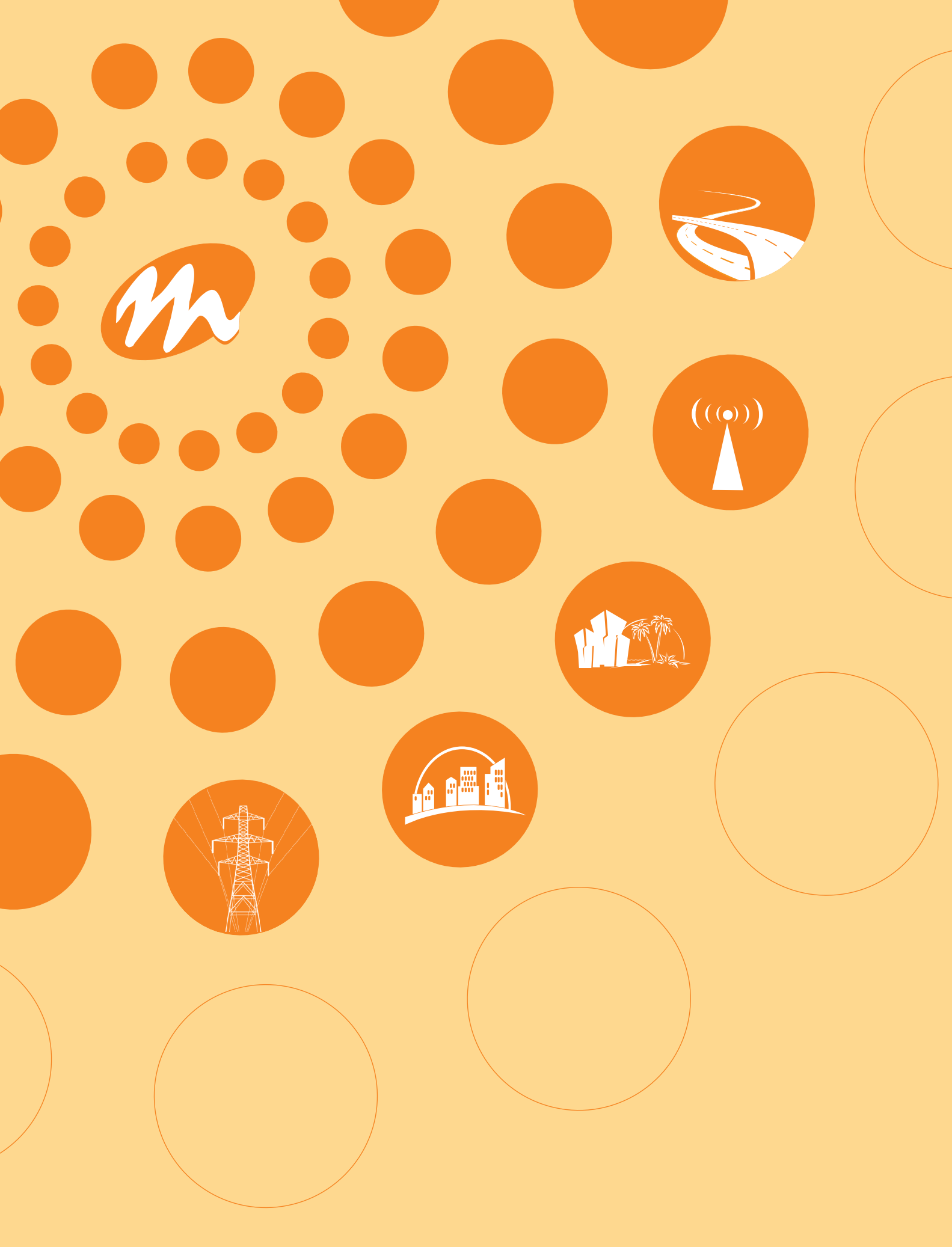
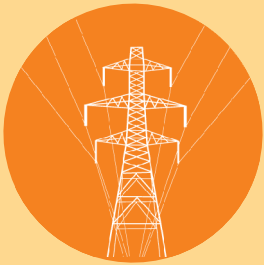
Union Bank of India
Bank of India
Axis Bank Limited
HDFC Bank Limited

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

MCS Limited
21 & 22, Gr. Floor,
Kashiram Jamnadas Bldg. 5,
P. D'Mello Road, Near Ghadial Godi,
Masjid (East),
Mumbai - 400 009



TRANSFORMING TODAY. TRANSCENDING TOMORROW.

Surging, expanding, growing...it's an India constantly on the move.

Riding on the robust platform of fast-paced infrastructural and consumption growth across diverse verticals and different geographies.

Powering the vibrant growth of the financial services sector in tandem with the evolving needs of the fast-growing segments of the Indian economy.

It's an India that is powered to transform the shape of today and transcend the needs of tomorrow.

That is the India we are constantly striving to reach out to.

With innovative and speedy delivery of financial services & solutions.

Founded on the nucleus of inherent and deep-rooted knowledge driven strengths.

In the true spirit of Money Matters, we are perfectly poised to take the transformation leap into the future with great confidence.

And by aligning ourselves to the dynamic needs of the evolving Indian economy, Money Matters has elevated itself to scale growth for all stakeholders.

LETTER TO SHAREHOLDERS



To facilitate our valuable clients with faster fund mobilisation, your Company will offer speedy financial solutions through various services under Asset Financing business.

Dear Fellow Shareowners,

I write to you at the end of another successful year at Money Matters. It gives me immense pleasure to share with you that, we have continued our journey of excellence and strong performance in financial year 2009-10.

Credit Syndication and Debt Capital Market services continued to play a pivotal role in ensuring our outstanding financial performance, contributing an impressive 88% to the total revenues of ₹ 227.04 crores in the financial year ended March 31, 2010. Powered by our strong execution skills and innovative solutions, we have successfully arranged ₹ 32,000 crores for various large and emerging corporate houses, during the year under review. Our esteemed clients include industry stalwarts, names redefining India's growth odyssey as well as fast growing corporate groups. During the year under review, we are privileged to have serviced leading corporates which include Adani Group, TATA Group, Reliance ADA Group, Aditya Birla Group, Orbit Corporation, Indiabulls, Suzlon, HCC, Jaypee Group, Era Infra Engineering, Tulip Telecom and Cox & Kings.

Strengthening sectoral presence

We have successfully helped our clients raise funds across diverse sectors, with the infrastructure and power sector emerging as the key contributors. Share of the power sector increased from 12% to 23% during FY 2009-10. Similarly, infrastructure sector accounted for nearly 30% as against 13% in the previous fiscal. The increased thrust on these sectors is in line with our focused strategy to strengthen presence in the fast-growing segments of the economy. The expansion is also in tandem with our de-risking strategy to establish presence across segments including Urban Infrastructure, Telecom, Power, Steel, Social Infrastructure, Hospitality, Retail and Financial Services.

I am confident that this approach will play a crucial role in imbuing scale and accelerating your Company's exceptional performance in the years to come. It will also empower us to efficiently tackle sectoral market volatility.

Expanding service portfolio

We have adopted a strategy to spread our portfolio across a wide range of

services. Your Company has ambitious plans to develop Investment Banking and Asset Financing business. While continuing to service existing clients through our multiple product offerings in our core business, our focus, going forward, shall be on aggressively expanding our footprints across the financial sector. By expanding its bouquet of innovative financial services and solutions, your Company is now well-poised to capitalise on the opportunities unfolding as a result of the economic growth momentum.

Initiative for Asset Financing business

Through experience, we have realised that on several occasions clients require part funding on a priority basis even while seeking long-term, large project financing. This presents us an excellent business opportunity. To facilitate our valuable clients with faster fund mobilisation, your Company will offer speedy financial solutions through various services under Asset Financing business.

Going forward

With the Indian economy on a high growth trajectory, infrastructure spending is growing manifold, as is the consumption level across key segments. The financial services sector will play an important role as a growth catalyst to these sectors by facilitating the funding of mega projects and expansion plans. As a sector indirectly promoting and accelerating India's growth and prosperity, the financial sector is on the cusp of exponential growth. Money Matters with its innovative, knowledge driven financial services and solutions is well-poised to grow its core Credit Syndication and Debt Capital Market business coupled with successfully expanding its product bandwidth.

At Money Matters, delivery of promise is a way of life. This has played a critical role in building and nurturing long-term relationships with our esteemed clients and partners. The legacy of trust which we enjoy with our clients will also play an important role in the future growth strategy.

In the future, we are confident of achieving a quantum leap in business by virtue of taking the right strategic measures, building the right management teams and benchmarking to the best practices. These initiatives will enable us to transform today for our valued customers across diverse sectors as well as all our stakeholders and will enable us jointly transcend the needs of tomorrow and beyond.

On a concluding note

With this, I would like to thank all of you for your continued support and the trust you have reposed in the Company. Our eminent board members along with our management team have been the guiding force for the Company. I take this opportunity to thank each one of them along with our corporate clients, business associates, as well as our dedicated colleagues whose trust and co-operation has played an invaluable role in achieving exemplary performance at Money Matters.

I look forward to your continued faith in the Company's exciting journey into the future.

Sincerely,

Rajesh Sharma

Chairman & Managing Director



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report and the audited statement of accounts of your Company for the year ended March 31, 2010.

The financial year 2009-10 has been good for your Company with improved performance over the previous year on the back of its inherent strengths.

FINANCIAL PERFORMANCE

(₹ in crores)

Standalone financial results:

	Year Ended	
	March 31, 2010	March 31, 2009
Operating profit for the year	171.65	154.27
Less: Depreciation	0.34	0.05
PROFIT BEFORE TAX	171.31	154.22
Less: Tax provision	57.80	52.65
FBT provision	-	0.10
Deferred tax	(0.07)	0.03
Add: Income tax adjustment	0.02	-
PROFIT AFTER TAX	113.60	101.44
Less: Transferred to reserve fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934	22.83	20.29
NET PROFIT	90.77	81.15
Add: Balance brought forward	84.71	3.56
Less: Transferred to general reserve	12.00	-
Interim dividend	2.70	-
Proposed final dividend	2.78	-
Tax on dividend	0.92	-
Balance carried to balance sheet	157.08	84.71

Consolidated financial results:

(₹ in crores)

	Year Ended	
	March 31, 2010	March 31, 2009
Operating profit for the year	190.44	156.19
Less: Depreciation	0.84	0.59
PROFIT BEFORE TAX	189.60	155.60
Less: Tax provision	64.16	52.86
FBT provision	-	0.11
Deferred tax	(0.11)	(0.02)
Add: Income tax adjustment	0.02	-
PROFIT AFTER TAX	125.57	102.65
Earning per share (Face value – ₹ 10/-)		
Basic (₹)	46.19	45.50
Diluted (₹)	27.80	25.31

Your Company posted excellent results during 2009-10, earning gross income of ₹ 200.43 crores as compared to ₹ 169.76 crores in the previous year, posting an increase of 18.07% year-on-year basis. The profit after tax is ₹ 113.60 crores as against ₹ 101.44 crores in the previous year.

Your Company's operating income on consolidated basis stands at ₹ 227.04 crores as against ₹ 176.30 crores in the previous year, posting a growth of 28.78% year-on-year basis. The consolidated profit after tax is ₹ 125.57 crores as against ₹ 102.65 crores in the previous year.

DIVIDEND

Your Directors, at their meeting held on October 27, 2009, had declared an interim dividend of ₹ 1/- per equity share (i.e.10%) for the financial year 2009-10. The said interim dividend was paid in November 2009.

Your Directors have recommended a final dividend of ₹ 1/- per equity share (i.e. 10%) for the financial year 2009-10, aggregating ₹ 2.78 crores which, if approved at the ensuing Annual General Meeting, will be paid to i) those members whose names appear on the Register of Members of your Company on August 31, 2010, after giving effect to all valid share transfers in physical form lodged with the Company on or before August 31, 2010, and ii) to those members whose names appear as beneficial owners as at the end of business hours on that date, as per particulars to be furnished for this purpose, by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis of financial condition, including the results of operations of the Company for the year under review as required under clause 49 of the listing agreement with the stock exchanges, is given as a separate statement in the Annual Report.

SHARE CAPITAL

In terms of the Letter of Offer dated February 21, 2009, the Company issued and allotted 18,000,400 equity shares of ₹ 10/- each for cash at par to shareholders of the Company on a rights basis in the ratio of two (2) equity shares for every equity share held, along with a

detachable warrant for each equity share issued on a rights basis during the financial year 2008-09. Accordingly, 18,000,400 detachable warrants were also issued and allotted to shareholders on March 27, 2009, with an exercise period having commenced after the expiry of six months from the date of allotment of the said warrants up to eighteen months i.e. from September 27, 2009 to September 26, 2010. Subsequently, the warrant holders, at their meeting held on December 16, 2009, extended the validity of the Warrant Exercise Period by a period of 42 months from September 27, 2010 up to March 26, 2014.

During the year under review, the paid up equity share capital of your Company has increased by ₹ 0.75 crores on account of allotment of equity shares on January 2, 2010, pursuant to conversion of 750,705 warrants into equity shares of ₹ 10/-, each fully paid up for cash at a premium of ₹ 97.47 per share. The said equity shares were listed on the Bombay Stock Exchange Limited on January 28, 2010.

DIRECTORS

During the year under review, Mr. Suresh Gattani, Mr. Purushottam Srinivasan, Mr. Sanjay Khemani and Mr. Pawankumar Varma have resigned as Directors on August 21, 2009. Mr. Pawan Bansal, who was appointed as an Additional Director on August 21, 2009, has resigned with effect from September 22, 2009.

Your Board has placed on record its appreciation of the invaluable services and guidance given by them during their respective tenures as Directors of the Company.

During the year under review, Mr. R. N. Bhardwaj, Dr. B. Samal and Mr. V. P. Singh were appointed as Additional Directors of the Company on August 21, 2009. At the fifteenth Annual General Meeting of the Company, held on September 22, 2009, their appointments were confirmed by the shareholders.

Mr. Pramod Kasat and Mr. Sanjiv Kapoor were appointed as Additional Directors of the Company with effect from April 16, 2010 and July 10, 2010, respectively. Mr. Pramod Kasat has been designated as the Whole-time Director of your Company for a period of three years from April 16, 2010 to April 15, 2013 on such terms and conditions including remuneration payable to him as proposed for your approval in Item No. 7 of the Notice of the ensuing Annual General Meeting.



In terms of the provisions of section 260 of the Companies Act, 1956, Mr. Pramod Kasat and Mr. Sanjiv Kapoor will hold their respective offices as Directors only up to the date of the ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment. Your Company has received notices in writing from a member proposing their candidatures for appointment as Directors.

As per the provisions of section 256 of the Companies Act, 1956, Mr. R. N. Bhardwaj and Dr. B. Samal would retire by rotation, and being eligible, offers themselves for re-appointment.

Brief resume of Directors, the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the memberships/chairmanships of committees of the Board etc., as stipulated under clause 49 of the listing agreement with stock exchanges, are provided in the Report on Corporate Governance, forming part of the Annual Report.

APPOINTMENT OF COMPANY SECRETARY AND COMPLIANCE OFFICER

During the year under review, Mr. Vishal Joishar resigned as Company Secretary on September 1, 2009.

As required under section 383A of the Companies Act, 1956 read with the provisions of the listing agreement with stock exchanges, Mr. Yogesh Kolwalkar, an associate member of the Institute of Company Secretaries of India, New Delhi, has been appointed as the Company Secretary and Compliance Officer on April 1, 2010.

RESERVE BANK OF INDIA DIRECTIONS

During 2009-10, your Company has not accepted any deposits from the public. Your 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, as amended from time to time.

SUBSIDIARY COMPANIES

In an effort to further maximise efficiencies and improve coordination, your Company formed two more wholly owned subsidiaries viz., Money Matters Research Private Limited and Money Matters Resources Private Limited, on January 22, 2010 and March 12, 2010, respectively, during the year under review.

Money Matters Research Private Limited is engaged in the business of financial research, economic & business research, equities & debt

research, computer financial modeling, providing consultancy services, etc. Money Matters Resources Private Limited is engaged in the business of providing consultancy for financial services, including advising on investment of funds, asset management, syndication of funds, venture capital or venture capital trust, etc.

The first accounts of these subsidiaries would be drawn for the period ending March 31, 2011 as per the provisions of the Companies Act, 1956.

Other four subsidiaries of your Company are Money Matters Securities Private Limited, Money Matters Investment Advisors Private Limited, Money Matters Distribution Company Private Limited and Money Matters Capital Private Limited.

In terms of the approval granted by the Central Government vide their letter No. 47/493/2010-CL-III dated May 17, 2010 under section 212(8) of the Companies Act, 1956, copies of the balance sheet, profit and loss account and reports of the Board of Directors and Auditors of Money Matters Securities Private Limited, Money Matters Investment Advisors Private Limited, Money Matters Distribution Company Private Limited and Money Matters Capital Private Limited have not been attached with the balance sheet of your Company. However, these documents will be made available upon request by any member interested in obtaining the same. These documents are available on the website of the Company www.money-matters.in.

As directed by the Central Government, the financial data of the said subsidiaries has been furnished in the Notes on Financial Statements, which forms part of the Annual Report. The annual accounts of your Company, including that of the aforesaid four subsidiaries, will be kept for inspection by any member. Further, pursuant to Accounting Standard-21 (AS-21) prescribed under the Companies (Accounting Standard) Rules, 2006, the Consolidated Financial Statements presented by your Company include financial information about its aforesaid four subsidiaries. The financial statements of your Company as well as its aforesaid four subsidiaries are also available on the website of your Company.

A new company namely, Money Matters Advisory Pte. Ltd. has been incorporated on July 12, 2010 in Singapore as a wholly owned subsidiary of Money Matters Research Pvt. Ltd. Money Matters

Research Pvt. Ltd. is a wholly owned subsidiary of the Company. Money Matters Advisory Pte. Ltd. would be engaged in the business of providing advisory and consultancy services.

All the aforesaid subsidiaries are non-material unlisted subsidiaries of your Company.

AUDITORS

M/s. Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants, Kolkata who would be retiring as Statutory Auditors of your Company at the ensuing Annual General Meeting, have expressed their unwillingness to be re-appointed due to their pre-occupation.

It is proposed to appoint M/s. Haribhakti & Co., Chartered Accountants, Mumbai in place of the retiring Auditors. In terms of the provisions of section 225 of the Companies Act, 1956, the appointment of Auditors in place of the retiring Auditors of the Company requires the approval of the shareholders by way of an ordinary resolution. An appropriate resolution has been included in the Notice of the ensuing Annual General Meeting for approval of the shareholders.

Your Company has received the eligibility certificate under section 224(1B) of the Companies Act, 1956 from M/s. Haribhakti & Co., Chartered Accountants, Mumbai.

AUDITORS' REPORT

M/s. Agarwal Gupta Nokari & Rustagi Associates, the Statutory Auditors of your Company, submitted their reports on the Standalone and Consolidated accounts of the Company for the year ended March 31, 2010 which are self-explanatory and requires no comments or explanation under section 217(3) of the Companies Act, 1956.

CORPORATE GOVERNANCE

As per clause 49 of the listing agreement with stock exchanges, a separate section on Corporate Governance forms part of the Annual Report.

A certificate from the auditors of your Company regarding compliance of conditions of Corporate Governance, as stipulated under clause 49 of the listing agreement, and a declaration by the

Managing Director with regard to Code of Conduct are attached to the Report on Corporate Governance.

Further, as required under clause 49 of the listing agreement with stock exchanges, a certificate from the Managing Director and Sr. Vice President-F&A on the financial statements of your Company for the year ended March 31, 2010, was placed before the Board at its meeting held on July 10, 2010.

EMPLOYEES STOCK OPTION PLAN

In line with its policy to give incentives to its employees from time to time, your Company has adopted the Employees Stock Option Plan (ESOP) in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines') with effect from October 27, 2009.

During the year under review, the Compensation & Remuneration Committee (formerly known as 'Compensation Committee') granted 875,000 Stock Options to eligible employees of the Company and its subsidiaries. The Stock Options have not yet been vested with the employees.

Disclosures, as prescribed under the SEBI Guidelines, are set out in Annexure to this Report. Pursuant to para No. 14 of the SEBI Guidelines, a certificate dated July 10, 2010 issued by the Statutory Auditors of the Company will be placed before the shareholders at the ensuing Annual General Meeting of the Company.

FURTHER ISSUE OF CAPITAL

In order to augment its resources for growth, expanding asset financing business and other corporate purposes, your Company proposes to raise funds up to ₹ 750 crores by further issue of capital in one or more tranches, in accordance with the provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

In accordance with the provisions of section 81(1A) of the Companies Act, 1956, read with the provisions of the listing agreement with stock exchanges, the proposed issue of capital would require approval of the shareholders by way of a special resolution. An appropriate resolution has been included in the Notice of the ensuing Annual General Meeting for approval of the shareholders.



SUB-DIVISION OF EQUITY SHARES

The Board of Directors, at its meeting held on July 10, 2010, has, subject to the consent of the shareholders, approved sub-division of each of the equity shares of the face value of ₹ 10/- each in the authorized share capital of the Company into two equity shares of ₹ 5/- each. This would necessitate consequential changes in the Capital Clause of the Memorandum of Association of your Company.

The necessary resolutions have been proposed in the Notice of the ensuing Annual General Meeting for approval of the shareholders.

POSTAL BALLOT NOTICE

Your Company has proposed to seek approval of members through postal ballot in respect of the following:

- a) Setting a limit under section 293(1)(a) of the Companies Act, 1956, up to which the Board/Committee of Directors can mortgage and/or charge the immovable and/or movable properties of the Company to secure the loans, financial assistances/ credit facilities obtained/to be obtained by the Company from the lenders; and
- b) Setting a limit under section 372A of the Companies Act, 1956, up to which the Board of Directors/Committee of Directors can invest in the share capital of any body corporate, make loans, give guarantees or provide security in connection with loans made by any other person to, or to any other person by, any body corporate.

Your Company has despatched the Postal Ballot Notice containing necessary draft resolutions together with the relevant Explanatory Statements for shareholders' approval. Shareholders are requested to return the completed Postal Ballot Form on or before September 4, 2010. The results of Postal Ballot will be announced by the Chairman at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief:

- i) in the preparation of annual accounts, all applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these 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 on March 31, 2010, 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.

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

Since your Company does not own manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated as per section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable.

The foreign exchange earnings for the year 2009-10 stood at ₹ 0.37 crores (previous year ₹ 0.41 crores) and foreign exchange outgo during the year was ₹ 0.01 crores (previous year Nil).

PARTICULARS OF EMPLOYEES

Particulars of employees in terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, forms part of the Directors' Report. However, having regard to the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report, excluding the aforesaid information, is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

APPRECIATION

The Directors wish to thank our bankers, financial

institutions, business associates, clients, consultants, advisors, shareholders, investors and the employees of the Company, subsidiaries/associate companies for their continued co-operation and support.

Your Directors would also like to place on record their sincere appreciation for the co-operation received from the Reserve Bank of India and all other statutory and regulatory bodies.

For and on behalf of the Board

Rajesh Sharma

Chairman & Managing Director

Place: Ambavane, Pune

Dated: July 10, 2010



Annexure to the Directors' Report

Disclosures as required under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999:

Details of Employee Stock Option Plan of the Company and Stock Options granted upto March 31, 2010 are as under:

Sr. No.	Particulars	Date of Grant October 27, 2009	Date of Grant December 16, 2009
1	Options granted	825,000	50,000
2	Pricing formula	₹ 10/- Face Value	₹ 10/- Face Value
3	Options vested	None	None
4	Options exercised (as at March 31, 2010)	None	None
5	Total number of Shares arising as a result of exercise of Options	None	None
6	Options lapsed (as at March 31, 2010)	92,000	None
7	Variation of terms of Options	None	None
8	Money realised by exercise of Options	NA	NA
9	Total number of Options in force	733,000	50,000
10	Employee-wise details of Options granted to		
	a Senior Managerial Personnel		
	Mr. Shrenik Vora	150,000	-
	Mr. Rohit Mehta	150,000	-
	Mr. Omprakash Jain	150,000	-
	Mr. Rajesh Sureka	-	50,000
	b Any other employee who receives a grant in any one year of Option amounting to 5% or more of Options granted during the year	None	None
	c Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	None
11	Diluted EPS pursuant to issue of Shares on exercise of Options calculated in accordance with Accounting Standard 20	₹ 25.15	
12	Impact of Difference on profits and EPS due to difference in Intrinsic Value and Fair Value		
	i Method of calculation of employee compensation cost	Intrinsic Value Method	
	ii Difference between the employee compensation cost so computed at i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Employee Compensation Cost as per Intrinsic Value Method ₹ 7,616,022/-	

Sr. No.	Particulars	Date of Grant October 27, 2009	Date of Grant December 16, 2009
		As per Fair Value Method using Black Scholes Model ₹ 7,725,202/-	
		Difference in Cost (₹ 109,180/-)	
iii	The impact of this difference on Profits and on EPS of the Company	Impact on Profits and EPS	
		Amortisation for the FY 2009-10	
		As per Intrinsic Value Method ₹ 7,616,022/-	
		As per Fair Value Method using Black Scholes Model ₹ 7,725,202/-	
		Impact on Profit (₹ 109,180/-)	
		Impact on Diluted EPS (₹ 0.0024)	
a	Risk free interest rate	6.35%	6.35%
b	Expected life	5 Years	5 Years
c	Expected volatility	85.85%	85.85%
d	Expected dividends	₹ 2/-	₹ 2/-
e	The price of the underlying share in market at the time of Option grant	₹ 127.05	₹ 114.60



Management Discussion & Analysis

Indian Economic Overview

Indian economy has survived the global downturn and has shown remarkable revival with the economy registering GDP growth at 7.6% in FY 2009-10. Backed by strong domestic demand, rise in consumption, investment & trade and positive capital inflows India's economic growth is projected at 10% in FY 2011-12. The Indian economy is expected to quadruple to ₹ 205 trillion in the next ten years.

Consumption and infrastructure sector in India will be the growth catalysts in coming years, the Government's emphasis for infrastructure development in the country. The Government of India is committed to raising infrastructure investment from the current 4% of GDP to 9% of GDP over the next few years. The financial sector will be a direct beneficiary of this accelerating growth momentum.

Indian Capital Markets

Led by the economic revival, renewed growth momentum across corporate India and increased capital inflow, the Indian economy and the financial services sector posted impressive gains during FY 2009-10.

The benchmark indices in India, BSE Sensex and Nifty, outperformed most of their global peers. The BSE Sensex rose to a high of 17,793 points during FY 2009-10 registering a growth of 80% year-on-year basis.

The Indian debt capital market too played a crucial role in facilitating revival for Corporate India. It continues to play a very important role

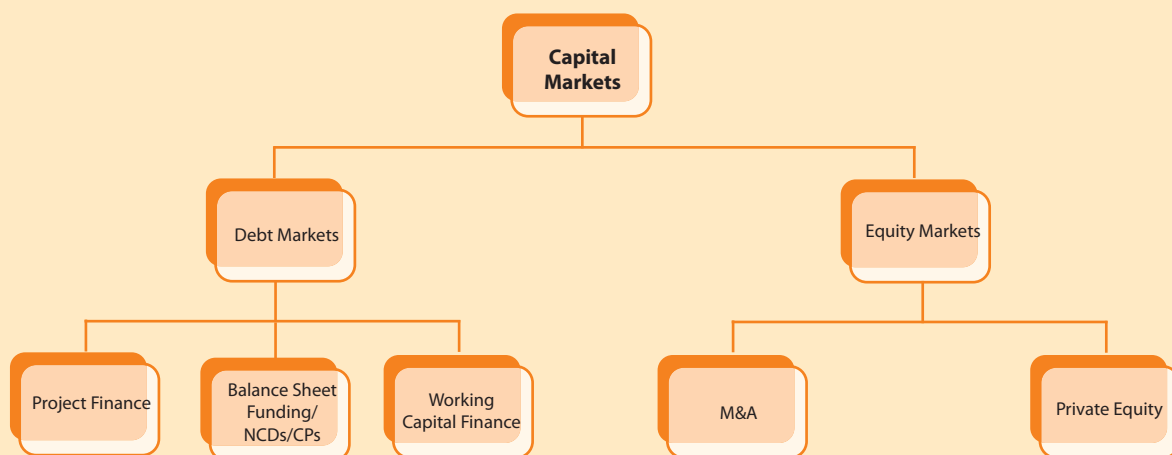
for any growing economy which requires a large amount of capital for achieving accelerated growth.

As the Indian economy resumes its growth path, the need for infrastructure development will provide exciting opportunities for the financial sector. Though Public Private Partnership (PPP) model will remain a key growth driver, nearly one-third of planned investment is expected from the Private Sector.

Money Matters, with its broad-based financial product offerings, is fully geared to make the most of the opportunities unfolding for the financial services sector.

Company Overview

A one-stop shop for Corporate Debts, Money Matters Financial Services Ltd. (Money Matters) is a leading Advisory and Investment Banking Company in India. The Company offers innovative financial solutions and services encompassing Credit Syndication and Debt Capital Market Advisory Services, Investment Banking and Asset Financing. Ability to offer exemplary services has enabled the Company to service industry leaders and large corporates for their financial requirements. These clients span across diverse sectors including Urban Infrastructure, Telecom, Power, Steel, Hospitality, Social Infrastructure, Retail, and Financial Services. The Company, through its continuously expanding service offerings, aims to offer existing clients wider range of services, while exploring opportunities to expand its client base.



Financial Overview

In FY 2009-10, the Consolidated Income from operations of the Company increased by nearly 29% to ₹ 227.04 Crores from ₹ 176.30 Crores in the previous fiscal. The Company's Consolidated Profit after Tax (PAT) stood at ₹125.57 Crores as against ₹ 102.65 Crores in the previous year.

Advisory services remained the key revenue contributor, with Credit Syndication and Debt Capital Market contributing significant share of the overall revenues. However, at the same time, Money Matters is in the process of building strategic business blocks by expanding its services which would contribute significantly to its future growth.

Business Overview

Money Matters offered timely, innovative financial solutions that enabled Corporate India to tide over the difficult phase prevailing for a significant part of the last fiscal. The ability to raise funds in difficult times in sectors reeling under the impact of the recession has paved the path for long-lasting relationships with renowned corporates. As the Indian economy rebounded, it fuelled opportunities for the financial sector. The Company's ability to execute large and complex transactions has enabled it to achieve robust growth.

1. Credit Syndication & Debt Capital Market

The Company today is one of the largest players in the Credit Syndication & Debt Capital Market providing a holistic approach to financing related services that are aligned to the evolving market / client requirements. With its wide range of structured and innovative financial solutions, Money Matters offers corporate solutions through various channels in a cost-effective and time bound manner. The Company's well-established track record and credible presence has enabled it to successfully complete large borrowing programmes for several corporate houses.

The Company offers advisory services for:

- Credit Syndication
- Balance Sheet Funding
- Debt Capital Market

The key achievements in this core business segment include:

- Arranged ₹ 32,000 Crores in aggregate for corporates through various debt products.

- Continued presence across diverse sectors, with key focus on Urban Infrastructure, Power, Manufacturing and Social Infrastructure.
- Structured and delivered a wide range of complex and time critical transactions.
- Significantly expanded management team strength and enhanced complex product delivery capabilities.

2. Investment Banking

Money Matters offers knowledge-driven, high-quality financial advisory services across diverse sectors. The Company's business is led by a team of high calibre experienced professionals. Coupled with in-depth understanding of the clients' needs, Money Matters creates customised capital structures that are perfectly and strategically aligned to the customers' business plans.

The services offered by the Company encompass:

- M&A Advisory
- Private Equity Advisory
- Mezzanine Finance
- ECB/FCCBs

3. Asset Financing

Money Matters offers timely services to corporates, addressing various liquidity requirements including financing for expansion / diversification.

The Company's offerings include:

- Short-term Corporate Financing
- Structured Product Financing
- Margin Funding
- Acquisition Financing

Money Matters to leverage its relationships with a large numbers of corporates would gauge their requirements and offer bridge / partial finance on a priority basis. This shall also enable the Company to cross-sell the other service offerings of the Company. The Company is in the process of setting up a specialised team in place to roll this plan.

4. Financial Turnaround Advisory

Money Matters possesses specialised knowledge and experience in assisting corporates in managing and overcoming financial stress situations. The Company evaluates



the stress situation, reviews various alternatives, offers customized solutions for the liquidity / cash flow management and draws comprehensive plans for the debt servicing and the financial turnaround of the client.

The Company's services in this domain encompass:

- Financial Restructuring of the liabilities
- Recapitalising / Reorganization of the Debt / Equity of the company
- Induction of Strategic Investor / Partner

SWOT Analysis

Strengths

1. Offering a complete gamut of financial services.
2. Deep knowledge of regulatory environment to develop customised financial solutions.
3. Credible and proven track record of servicing large corporate houses.
4. Dynamic management team with more than 400 man years of experience.

Weaknesses

1. Major revenue from Credit Syndication & Debt Capital Market.
2. Presence primarily in the domestic market.

Opportunities

1. With the domestic economy expected to quadruple over the next decade, it would unveil immense growth opportunities benefiting the financial services sector. Money Matters is well positioned to benefit from the unfolding opportunity.
2. Expertise and skills in the investment advisory space will help in pursuing business opportunities in the international market.
3. The existing relationship with corporates will enable the Company in expanding its Asset Financing business.

Threats

1. People and relationships driven business model. Attrition of key people can impact the Company's business.
2. Business is directly linked to the growth of the economy and capital markets. Any slowdown or economic hiccups may affect the business.

Outlook

With an eye on growth, synergies and market leadership, the Company will continue to expand its portfolio of financial services and products, thereby gaining competencies across businesses. Given the robust growth prospects, the Company aims to consolidate its position as one of the premier financial services groups in India. The strategy for achieving this goal would be to continue expanding the Company's portfolio of financial services and products, provide effective financial solutions, and build a business model that is well diversified across financial market activities with unique strengths in each business.

The Company's long-term association with the capital markets has provided it with deep insights into the functioning of the Indian financial institutions. This would enable the Company to capitalise on advisory services and fund based activities. Additionally, Money Matters would also focus on effectively managing special situations and help enhance shareholder value by providing creative capital restructuring strategies, while consummating transactions within a short span of time.

Risks and Concerns

While any business is far from being a risk-free activity, the financial services sector is more prone to risk. To combat this, Money Matters follows a process of risk management that comprises risk identification, risk analysis and measurement. This is followed by creating a suitable risk mitigation or management framework covering control activities / procedures.

Some of the key risks that the Company manages proactively are listed herein:

Macroeconomic risk

Risk: The recent disruption in financial markets has altered the Indian economic landscape. Any slowdown in the country's economy can affect capital expenditure and growth plans of the Company's clients.

Risk mitigation strategy: The Company follows a de-risked business strategy and has established its client base across diverse sectors, thereby insulating it from dependence on any particular sector which may be adversely impacted by a slowdown.

People risk

Risk: Staff attrition and non-availability of key personnel affect the Company's operations.

Risk mitigation strategy: Attrition is managed by adopting healthy employee practices that promote and encourage a good work culture. This is coupled with performance-based promotion and rewards, conflict resolution mechanism, sound pay and incentive structures benchmarked with industry standards. The Company fosters a healthy work culture, endorsing ethical practices and nurturing talent.

Market risk

Risk: The Company has investments in bonds and other fixed income instruments. The Company is exposed to credit and interest rate risk on this portfolio.

Risk mitigation strategy: The Company has a stringent investment policy and risk management structure to monitor the value at risk on the portfolio.

Competition risk

Risk: Increasing competition from domestic and international companies may affect market share and profitability.

Risk mitigation strategy: The Company has diversified its product offerings. This would result in cross-selling of various services to existing clients by leveraging on the long-standing relationships with them and in new client acquisitions.

Human Capital

The Company places due importance on its human capital assets and invests in building and nurturing a strong talent pool to gain strategic edge and to achieve operational excellence in all its goals. With decades of proven experience in all aspects of corporate transactions and reorganisation, the professionals at Money Matters provide unique insight and complete business solutions to the Company's clients.

For Money Matters, FY 2009-10 has been a year of augmenting its major asset - human resource capital. The Company believes that the key to continued growth lies in unleashing the entrepreneurial energy of its employees. Employees are encouraged to bring their entrepreneurial spirits to the fore in the respective domains.

Internal Controls and Adequacy

The Company has adequate system of internal control for business processes with regard to operations, financial reporting, compliance with applicable laws and regulations etc.

Cautionary Statement

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied.



Report on Corporate Governance

Excellence in performance is directly linked to an organisation's philosophy of Corporate Governance. Keeping this important dictum in view, your Company has always placed major thrust on managing its affairs with diligence, transparency, responsibility and accountability.

The detailed report on Corporate Governance, as per the format prescribed by Securities and Exchange Board of India and incorporated in clause 49 of the listing agreement with stock exchanges, is set out below:

CORPORATE GOVERNANCE PHILOSOPHY

Your Company is of the firm conviction that good governance is a pre-requisite to attainment of excellent performance in terms of stakeholder value creation. That is why, your Company has consistently striven to upgrade its standards of Corporate Governance and take every possible step to ensure total adherence to its Corporate Governance philosophy. The Company has a professional Board which provides strong foresight and strategic counsel to the operational management.

Carrying forward its Corporate Governance philosophy, 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 with stock exchanges, which deals with the compliance of Corporate Governance requirements. The same are detailed below.

BOARD OF DIRECTORS

*Composition of the Board

The Company has maintained an optimum combination of Executive and Non-Executive Directors. As of March 31, 2010, the Board of Directors (the 'Board') consisted of four (4) members of which three (3) were Independent Directors. The Independent Directors bring independent judgment in the Board's deliberations and decisions. Considering the stringent requirement of the skill-sets on the Board, eminent persons, having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, are considered by the Nomination Committee for appointment, inter-alia, of independent directors on the Board. The number of directorships and memberships held in various committees of other companies by such persons is also considered. The Board considers

the recommendations of the Nomination Committee and takes appropriate decisions.

Your Company has an Executive Chairman and the management of the Company is headed by the Chairman & Managing Director, who operates under the overall supervision, direction and control of the Board. The Board reviews and approves strategy and oversees the actions and results of the management to ensure that the long-term objectives of enhancing stakeholder value are met.

Apart from receiving the sitting fees and out of pocket expenses on actual basis, if any, that Independent Directors are entitled to receive under the Companies Act, 1956, none of the Independent Directors has any other material pecuniary relationship or transactions with the Company, or its Promoters, Directors, the Management, subsidiaries and associates, which in their judgment would affect their independence.

**The composition of the Board since changed and currently, the Board comprises six (6) members out of which four (4) are Independent Directors.*

Directors' Profile

Brief resume of all Directors and nature of their expertise in specific functional areas are given below:

Mr. R. N. Bhardwaj, an MA in Economics from Delhi School of Economics, is an Independent Director of the Company.

He has more than 4 decades of experience and has held various posts such as a member of the Securities Appellate Tribunal (SAT), Govt. of India, Ministry of Finance, Department of Economic Affairs, for a period of two years up to May 2007. He retired as the Chairman of Life Insurance Corporation of India (LIC) in May 2005. He worked with LIC since 1968 till 2005 and has held Directorship in other associate companies of LIC. He is involved in advisory work relating to Investment and Insurance.

Mr. Bhardwaj is also on the Boards of SREI Venture Capital Ltd., Jaiprakash Power Ventures Ltd., Jaiprakash Associates Ltd., Religare Trustee Company Ltd., Indian Railway Catering & Tourism Corporation Ltd., Microsec Financial Services Ltd., Reliance Infratel Ltd., Jaiprakash Infratech Ltd., Dhunseri Petrochem and Tea Ltd. and several other private limited companies.

Mr. V. P. Singh, an M.Com, LLB & CAIIB, has had a long & distinguished career of more than 4 decades in financial services, of which he spent 3 years in Reserve Bank of India, 27 years in Industrial Development Bank of India (IDBI), 3 years with Tanzania Development Finance Company Ltd. on an assignment from Commonwealth Secretariat, 2.5 years in Industrial Finance Corporation of India (IFCI) and 4.5 years in Deloitte Touche Tohmatsu

Pvt. Ltd. As Chairman and CEO of IFCI, he had restructured the oldest financial institution, steered it through a difficult phase and brought a turnaround. He is an Independent Director of the Company.

Mr. Singh is also on the Boards of GMR Industries Ltd., Supreme Infrastructure India Ltd. and some other private limited companies.

Dr. B. Samal is a Ph.D in Economics from Kalyani University, West Bengal, M.Sc in Agriculture and has a Post Graduate Diploma in Bank Management. He is an Independent Director of the Company.

He has experience of around 40 years. He was a Member of Securities Appellate Tribunal, Govt. of India, Ministry of Finance, Department of Economic Affairs. He was also the Chairman & Managing Director of Allahabad Bank; Chairman & Managing Director of Industrial Investment Bank of India. He was Chairman/President/Member of various organisations, including Member of Standing Advisory Committee for Small Scale Industries, Reserve Bank of India; Member, Shri Jagannath Temple Management Committee, Puri; Chairman, Committee of Economists, Indian Banks Association (IBA), Mumbai, etc. At present, he is associated as a Member of Task Force (MOU) nominated by Govt. of India, Ministry of Heavy Industries & Public Enterprises, New Delhi and Member, Employment Mission set up by the Govt. of Orissa under the Chairmanship of the Hon'ble Chief Minister. He has received the Seva Ratna Award by His Excellency Governor of West Bengal.

Dr. Samal is also on the Boards of Surana Industries Ltd., Zicom Electronic Security Systems Ltd., Mayfair Hotels and Resorts Ltd., ARSS Infrastructure Projects Ltd., Shriram Life Insurance Co. Ltd., Industrial Investment Trust Ltd., IIT Investrust Ltd., Indo Green Projects Ltd., Reliance Capital Ltd., Jaiprakash Associates Ltd., Jaypee Infratech Ltd. and Jaypee Karchem Hydro Corporation Ltd. and Vipul Ltd.

Mr. Sanjiv Kapoor, a Commerce Graduate and F.C.A., is the senior partner of M/s. S.K. Kapoor & Co, Chartered Accountants, one of the leading Chartered Accountancy firms. As partner of the firm has conducted audits of number of large Corporates such as Reserve Bank of India, Life Insurance Corporation of India, N.T.P.C Ltd. Indian Oil Ltd. U.T.I., Bharat Sanchar Nigam Ltd., Banks etc.

Mr. Kapoor has been a Director of Mahindra & Mahindra Ltd., Ballarpur Industries Ltd., Indian Bank, Corporation Bank, UPSE Securities Ltd., Sahara Asset Management Company (Pvt.) Ltd., Sahara India Life Insurance Co. Ltd. He was the President of Kanpur Chartered Accountants Society in the year 1988-89. He has been a member of Northern Railway Users Consultative Committee, Kanpur Telephonic Advisory Committee. He was also the Vice President of Upper India Chamber of Commerce in the year 1996-97.

At present, Mr. Kapoor is a Director on the Board of Mahindra Lifespace Developers Ltd., Mahindra World City Developers Ltd., Mahindra UGINE Steel Co. Ltd., U.P. Stock Exchange Ltd. & Aamby Valley Ltd.

He has been appointed as an Independent Director of the Company on July 10, 2010.

Mr. Rajesh Sharma, the Chairman and Managing Director of the Company, is a financial expert with over 15 years of experience in corporate finance, investment banking, merchant banking, etc.

A Chartered Accountant by profession, Mr. Sharma is the Promoter of Money Matters Financial Services Limited, a leading financial advisory service provider and investment banker, specialized and focusing on debt syndication, designing investment strategies, structuring of innovative financial products, M&A, financial risk management, etc. Under his stewardship, the Company arranged debt aggregating to over ₹ 300 billion and served over 100 corporate, including leading business houses of India viz. Adani Group, TATA, Reliance ADAG Group, Jindal, Jaiprakash, HCC, India Bulls, etc.

Mr. Sharma is also the Managing Director of Money Matters Securities Private Limited, a wholly owned subsidiary of the Company. However, he draws remuneration only from the Company. He is on the Boards of several other companies.

Mr. Pramod Kasat brings to the table extensive experience of 17 years of investment banking and corporate financing.

An engineer from BITS Pilani (1991) and an MBA Finance from Mumbai University (1993), he was appointed as Whole-time Director of the Company with effect from April 16, 2010.

His recent stint was with Credit Suisse, India as Director, Investment Banking and Global Markets Solution Group. Prior to Credit Suisse, he was with Deutsche Bank, Mumbai as Director, Corporate Coverage, Global Markets in Mumbai. He has previously worked with IL&FS Group (Infrastructure Leasing and Financial Services, Mumbai) for 12 years. He was head of origination for investment banking group at IL&FS. He has worked on origination, structuring and execution of structured financing, Investment Banking Advisory, as well as Capital Markets transactions, in sectors such as Hospitality, Retail, Infrastructure, Telecom, Pharma, Real Estate, Logistics, etc. Prior to IL&FS, Mr. Kasat worked with Citibank NA in Capital Markets Group.

Mr. Kasat is also on the Boards of Supreme Infrastructure India Limited and Shilpa Medicare Limited.



During the year under review, seven (7) meetings of the Board of Directors were held on June 29, 2009, July 29, 2009, August 21, 2009, October 27, 2009, December 16, 2009, January 2, 2010 and January

23, 2010. The fifteenth Annual General Meeting was held on September 22, 2009. The attendance of Directors at Board Meetings and the last Annual General Meeting is as follows:

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended the last AGM
Mr. R. N. Bhardwaj <i>Non Executive Independent Director (from August 21, 2009)</i>	5	5	Yes
Mr. V. P. Singh <i>Non Executive Independent Director (from August 21, 2009)</i>	5	5	Yes
Dr. B. Samal <i>Non Executive Independent Director (from August 21, 2009)</i>	5	5	Yes
Mr. Sanjiv Kapoor <i>Non Executive Independent Director (from July 10, 2010)</i>	Nil	NA	NA
Mr. Rajesh Sharma <i>Chairman & Managing Director</i>	7	7	Yes
Mr. Pramod Kasat <i>Whole-time Director (from April 16, 2010)</i>	Nil	NA	NA
Mr. Suresh Gattani <i>Whole-time Director (upto August 21, 2009)</i>	3	2	NA
Mr. Purushottam Srinivasan <i>Non Executive Independent Director (upto August 21, 2009)</i>	3	3	NA
Mr. Sanjay Khemani <i>Non Executive Independent Director (upto August 21, 2009)</i>	3	2	NA
Mr. Pawankumar Varma <i>Non Executive Independent Director (upto August 21, 2009)</i>	3	1	NA
Mr. Pawan Bansal <i>Non Executive Non Independent Director (from August 21, 2009 to September 22, 2009)</i>	1	1	NA

Notes:

1. Dr. B. Samal, Mr. V. P. Singh and Mr. R. N. Bhardwaj were appointed as an additional Directors on August 21, 2009 and their appointments were confirmed by shareholders at the 15th Annual General Meeting held on September 22, 2009.
2. Mr. Pramod Kasat was appointed as an Additional Director with effect from April 16, 2010.
3. Mr. Sanjiv Kapoor was appointed as an Additional Director on July 10, 2010.
4. Mr. Suresh Gattani, Mr. Purushottam Srinivasan, Mr. Sanjay Khemani and Mr. Pawankumar Varma resigned on August 21, 2009.
5. Mr. Pawan Bansal was appointed as an Additional Director on August 21, 2009 and he resigned with effect from September 22, 2009.

The composition of the Board, category of Directors and number of memberships/chairmanships of Directors in the Boards and Board Committees as of March 31, 2010, are as follows:

Name of the Director	Total no. of Directorships	Total no. of Memberships of the committees of Board		Total no. of Chairmanships of the committees of Board	
		Memberships in audit / investor grievance committees	Memberships in other committees	Chairmanships in audit / investor grievance committees	Chairmanships in other committees
Mr. R. N. Bhardwaj <i>Non Executive Independent Director</i>	18	9	5	5	2
Mr. V. P. Singh <i>Non Executive Independent Director</i>	7	2	2	1	1
Dr. B. Samal <i>Non Executive Independent Director</i>	12	10	Nil	4	Nil
Mr. Rajesh Sharma <i>Chairman & Managing Director</i>	28	2	6	Nil	3

Notes:

1. While considering the total number of directorships of Directors, their directorships in private companies, section 25 companies, foreign companies, if any, have been considered including their directorship in the Company.
2. The memberships and chairmanships of Directors in committees of public limited companies also include their memberships and chairmanships in the Company.

A) 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 Independent and Non-Executive Directors.

- 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.

Terms of Reference

The terms of reference of Audit Committee are wide enough, covering the matters specified in clause 49 of the listing agreement as well as in section 292A of the Companies Act, 1956, which inter alia are as under:

- a) Overseeing the Company's financial reporting process and disclosure of its financial information.
- b) Reviewing the results and accounts at the end of a quarter, half year and the full year before submission to the Board, focusing particularly on:
 - 1) Any changes in accounting policies and practices;
 - 2) Major judgmental areas;

- c) Considering the appointment of the statutory auditors, branch auditors, internal auditors, tax auditors, their audit fees, and any matters of resignation or dismissal;
- d) Discussing with the statutory auditors before the audit commences, the nature and scope of the audit;
- e) Discussing problems and reservations arising from the statutory audit, and any matters the statutory auditor may wish to discuss (in the absence of the management, where necessary);
- f) Reviewing the statutory auditors' reports and presentations and Management's response thereto;
- g) Reviewing the effectiveness of the system of internal financial control and discussing the same periodically with the statutory auditors, prior to the Board making its statement thereon;



- h) Reviewing the internal audit programme, ensuring co-ordination between the internal and statutory auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal auditor to undertake specific audit projects, having informed the management of their intentions;
- i) Considering the major findings of internal investigations and management's response;
- j) Considering any material breaches or exposure; 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) Reviewing policies and procedures with respect to directors and officers expense accounts, including their use of corporate assets, and considering the results of any review of these areas by the internal auditors or the statutory auditors;
- l) Looking 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 may be falling within the terms of reference of the Audit Committee or as may be delegated to the Committee from time to time.
- During the financial year 2009-10, four (4) meetings of the Audit Committee were held on June 29, 2009, July 29, 2009, October 27, 2009 and January 23, 2010.

Composition as of March 31, 2010

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. R. N. Bhardwaj- <i>Chairman</i>	2	2
Dr. B. Samal	2	2
Mr. Rajesh Sharma	4	4
Mr. Purushottam Srinivasan	2	2
Mr. Sanjay Khemani	2	2

Notes:

1. Mr. Purushottam Srinivasan and Mr. Sanjay Khemani resigned as Directors on August 21, 2009.
2. The Audit Committee was reconstituted on August 21, 2009 by inducting Mr. R. N. Bhardwaj and Dr. B. Samal as its members in place of Mr. Purushottam Srinivasan and Mr. Sanjay Khemani who ceased to be members of the Committee consequent upon their resignation as Directors.
3. Mr. R. N. Bhardwaj was appointed as the Chairman of the Committee.

B) Compensation & Remuneration Committee

The Compensation Committee and the Remuneration Committee, which earlier existed as separate entities, were merged into a single committee namely, the Compensation & Remuneration Committee on July 10, 2010. The erstwhile Compensation Committee was constituted on August 21, 2009 to administer the Company's ESOP, while the erstwhile Remuneration Committee was constituted on September 8, 2007 to determine the Company's policy on specific remuneration packages for the Managing Director, Whole-time Directors, Managers and other top managerial personnel of the Company.

As both these Committees had common members and were functioning with virtually identical terms of reference, the Board of Directors, at its meeting held on July 10, 2010,

combined these two committees into one, namely the Compensation & Remuneration Committee, for ensuring better administration and efficient functioning. The composition of the Committee was also changed by inducting Mr. Sanjiv Kapoor as a member on July 10, 2010.

The terms of reference of the Compensation & Remuneration Committee were realigned as under:

Terms of ReferenceRemuneration for Executive Management

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to determination on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's

policy on specific remuneration packages and any compensation payment for the Managing Director, Whole-time Directors and Managers. The role of the Committee includes:

- Providing independent oversight of, and to consult with the management regarding the Company's compensation, bonus, incentive, pension and other benefit plans, policies and practices applicable to the Company's executive management.
- Developing guidelines for (a) the annual basic salary, (b) the annual incentive and bonus, including the specific goals and amount, and (c) equity compensation for Directors and the other executive officers of the Company.
- Reviewing and approving compensation and/or other arrangements for the Managing Director and the other executive officers of the Company.

Employees Stock Option Plan (ESOP)

Pursuant to the approval accorded by the Shareholders of the Company at their 15th Annual General Meeting held on September 22, 2009, the Compensation & Remuneration Committee had approved and adopted Money Matters Employees' Stock Option Plan 2009 (ESOP 2009). The ESOP 2009 has been institutionalised for the benefit of (a) eligible permanent employees of the Company working in India or out of India; (b) a director of the Company, whether a whole time director or not; and (c) eligible permanent employees of subsidiaries of the Company, but excludes –

- i. an employee who is a promoter or belongs to the promoter group;
- ii. a director who, either by himself or through his relatives or through any body corporate, directly or indirectly

holds more than 10% of the issued and subscribed shares of the Company.

The Committee is responsible for assisting the Board in its overall responsibilities relating to ESOP, including implementation, administration and superintendence of the Company's ESOP and other similar incentive plans, and interpretation and adoption of policies/guidelines for the operation thereof. The Committee is responsible for formulating the detailed terms and conditions of the ESOP which inter alia includes:

- i) the quantum of Stock Options to be granted under the Company's ESOP per employee and in aggregate;
- ii) the conditions under which Stock Options vested in employees may lapse in case of termination of employment for misconduct;
- iii) the exercise period within which the employee should exercise the Stock Options and that the Stock Options would lapse on failure to exercise the same within the exercise period;
- iv) the specified time period within which the employee shall exercise the vested Stock Options in the event of termination or resignation of an employee;
- v) the right of an employee to exercise all the Stock Options vested in him at one time or at various points of time within the exercise period;
- vi) the procedure for making a fair and reasonable adjustment to the number of Stock Options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others.

During the year, the Committee met twice on October 27, 2009 and December 16, 2009.

Composition as of March 31, 2010

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. R. N. Bhardwaj - <i>Chairman</i>	2	2
Mr. V. P. Singh	2	2
Mr. Rajesh Sharma	2	2

**Remuneration policy of the Company****For Managing Director:**

The Managing Director is paid a fixed quantum of salary and perquisites. He is also eligible for such percentage of commission/incentive as may be recommended by the Compensation & Remuneration Committee based on the overall performance of the Company, which shall be within the overall limits permissible under the Companies Act, 1956 and as approved by the Shareholders.

For Non Executive Independent Directors:

Non Executive Directors get sitting fees for attending each meeting of the Board of Directors/Committees thereof and reimbursement of out-of-pocket expenses incurred, wherever applicable, for attending such meetings. The sitting fee payable per meeting of the Board of Directors is ₹ 20,000/- and for each meeting of the Committee(s) is ₹ 10,000/-.

The details of sitting fees/remuneration paid to Directors during the year 2009-10, are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (₹)	Salary and Perquisites (₹)	Incentive (₹)	Total (₹)
1	Mr. R. N. Bhardwaj	100,000.00	-	-	100,000.00
2	Mr. V. P. Singh	100,000.00	-	-	100,000.00
3	Dr. B. Samal	100,000.00	-	-	100,000.00
4	Mr. Rajesh Sharma	-	8,047,667.00	60,000,000.00	68,047,667.00
5	Mr. Suresh Gattani	-	991,614.00	-	991,614.00
6	Mr. Purushottam Srinivasan	30,000.00	-	-	30,000.00
7	Mr. Sanjay Khemani	10,000.00	-	-	10,000.00
8	Mr. Pawankumar Varma	5,000.00	-	-	5,000.00
9	Mr. Pawan Bansal	20,000.00	-	-	20,000.00

Notes:

1. Dr. B. Samal, Mr. V. P. Singh and Mr. R. N. Bhardwaj were appointed as Directors on August 21, 2009.
2. Mr. Rajesh Sharma was appointed as the Managing Director of the Company for a period of five years from January 24, 2009. His remuneration includes the salary and incentive of ₹ 67,916,667/- and perquisites of ₹ 131,000/-. His appointment may be terminated by giving three months notice in writing or salary in lieu thereof. No severance fees are payable on termination of his employment.
3. During the year, the remuneration paid to Mr. Suresh Gattani as Whole-time Director included the salary and incentive of ₹ 874,678/- and perquisites of ₹ 116,936/-.
4. Mr. Suresh Gattani, Mr. Purushottam Srinivasan, Mr. Sanjay Khemani and Mr. Pawankumar Varma have resigned on August 21, 2009.
5. Mr. Pawan Bansal, who was appointed as an Additional Director on August 21, 2009 has resigned with effect from September 22, 2009.

Details of Shares / Warrants held by the Directors as of March 31, 2010, are as below:

Name of the Director	No. of Shares held	No. of Warrants held
Mr. R. N. Bhardwaj <i>Non Executive Independent Director</i>	Nil	Nil
Mr. V. P. Singh <i>Non Executive Independent Director</i>	Nil	Nil
Dr. B. Samal <i>Non Executive Independent Director</i>	Nil	Nil
Mr. Rajesh Sharma <i>Chairman & Managing Director</i>	8,971,159	6,321,159

Note:

The Company, vide its Letter of Offer dated February 21, 2009, had offered and allotted 1,80,00,400 equity shares of ₹ 10/- each at par for cash together with 1,80,00,400 detachable warrants each convertible into one equity share of ₹ 10/- each, to its shareholders on Rights basis as per the terms and conditions contained in the said Letter of Offer.

C) Shareholders’/Investors’ Grievance Committee

Terms of Reference

The Committee is responsible for redressing shareholders’ and investors’ complaints/ grievances and, in particular looks into:

- Shareholders’ and investors’ complaints on matters relating to transfer/transmission/transposition of securities, issue of duplicate shares, non-receipt of annual reports, dividend warrants and matters related thereto.
- Complaints routed through regulatory/statutory authorities and stock exchanges.

- Transfer of amounts to Investor Education and Protection Fund.

The Committee also oversees the performance of MCS Limited, the Registrar and Share Transfer Agent, and recommends measures to improve the level of investor related services. The Committee also keeps a close watch on disposal status of all complaints/grievances of shareholders/investors.

During the year, the Committee met only once on January 2, 2010.

Composition as of March 31, 2010

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. V. P. Singh - <i>Chairman</i>	1	1
Dr. B. Samal	1	1
Mr. Rajesh Sharma	1	1
Mr. Pawan Bansal	Nil	NA

Notes:

1. Consequent upon resignation of Mr. Pawan Bansal, the Shareholders’/Investors’ Grievance Committee was reconstituted on December 16, 2009 by appointing Dr. B. Samal and Mr. V. P. Singh.
2. The Committee was again reconstituted on April 19, 2010 by appointing Mr. Pramod Kasat in place of Dr. B. Samal, who resigned as member of the Committee on March 29, 2010.
3. Mr. V. P. Singh was appointed as the Chairman of the Committee.

The status of investor complaints is monitored by the Committee periodically and reported to the Board. The complaints received from the shareholders, regulatory authorities, stock exchanges, etc. are reviewed and they are expeditiously attended to by the Company/Share Transfer Agent.

Mr. Yogesh Kolwalkar, Vice President (Legal) & Company Secretary, is the Compliance Officer. During the year ended March 31, 2010, the Company received three (3) investor complaints. These complaints have been resolved within the prescribed time.

D) Asset Liability Management Committee

Terms of Reference

The Asset Liability Management Committee (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 operating staff is responsible for analysing, monitoring and reporting risk profiles to ALCO.

During the year under review, the Committee met twice on October 27, 2009 and January 23, 2010.

**Composition as of March 31, 2010**

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Rajesh Sharma - <i>Chairman</i>	2	2
Mr. Ashok Agarwal - <i>Sr. Vice President F&A</i>	2	2
Mr. Suresh Gattani - <i>Sr. Vice President</i>	2	2

E) Nomination Committee**Terms of Reference**

Pursuant to the requirements of Circular No. RBI/2006-2007/385 DNBS.PD/CC 94/03.10.042/2006-07 dated May 8, 2007 issued by the Reserve Bank of India, regarding guidelines on Corporate Governance, the Company formed Nomination Committee of Directors on December 16, 2009 to assist the Board in ensuring 'fit and proper' status of proposed/existing Directors of the Company. The Committee comprises Mr. Rajesh Sharma as the Chairman and Mr. R. N. Bhardwaj and Mr. V. P. Singh as other members.

During the year under review, the Committee did not meet.

F) Risk Management Committee**Terms of Reference**

Pursuant to the requirements of Circular No. RBI/2006-2007/385 DNBS.PD/CC 94/03.10.042/2006-07 dated May 8, 2007 issued by the Reserve Bank of India regarding guidelines on Corporate Governance, the Company formed Risk Management Committee of Directors on December 16, 2009 to manage integrated risk. The Committee comprises Dr. B. Samal as the Chairman and Mr. V. P. Singh and Mr. Rajesh Sharma as other members.

During the year under review, the Committee did not meet.

G) Securities Transfer Committee

The Board of Directors, at its meeting held on April 19, 2010, has constituted Securities Transfer Committee to look into and examine the activities relating to securities transfers/transmissions/deletion of names/transpositions/name change/ issue of duplicate share/warrant certificates/split/consolidation of folio/consolidation of share certificates or matters related thereto.

Terms of Reference

- To review and approve transfer of securities;
- To review and approve transposition of securities;
- To review and approve transmission of securities;
- To review and approve deletion of names from security certificates;
- To review and approve transposition of names in security certificates;
- To review and approve consolidation of security certificates/folios;
- To review and approve split of security certificates;
- To review and approve the change of name of security holder on security certificates;
- To review and approve issue of duplicate security certificates;
- To review the dematerialisation of securities;
- To review and approve the rematerialisation of securities;
- To review and approve the compensation payable to the Registrar and the Share Transfer Agents of the Company;
- To monitor the movements of security holding of the Company;
- To review disputes relating to the ownership of securities of the Company;
- To assess the quality of services rendered by the Registrar and Share Transfer Agents of the Company.

The Committee comprises Mr. Rajesh Sharma as its Chairman, and Mr. Pramod Kasat, Mr. Ashok Agarwal, Mr. Suresh Gattani and Mr. Yogesh Kolwalkar as other members. The Committee would generally meet twice in a month, depending upon volume of security-transfer related activities.

H) Securities Issue & Allotment Committee

The Board of Directors, at its meeting held on July 10, 2010, has constituted Securities Issue & Allotment Committee, which would be responsible for making allotment and issue of the Company's securities either in physical and/or dematerialized mode and perform all other activities related thereto.

The Committee comprises Mr. Rajesh Sharma as its Chairman and Dr. B. Samal as member. The Committee would meet as and when required.

I) Business Development Committee

The Board of Directors, at its meeting held on July 10, 2010, has constituted Business Development Committee to look into and decide on the routine matters of day-to-day nature to ensure smooth and efficient functioning of the Company.

Terms of Reference

The Business Development Committee would look into, among other things, the following areas:

- Opening and/or closing of banking, demat and other accounts;
- Change in the authorised signatories to the aforesaid accounts;
- Acquiring residential premises and commercial premises for housing branch offices;

- Authorising senior officials of the Company to initiate, defend and represent legal suits and/or criminal proceedings of routine nature on Company's behalf;
- Authorising officials to sign, execute and file various returns, forms, other relevant documents of routine nature with various authorities like Income Tax, Service Tax, Shops and Establishment Act, Provident Fund & Miscellaneous Provisions Act, ESIC etc.;
- Issuing Power of Attorneys in favour of officials of the Company for carrying out day-to-day business operations;
- Giving loans, making investments of surplus funds and giving guarantees and offering corporate security;
- Formation of subsidiaries in India and abroad and subscription to their share capital and to take all other steps as may be necessary or incidental thereto;
- Any other decision of routine nature having bearing on the day-to-day business operations of the Company and not requiring specific approval of the Board of Directors;

The Committee comprises Mr. Rajesh Sharma as its Chairman and Mr. R. N. Bhardwaj, Mr. V. P. Singh and Mr. Pramod Kasat as other members. The Committee would meet as and when required.

**J) GENERAL BODY MEETINGS**

Details of last three Annual General Meetings (AGMs):

Particulars	FY 2008-09	FY 2007-08	FY 2006-07
Date and Time	September 22, 2009	September 13, 2008	June 16, 2007
	11:00 a.m.	10:00 a.m.	10:00 a.m.
AGM	15th AGM	14th AGM	13th AGM
Venue	Kilachand Conference Room, Indian Merchants' Chamber, LNM IMC Bldg., Opp. Churchgate Station, Churchgate, Mumbai - 400 020	1-B, Court Chambers, 35, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020	35/1, Diamond Harbour Road, Kolkata - 700 027
Any special resolution passed	Yes	Yes	Yes

- a) At the 13th AGM held on June 16, 2007, special resolutions were passed for:
- Delisting of Company's equity shares from the Calcutta Stock Exchange Association Ltd. and Jaipur Stock Exchange Ltd.
 - Shifting of the Registered Office of the Company from the State of West Bengal to the State of Maharashtra and consequential changes to Clause II of the Memorandum of Association of the Company.
- b) At the 14th AGM held on September 13, 2008, special resolutions were passed for:
- Appointment of Mr. Suresh Gattani as Whole-time Director and payment of remuneration to him.
 - Change in the Name of the Company from Dover Securities Limited to Money Matters Financial Services Limited.
- c) At the 15th AGM held on September 22, 2009, special resolutions were passed for:
- Creation, offer, issue and allotment of Stock Options to eligible permanent employees, including Executive Directors of the Company u/s 81(1A) of the Companies Act, 1956.
 - Creation, offer, issue and allotment of Stock Options to eligible permanent employees, including Executive Directors of subsidiary companies u/s 81(1A) of the Companies Act, 1956.
 - Grant of 2,700,000 Stock Options, which exceeded 1% of the issued capital of the Company as on August 21, 2009.
- c) No Postal Ballots were used for voting at these meetings.
- The Resolutions proposed at Item Nos. 10 and 15 of the Notice of the 16th Annual General Meeting relating to setting up of limits under section 293(1)(a) and section 372A of the Companies Act, 1956 respectively are required to be passed through the Postal Ballot.

K) DISCLOSURES

- The Company did not have any materially significant related party transaction having a potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the Notes to the accounts forming part of the Annual Report.
- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory/regulatory authorities on all matters related to capital markets during the last three years.

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

L) ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49

The Company has complied with all mandatory requirements and has adopted the following non-mandatory requirements of clause 49.

Remuneration Committee

The Company has constituted Compensation & Remuneration Committee to recommend/review remuneration of the Managing Director and Whole-time Directors based on their performance and defined assessment criteria.

Whistle Blower Policy

In an effort to enhance transparency and fair practice, the Company has adopted and institutionalised a mechanism of reporting illegal or unethical instances. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate superiors. Such reports are received and placed at the Whistle Blower Committee and the anonymity of those reporting violations is maintained.

M) CEO & CFO CERTIFICATION

The Chairman & Managing Director and Sr. Vice President-F&A of the Company give annual certification on financial reporting and internal controls to the Board in terms of clause 49 of the listing agreement. The Chairman & Managing Director and Sr. Vice President-F&A also give quarterly certification on financial results while placing the financial results before the Audit Committee and Board.

N) MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are published in widely circulating national and local newspapers, such as The Asian Age/Economic Times in English and Mumbai Lakshdeep in vernacular language. These are not sent individually to the shareholders.

As per the requirements of clause 51 of the listing agreement, all the data related to quarterly financial results, shareholding pattern, etc. were filed within the time stipulated therefor on Electronic Data Information Filing and Retrieval (EDIFAR) website – www.sebiedifar.nic.in, which was maintained by National Information Centre (NIC).

Recently, the Securities and Exchange Board of India amended listing agreement by deleting clause 51. Hence, the Company has discontinued filing of all the data related to quarterly financial results, shareholding patterns, etc. on EDIFAR.

In accordance with clause 52 of the listing agreement, the Company has voluntarily sought registration with the Corporate Filing and Dissemination System (CDFS). The Company has started filing quarterly results, shareholding patterns, corporate governance reports, etc. on CDFS from the quarter ended March 31, 2010. In future, the Company will be filing its quarterly compliances as per the requirements of listing agreement with stock exchanges on CDFS. The investors can view the information by visiting www.corpfilings.co.in.

O) GENERAL SHAREHOLDER INFORMATION

Company Registration Details:

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65921MH1994PTC173469.

Annual General Meeting:

(Day, Date, Time and Venue)
 Wednesday, September 8, 2010 at 3:00 p.m.
 Kilachand Conference Room,
 Indian Merchants' Chamber,
 LNM IMC Bldg.,
 P.B. No. 11211,
 Opp. Churchgate Station,
 Churchgate, Mumbai-400 020

Book Closure Date:

Wednesday, September 1, 2010 to Wednesday, September 8, 2010 (both days inclusive)

Financial Calendar (tentative):

Financial Year - April 1, 2010 to March 31, 2011

Results for the quarter ending –	
September 30, 2010	- By November 14, 2010
December 31, 2010	- By February 14, 2011
March 31, 2011 (year ending)	- By May 30, 2011
Annual General Meeting	- By September 30, 2011

**Dividend**

The Board of Directors of the Company, at its meeting held on October 27, 2009, had declared an interim dividend of ₹ 1/- per share (i.e.10%). Payment of the interim dividend was made in November 2009. The payment of final dividend, upon declaration by the shareholders at the 16th Annual General Meeting, will be made on or after September 11, 2010.

Listing on Stock Exchanges:

Equity Shares and Warrants of the Company are listed on:
Bombay Stock Exchange Limited
Sir Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Name**Scrip Code****ISIN**

Equity Shares	531595	INE180C01018
Warrants	961680	INE180C13013

Listing Fees up to the Financial Year 2010-11 have been paid in full.

Depository Connectivity

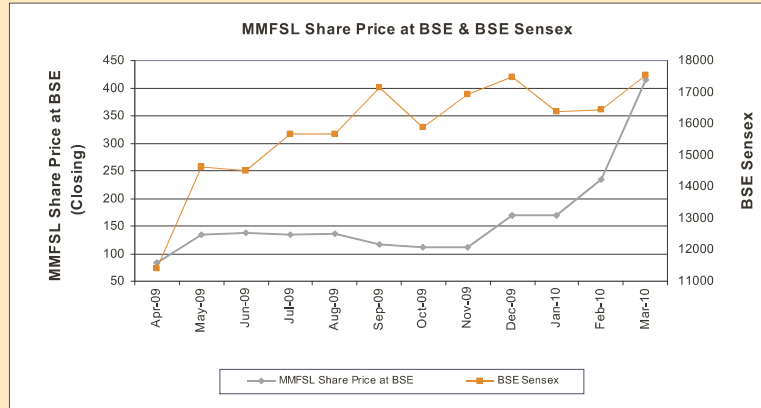
The Company has connectivity with the following Depositories:

National Securities Depository Limited (NSDL)
Central Depository Services (India) Limited (CDSL)

Stock Market Price Data:

Month	Bombay Stock Exchange Limited (BSE) (In ₹ per share)		No. of Shares Traded
	Month's High Price	Month's Low Price	
April 2009	83.50	45.75	20,931
May 2009	135.15	78.80	18,897
June 2009	163.85	120.70	44,462
July 2009	154.00	112.50	6,574
August 2009	147.95	119.00	18,110
September 2009	154.00	110.00	39,877
October 2009	149.90	95.00	86,603
November 2009	120.00	101.25	18,319
December 2009	168.60	107.70	57,661
January 2010	206.00	149.00	124,572
February 2010	245.10	155.20	104,763
March 2010	484.00	227.25	582,726

Share Price performance in comparison to BSE SENSEX:



Registrar and Share Transfer Agents:

MCS Limited
 21 & 22, Gr. Floor,
 Kashinath Jamnadas Bldg. 5,
 P. D’Mello Road,
 Near Ghadiyal Godi,
 Masjid (East), Mumbai 400 009
 Tel: (022)-23726253/54/55, (022)-67439092
 Telefax: (022)-23726256/23726252
 E-mail: mcspanvel@yahoo.co.in

Share Transfer System:

Security transfers are processed and security certificates are generally returned within a period of 15 days from the date of receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission, etc. of the Company’s securities to the Securities Transfer Committee, which generally meets twice in a month. The minutes of the Securities Transfer Committee meetings are placed before the Board. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities, as required under clause 47(c) of the listing agreement, and files a copy of the certificate with the Bombay Stock Exchange Limited, at which the shares of the Company are listed.

Shareholding Pattern as of March 31, 2010:

Category	No. of Shares	% of Holding
A) Promoters Holding		
Individuals	9,309,694	33.55
Bodies Corporate	9,871,453	35.57
Sub- Total	19,181,147	69.12
B) Non- Promoters Holding		
1) Institutions	Nil	Nil
Sub- Total	Nil	Nil
2) Non- Institutions		
Bodies Corporate	8,388,948	30.23
Individuals	181,133	0.65
Non Resident Indians	77	0.00
Sub- Total	8,570,158	30.88
Grand Total	27,751,305	100.00

**Distribution Schedule as of March 31, 2010:**

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 500	654	87.08	62,371	0.23
501 – 1000	48	6.39	38,070	0.14
1001– 2000	18	2.40	26,930	0.10
2001– 3000	5	0.67	12,244	0.04
3001– 4000	4	0.53	14,047	0.05
4001- 5000	3	0.40	13,590	0.05
5001-10000	5	0.67	38,831	0.14
10001-50000	5	0.67	78,115	0.28
50001-100000	1	0.13	259,100	0.93
And Above	8	1.06	27,208,007	98.04
Total	751	100.00	27,751,305	100.00

Dematerialisation of Equity Shares and Liquidity:

The Company's shares are currently traded only in dematerialised form at BSE. To facilitate trading in dematerialised form, the Company has tied up arrangements with NSDL and CDSL.

Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2010, about 99.86% of the Company's shares were held in dematerialised form.

The Company has not issued any GDRs/ADRs.

Address for Correspondence:

Registered Office:

Money Matters Financial Services Limited
1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai - 400 020
Tel: (022) 43548200 / 66518011
Fax: (022) 22019051
Website: www.money-matters.in

Corporate Office:

Money Matters Financial Services Limited
Merchant Chambers, 4th Floor,
41, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai - 400 020
Tel: (022) 40888100
Fax: (022) 40888170
Website: www.money-matters.in

For redressal of complaints & grievances

Please write or contact:-

Mr. Yogesh Kolwalkar
Vice President (Legal) & Company Secretary
Money Matters Financial Services Limited
1-B, Court Chambers,
35, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai - 400 020
Tel: (022) 43548200

Email ID for Investor Grievance: investor.grievance@ money-matters.in

For 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 below address.

MCS Limited
21 & 22, Gr. Floor,
Kashinath Jamnadas Bldg. 5,
P. D'Mello Road,
Near Ghadiyal Godi,
Masjid (East), Mumbai - 400 009
Tel: (022) 23726253/54/55, 67439092
Telefax: (022) 23726256/23726252
E-mail: mcspanvel@yahoo.co.in

Plant Locations:

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

Branch Office:

Money Matters Financial Services Limited
2nd Floor, Rear Wing
Jeevan Vihar Building
Parliament Street
New Delhi – 110 001
Tel: (011) 47773000
Fax : (011) 43523715

For and on behalf of the Board

Rajesh Sharma
Chairman & Managing Director

Place: Ambavane, Pune
Dated: July 10, 2010



Declaration

As provided under clause 49 of the listing agreement with the stock exchanges, all the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2010.

For Money Matters Financial Services Limited

Rajesh Sharma

Chairman & Managing Director

Place: Mumbai

Dated: July 10, 2010

Compliance Certificate

To,

The Members of Money Matters Financial Services Limited

1. We have examined the compliance of the conditions of Corporate Governance by Money Matters Financial Services Limited for the year ended March 31, 2010 as stipulated in clause 49 of the listing agreement of the said Company with the relevant Stock Exchanges (hereinafter referred to as 'clause 49').
2. The compliance of the conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and compliances thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Agarwal Gupta Nokari &
Rustagi Associates**

Chartered Accountants
(Firm Reg. No. 310041E)

B. C. Khaitan

Partner

Membership No. 17387

Place: Ambavane, Pune

Dated: July 10, 2010

Auditors' Report

To the Members of MONEY MATTERS FINANCIAL SERVICES LIMITED

1. We have audited the attached Balance Sheet of MONEY MATTERS FINANCIAL SERVICES LIMITED, as at March 31, 2010 and also the profit and loss account and the Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to sub-section 3(C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act' 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010;
 - (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
(Firm Reg. No. 310041E)

B. C. Khaitan
Partner
Membership No. 17387

Place: Ambavane, Pune
Dated: July 10, 2010



Annexure to the Auditors' Report

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

1. The nature of the Company's business/activities during the year has been such that, the clauses (viii) and (xiii) of paragraph 4 of the Order are not applicable to the Company for the year.
2. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the Company has a system of verifying all its major fixed assets over a period of three years. The Fixed Assets so scheduled for verification during this year have been physically verified by the management. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
(c) During the year the Company has not disposed of substantial/major part of fixed assets.
3. The Inventories of the Company mainly consists of Securities and hence no physical verification of Inventories of the Company is required. Thus Sub Clause (a) & (b) of clause (ii) of para 4 of the order is not applicable to the Company. However proper records of Inventory have been maintained by the Company.
4. (a) In our opinion and according to the information and explanations provided to us, during the year, Company has granted unsecured loans to Three (3) parties covered under section 301 of the Companies Act, 1956. At the year-end the outstanding balances of such unsecured loans granted aggregated to ₹ 501,000,000/- (2 Party) and the maximum amount involved during the year was ₹ 588,219,598/-.
(b) In our opinion, the rate of interest and other terms and conditions of such loans granted by the company, are not prima facie prejudicial to the interest of the Company.
(c) The receipts of principal amount and interest have during the year been regular as per stipulations.
(d) In our opinion and according to the information and explanations given to us, there are no overdue outstandings.
(e) According to the information and explanations give to us, the Company has not taken any unsecured loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of Inventory and fixed assets and for the goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
6. 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.
7. The Company has not accepted any deposit from the Public within the meaning of section 58A and 58AA of the Companies Act, 1956.
8. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
9. According to the information and explanations given to us, the company is generally depositing with appropriate authorities undisputed statutory dues including provident fund, Investors education and protection fund, employees state insurance, income tax, wealth tax, service tax and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
10. The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks.
12. In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of

- security by way of pledge of shares, debentures and other securities.
13. 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 except to the extent of exemption under section 49 of the Companies Act, 1956.
 14. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
 15. The Company has not availed of any term loans during the year.
 16. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flows of the Company, we report that funds raised on short-term basis have not been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
 17. The Company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
 18. The Company has not issued any debentures during the year.
 19. The Company has not raised any amount by way of public issue during the year.
 20. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Agarwal Gupta Nokari &
Rustagi Associates**
Chartered Accountants
(Firm Reg. No. 310041E)

Place: Ambavane, Pune
Dated: July 10, 2010

B. C. Khaitan
Partner
Membership No. 17387



Balance Sheet as at March 31, 2010

(Amount in ₹)

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	277,513,050	270,006,000
Stock Option Outstanding	2	7,616,022	-
Reserves & Surplus	3	2,363,988,597	1,218,768,719
Loan Funds			
Secured Loans	4	905	217,523,761
Deferred Tax Liabilities (net) (Refer note no. 8 of Schedule 23)			
		-	316,353
	Total	2,649,118,574	1,706,614,833
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	21,938,332	9,590,431
Less: Accumulated Depreciation		3,548,949	471,107
Net Block		18,389,383	9,119,324
Investments			
Deferred Tax Assets (net) (Refer note no.8 of Schedule 23)	6	385,503,932	305,000,000
		389,286	-
Current Assets, Loans & Advances			
Inventories	7	1,210,125,999	250,207,900
Sundry Debtors	8	64,727,365	135,302,693
Cash & Bank Balances	9	258,849,866	892,398,099
Other Current Assets	10	2,385,150	3,335,833
Loans & Advances	11	1,933,425,533	678,206,198
		3,469,513,913	1,959,450,722
Less: Current Liabilities & Provisions			
Current Liabilities	12	86,328,100	21,978,029
Provisions	13	1,138,349,840	547,785,000
		1,224,677,940	569,763,029
Net Current Assets			
Miscellaneous expenditure (To the extent not written off)	14	-	2,807,815
	Total	2,649,118,574	1,706,614,833
Significant Accounting Policies	22		
Notes forming part of the Accounts	23		
The Schedules referred to above form an integral part of the Balance Sheet			

As per our report of even date
For **Agarwal Gupta Nokari
& Rustagi Associates**
Chartered Accountants
(Firm Reg. No. 310041E)

For and on behalf of the Board of Directors

B. C. Khaitan
Partner
Membership No. 17387
Place: Ambavane, Pune
Dated: July 10, 2010

Rajesh Sharma
Chairman & Managing Director

Pramod Kasat
Whole Time Director

Yogesh Kolwalkar
VP (Legal) & Company Secretary

Place: Ambavane, Pune
Dated: July 10, 2010

Profit and Loss Account for the year ended March 31, 2010

(Amount in ₹)

	Schedule	Year Ended March 31, 2010	Year Ended March 31, 2009
(I) INCOME			
Fees from Financial Advisory Services (Net) (TDS for the year ₹ 208,490,782 Previous Year ₹ 231,796,739)		1,769,995,146	1,579,022,949
Income from Trading in Securities	15	141,495,336	77,196,343
Interest Received	16	63,258,338	28,023,629
Other Income	17	29,561,516	13,323,991
		2,004,310,336	1,697,566,912
(II) EXPENDITURE			
Payment to Employees	18	78,627,743	100,859,764
Administrative & Other Expenses	19	181,307,957	37,107,987
Financial Charges	20	22,928,525	16,101,053
Loss on sale of Fixed Assets		2,118,081	-
Miscellaneous Expenses W/Off	21	2,879,252	841,954
Depreciation		3,376,495	465,177
		291,238,053	155,375,935
(III) Profit Before Taxation (I-II)			
		1,713,072,283	1,542,190,977
Provision for Taxation		578,000,000	526,500,000
FBT		-	980,000
Deferred Tax		(705,639)	269,817
		1,135,777,922	1,014,441,160
Income Tax Adjustment		220,542	(6,560)
Profit After Taxation		1,135,998,464	1,014,434,600
Add: Balance Brought Forward		847,111,504	35,563,824
Profit Available for appropriation		1,983,109,968	1,049,998,424
(IV) Appropriations			
Transferred to Reserve Fund in terms of Section 45 IC(1) of the Reserve Bank of India Act, 1934		228,342,785	202,886,920
Transferred to General Reserve		120,000,000	-
Interim Dividend		27,000,600	-
Proposed Final Dividend		27,751,305	-
Tax on Dividend		9,197,897	-
Balance carried to Balance Sheet		1,570,817,381	847,111,504
Earning Per Share (Refer Note 7 of Schedule 23)			
Basic		41.79	44.96
Diluted		25.15	25.01
Nominal value of Share		10.00	10.00
Significant Accounting Policies	22		
Notes forming part of the Accounts	23		
The Schedules referred to above form an integral part of the Profit and Loss Account			

As per our report of even date

For and on behalf of the Board of DirectorsFor **Agarwal Gupta Nokari****& Rustagi Associates**

Chartered Accountants

(Firm Reg. No. 310041E)

B. C. Khaitan

Partner

Membership No. 17387

Place: Ambavane, Pune

Dated: July 10, 2010

Rajesh Sharma

Chairman & Managing Director

Pramod Kasat

Whole Time Director

Place: Ambavane, Pune

Dated: July 10, 2010

Yogesh Kolwalkar

VP (Legal) & Company Secretary



Cash Flow Statement for the year ended March 31, 2010

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
(A) Cash Flow From Operating Activities		
Profit Before Taxation	1,713,072,283	1,542,190,977
Add:		
Depreciation	3,376,495	465,177
Stock Options Adjustment	7,616,022	-
Bad Debts Written off	13,251,053	-
Miscellaneous Expenses W/off	2,879,252	841,954
Loss on sale of Fixed Assets	2,118,081	-
Less:		
Rights Issue/Preliminary Expenses Incurred	(71,437)	(1,409,769)
Dividend on investments	(22,417,870)	(11,262,991)
Profit on sale of investments	(685,647)	-
Operating Profit before Working Capital Changes	1,719,138,233	1,530,825,348
Movements in Working Capital		
(Increase)/Decrease in Sundry Debtors	57,324,275	(135,302,693)
(Increase)/Decrease in Stock-in-trade	(959,918,099)	(150,125,000)
(Increase)/Decrease in Loans & Advances	(645,652,432)	243,813,187
(Increase)/Decrease in Other Current Assets	950,683	(2,152,585)
Increase/(Decrease) in Current Liabilities	64,350,071	20,523,388
Increase/(Decrease) in Provisions	(19,795,610)	(85,700)
Income Tax Adjustment	220,542	(6,560)
Direct Taxes Paid	(614,134,511)	(261,551,504)
FBT Paid	(21,144)	(957,361)
Net Cash (Used)/Generated in/from Operating Activities (A)	(397,537,993)	1,244,980,520
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(14,936,635)	(9,433,431)
Sale of Fixed Assets	172,000	-
Dividend on investments	22,417,870	11,262,991
Profit on sale of investments	685,647	-
(Increase)/Decrease in Investments	(80,503,932)	(172,986,586)
Net Cash Flow Used In Investing Activities (B)	(72,165,051)	(171,157,026)

Cash Flow Statement for the year ended March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
(C) Cash Flow From Financing Activities		
Increase/(Decrease) in Secured Borrowings	(217,522,856)	217,523,761
Increase/(Decrease) in Unsecured Borrowings	-	(600,000,000)
Interim Dividend Paid	(27,000,600)	-
Increase/(Decrease) in Share Capital	7,507,050	180,004,000
Increase/(Decrease) in Share Premium	73,171,216	-
Net Cash Flow From Financing Activities (C)	(163,845,189)	(202,472,239)
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(633,548,233)	871,351,254
Cash & Cash Equivalents at the beginning of the year	892,398,099	21,046,845
Cash & Cash Equivalents at the end of the year	258,849,866	892,398,099
Net Increase/Decrease in Cash & Cash Equivalents	(633,548,233)	871,351,254

For Agarwal Gupta Nokari

& Rustagi Associates

Chartered Accountants

(Firm Reg. No. 310041E)

For and on behalf of the Board of Directors

B. C. Khaitan

Partner

Membership No. 17387

Place: Ambavane, Pune

Dated: July 10, 2010

Rajesh Sharma

Chairman & Managing Director

Pramod Kasat

Whole Time Director

Place: Ambavane, Pune

Dated: July 10, 2010

Yogesh Kolwalkar

VP (Legal) & Company Secretary



Schedules

forming part of the Balance Sheet as at March 31, 2010

(Amount in ₹)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE-1		
SHARE CAPITAL		
Authorised		
45,250,000 (45,250,000) Equity Shares of ₹10/- Each	452,500,000	452,500,000
Issued, Subscribed & paid up		
27,751,305 (27,000,600) Equity Shares of ₹10/- Each fully paid up	277,513,050	270,006,000
Of the above:		
The Company had issued 18,000,400 Warrants eligible for conversion into Equity Shares on March 27, 2009. Out of this 750,705 warrants were converted into Equity Shares during the FY 2009-10	277,513,050	270,006,000
SCHEDULE-2		
STOCK OPTION OUTSTANDING		
Employee Stock Option Outstanding	91,027,650	-
Less : Deferred Employee Compensation Expenses	(83,411,628)	-
	7,616,022	-
SCHEDULE-3		
RESERVES & SURPLUS		
Reserve Fund in term of Section 45 I C(1) of the Reserve Bank of India Act, 1934		
Balance B/F from last year	211,657,215	8,770,295
Set Aside this year	228,342,785	202,886,920
	440,000,000	211,657,215
Share Premium Account		
Balance B/F from last year	160,000,000	160,000,000
Received on Conversion of Warrants	73,171,216	-
	233,171,216	160,000,000
General Reserve		
Balance as per last account	-	-
Add: Transfer from Profit & Loss Account	120,000,000	-
	120,000,000	-
Balance in Profit & Loss Account	1,570,817,381	847,111,504
	2,363,988,597	1,218,768,719
SCHEDULE-4		
SECURED LOANS		
Bank of India - Cash Credit (Secured by Pledge of Specific Assets covered under the loan agreement)	905	-
Bank of India (Secured against the Fixed Deposits of the Company)	-	217,523,761
	905	217,523,761

Schedules

forming part of the Balance Sheet as at March 31, 2010 (Contd..)

SCHEDULE-5 FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS ON 01.04.2009	ADDITION	DEDUCTIONS	AS ON 31.03.10	UPTO 01.04.2009	FOR THE YEAR	DEDUCTIONS	AS ON 31.03.10	AS ON 31.03.10	AS ON 31.03.2009
Property at Bangalore	-	4,851,680	-	4,851,680	-	7,975	-	7,975	4,843,705	-
Computers & Accessories	2,306,279	2,673,861	122,000	4,858,140	311,600	1,200,197	51,631	1,460,166	3,397,974	1,994,679
Electric Installation	1,631,415	9,620	-	1,641,035	27,880	224,122	-	252,002	1,389,033	1,603,535
Furniture & Fixture	4,129,621	255,567	-	4,385,188	91,226	770,358	-	861,585	3,523,603	4,038,395
Office Equipments	1,523,116	1,718,412	-	3,241,528	40,401	328,947	-	369,349	2,872,179	1,482,715
Motor Cars	-	5,427,495	2,466,735	2,960,760	-	844,895	247,023	597,872	2,362,888	-
Total	9,590,431	14,936,635	2,588,735	21,938,332	471,108	3,376,495	298,654	3,548,949	18,389,383	9,119,323
Previous Year	157,000	9,433,431	-	9,590,431	5,930	465,177	-	471,107	9,119,324	151,070

(Amount in ₹)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE-6		
INVESTMENTS		
Long Term :		
Quoted:	-	-
Long Term Investments (at Cost)		
Other than Trade		
Shares		
Unquoted:		
Equity Shares : Subsidiaries		
25,000,000 (Previous Year 25,000,000) Equity Share of ₹ 10/- each of Money Matters Securities Private Limited fully paid up	250,000,000	250,000,000
5,000,000 (Previous Year 5,000,000) Equity Share of ₹ 10/- each of Money Matters Investment Advisors Private Limited fully paid up	50,000,000	50,000,000
5,000,000 (Previous Year 5,000,000) Equity Share of ₹ 10/- each and ₹ 1/- per share paid up of Money Matters Distribution Company Private Limited	5,000,000	5,000,000
2,500,000 (Previous Year Nil) Equity Share of ₹ 10/- each fully paid up of Money Matters Capital Private Limited	25,000,000	-
Equity Shares : Joint Ventures		
499,999(Previous Year Nil) Equity Share of ₹ 10/- each of Capstone Capital Services Private Limited fully paid up	4,999,990	-
Curret Investments (At Fair Value)		
Units of Mutual funds		
4,599,229 Units(Previous year Nil) of LIC Mutual Fund Liquid Fund	50,503,942	-
	385,503,932	305,000,000



Schedules

forming part of the Balance Sheet as at March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE-7		
INVENTORIES		
(As Certified by the Management)		
A. Quoted (Shares)		
Nil (169) Equity Shares of HDFC Bank Limited	-	81,100
Nil (300) Equity Shares of Vardhman Lab Ltd.	-	1,800
	-	82,900
B. Bonds		
Nil (250) HDFC Ltd 9.90% Bond	-	250,125,000
250 (Nil) G-Sec 2034 August 7.5% Bonds (Valued at Market Price. The cost being ₹ 241,700,000)	233,057,250	-
3 (Nil) JP Associates Ltd July 2014 11.75% Bonds	3,046,749	-
	236,103,999	250,125,000
C. Certificate of Deposit with Banks		
10,000(Nil) ICICI Bank Ltd CS 10-09-2010	974,022,000	-
	974,022,000	-
	(A+B+C)	250,207,900
SCHEDULE- 8		
SUNDRY DEBTORS		
More than Six Months	18,893,888	-
Other Debts	45,833,477	135,302,693
	64,727,365	135,302,693
SCHEDULE- 9		
CASH & BANK BALANCES		
Cash in hand	1,660,364	2,562,988
Balances with Scheduled Banks in Current Accounts	57,189,502	180,835,111
Balances with Scheduled Banks in FD (Includes Fixed Deposits of ₹ 45,000,000 (PY ₹ 550,000,000) pledged as lien against overdraft facility taken)	200,000,000	709,000,000
	258,849,866	892,398,099

Schedules

forming part of the Balance Sheet as at March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE-10		
OTHER CURRENT ASSETS		
Security & Other Deposit	698,955	2,725,930
Prepaid Expenses	674,327	51,000
Service Tax Recievables	1,011,868	558,903
	2,385,150	3,335,833
SCHEDULE- 11		
LOANS & ADVANCES		
(Secured, Considered Good)		
Loans	6,232,640	-
(Unsecured, Considered Good recoverable in cash or in kind or for value to be received)		
Loans	791,237,428	136,641,604
Interest Receivable	4,006,027	19,822,541
Advance Payment of Tax (Including TDS)	1,109,609,521	520,347,362
Other Advances	22,339,915	1,394,690
	1,933,425,533	678,206,198
SCHEDULE- 12		
LIABILITIES		
Sundry Creditors for Expenses		
Sundry Creditors	56,776,119	3,294,109
Service Tax Payable	1,489,050	-
TDS Payable	4,750,396	18,423,725
	23,312,535	260,195
	86,328,100	21,978,029
SCHEDULE- 13		
PROVISIONS		
Provision for Income Tax	1,104,500,000	546,800,000
Provision for FBT B/f	980,000	985,000
Provision for Gratuity ©	509,390	-
Proposed Dividend	27,751,305	-
Corporate Dividend Tax	4,609,145	-
	1,138,349,840	547,785,000
SCHEDULE- 14		
Miscellaneous Expenditure (To the extent not written off)		
A) Preliminary Expenses		
Opening Balance	1,680,000	2,240,000
Less : Written off during the year	1,680,000	560,000
	(A)	-
B) Right Issue Expenses		
Opening Balance	1,127,815	-
Addition during the year	71,437	1,409,769
	1,199,252	1,409,769
Less : Written off during the year	1,199,252	281,954
	(B)	-
	(A+B)	-
		1,127,815
		2,807,815



Schedules

forming part of the Profit and Loss Account for the year ended March 31, 2010

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE-15		
INCOME FROM TRADING IN SECURITIES		
A. Income from Shares		
Sale of Shares & Securities	-	-
Written off*	82,900	-
Closing Stock	-	82,900
<i>*Considered unrealizable</i>		
	82,900	82,900
Less:		
Opening Stock	82,900	82,900
Purchases	-	-
	82,900	82,900
Income from Shares (A)	-	-
B. Income from Bond/Debentures Trading		
Sale of Bonds/Debentures	8,789,429,860	3,048,096,850
Interest on Bonds	35,644,772	18,398,146
Interest on Application Money for Bonds (TDS for the year ₹ 205,125 Previous Year ₹ 8,345)	1,687,066	367,397
Closing Stock	1,210,125,999	250,125,000
	10,036,887,696	3,316,987,393
Less:		
Opening Stock	250,125,000	100,000,000
Demat Charges	1,872	-
Delivery/Brokerage Charges	52,198	-
Purchases	9,645,213,290	3,139,791,050
	9,895,392,360	3,239,791,050
Income from Bond Trading (B)	141,495,336	77,196,343
	(A+B)	77,196,343
	141,495,336	77,196,343
SCHEDULE-16		
INTEREST RECEIVED		
Interest on Loan	6,429,173	4,704,467
TDS for the year ₹ 1,208,633 Previous Year ₹ 1,066,032)		
Interest on Bank Fixed Deposits	52,615,193	22,513,600
(TDS for the year ₹ 7,609,236 Previous Year ₹ 4,768,134)		
Interest on Margin Funding	4,213,972	580,890
(TDS for the year ₹ 968,527 Previous Year ₹ 131,629)		
Interest- Others	-	172,944
Interest on I.T.Refund	-	51,728
	63,258,338	28,023,629

Schedules

forming part of the Profit and Loss Account for the year ended March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE-17		
OTHER INCOME		
Dividend Received		
Dividend Received on Mutual Fund	22,417,870	11,262,991
Short Term Capital Gain Mutual Funds	685,647	-
Loan Processing Fess Received	275,000	-
(TDS for the year ₹ 30,333 Previous Year ₹ Nil)		
Rent Received	6,183,000	2,061,000
(TDS for the year ₹ 995,980 Previous Year ₹ 467,024)		
	29,561,516	13,323,991
SCHEDULE-18		
PAYMENT TO EMPLOYEES		
Salaries & Bonus	76,176,647	100,399,772
Staff Welfare Expenses	1,941,706	459,992
Provision for Gratuity	509,390	-
	78,627,743	100,859,764
SCHEDULE-19		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement Expenses	109,025	30,560
Bad Debts Written Off	13,251,053	-
Business Promotion Expenses	33,664,967	10,583,071
Computer Maintenance	265,809	110,554
Conveyance Expenses	498,599	259,820
Custodian Charges	65,000	14,000
Directors Sitting Fees	365,000	115,000
Donation	2,756,100	621,000
Electricity Charges	1,110,814	365,723
Filing & Compounding Fees to ROC	8,000	65,022
Foreign Exchange Gain/Loss	32,404	-
Franking Charges	-	361,244
General Expenses	1,814,886	357,700
Legal & Professional Fees	7,952,506	1,360,189
Listing Fees & Stock Exchange Fees	86,750	60,590
Meeting & Conference Expenses	247,509	231,304
Membership & Subscription	2,342,500	30,000
Motor Car Expenses	3,069,765	944,471
Postage & Stamps	105,631	32,390
Printing & Stationery	1,066,705	247,436
Rates & Taxes	71,840	10,225
Recruitment & Training Expenses	3,490,596	109,514
Remuneration to Auditors		
- Audit Fees	80,000	60,000
- Tax Audit Fees	30,000	20,000
- Certification	15,000	10,000
- Out of Pocket Expenses	70,471	27,277
Remuneration to Directors	68,908,281	2,927,447
Rent Paid	22,434,552	14,006,860
Sundry balances Written off/(Written back)	59,913	(1,069)
Telephone and Internet Expenses	1,336,353	285,829
Foreign Travelling Expenses	476,506	-
Travelling Expenses	8,139,753	3,861,830
Software Expenses	7,381,670	-
	181,307,957	37,107,987



Schedules

forming part of the Profit and Loss Account for the year ended March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE-20		
FINANCIAL CHARGES		
Bank Charges	30,800	36,637
Interest on Loan	14,489,469	5,540,876
Interest Others	-	34,667
Franking Charges	-	500,700
Interest on Bank OD	7,333,256	8,488,173
Loan Processing Fees	575,000	1,500,000
Rating Charges	500,000	-
	22,928,525	16,101,053
SCHEDULE-21		
MISCELLANEOUS EXPENSES W/OFF		
Preliminary expenses w/off	1,680,000	560,000
Rights Issue Expenses w/off	1,199,252	281,954
	2,879,252	841,954

Schedules

Significant Accounting Policies forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

22. SIGNIFICANT ACCOUNTING POLICIES

A) Accounting Convention:

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under Companies Accounting Standard Rules, 2006, as amended by Companies (Accounting Standards) Amended Rules, 2009, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

B) Use of Estimates

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

C) Revenue Recognition:

Income from Corporate Advisory Services are accounted for as and when the relevant services are rendered and revenue is recognised using completed service contract method except where the recovery is uncertain in which case it is accounted for on receipt.

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

Dividend is recognised as income when right to receive payment is established by the date of Balance Sheet.

Profit/loss on the sale of investments/inventories is dealt with at the time of actual sale/redemption.

D) Fixed Assets, Depreciation/Amortisation and Impairment of Assets

Fixed Assets

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

Depreciation/Amortisation

Depreciation is provided on a written down value basis from the date the asset is ready to use or put to use, whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal. Depreciation is charged at the rates prescribed in the Schedule XIV to the Companies Act 1956.

Software expenses include expenditure on licenses for various office applications which are written off in the year of purchase on a prudent basis.

Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after



Schedules

Significant Accounting Policies forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment

E) Stock in Trade:

- a) The securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of cost or market value. In case of units of mutual fund, net asset value of units declared by the mutual funds is considered as market value.

F) Investments:

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

G) Foreign Currency Transactions:

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

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

H) Retirement Benefits :

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

Gratuity:

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

Leave Encashment:

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

I) Taxation

Income Tax:

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

Deferred Taxation:

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates

Schedules

Significant Accounting Policies forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

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

J) Employee Stock Compensation Costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

K) Earning Per Share

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

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

L) Segment Reporting Policies:

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Unallocated items:

Unallocated items include income and expenses which are not allocated to any business segment.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies for preparing and presenting the financial statements of the company as a whole.

M) Provisions and Contingencies

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

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

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



Schedules

Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

23. NOTES ON ACCOUNTS

1. Contingent Liability not provided for ₹ Nil. (Previous year ₹ Nil.)

2. **Capital Commitments:**

(Amount in ₹)

	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	484,093/-	-
Capital Commitments in terms of Contribution Agreement with Special Opportunity Fund	200,000,000/-	-
Uncalled liability on partly paid shares	45,000,000/-	45,000,000/-

3. 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.

4. **Retirement Benefit - Gratuity**

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

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

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

Profit and Loss Account

Net Employee Benefit Expenses (recognised in employee cost)

(Amount in ₹)

	2009-10
Current Service Cost	678,289
Interest on defined benefit obligation	89,016
Expected return on plan assets	-
Net actuarial losses/(gains) recognised in the year	(728,218)
Past Service Cost	470,303
Actuarial (gain)/losses	-
Total included in employee benefit expense	509,390
Actual return on plan assets	NA
Balance Sheet	
Details of Provision for Gratuity	

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Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

(Amount in ₹)

	2009-10
Liability at the end of the Year	509,390
Fair Value of plan assets at the end of the year	-
Difference	509,390
Unrecognised past service cost	-
Unrecognised transition liability	-
Amount in Balance Sheet	509,390
Changes in the present value of the defined benefit obligation are as follows:	
	2009-10
Liability at the beginning of the Year	-
Interest Cost	89,016
Current Service Cost	678,289
Past Service Cost (non vested benefit)	-
Past Service Cost (vested benefit)	470,303
Benefits paid	-
Actuarial (Gain)/Loss	(728,218)
Liability at the end of the Year	509,390
The Company would not contribute any amount to gratuity in 2009-10 as the scheme is unfunded.	
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	
Particulars	2009-10
Investments with insurer	NA
Principal actuarial assumptions as at the balance sheet date:	
	2009-10
Discount Rate	8%
Salary Escalation	5%
Employee Attrition Rate	2%

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

5. Segment Reporting

Basis of Preparation:

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

Business Segments:

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



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Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

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

Geographical Segments: The Company's operations are solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

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

(Amount in ₹)

PARTICULARS	Investment & Trading in Securities	Finance	Financial Advisory Services	Unallocated	Year ended March 31, 2010
Segment Revenue	141,495,336	86,636,855	1,776,178,146	-	2,004,310,336
Previous Year	58,430,800	58,000,435	1,579,022,949	2,113,797	1,697,567,981
Less Inter segment Revenue	-	-	-	-	-
Previous Year	-	-	-	-	-
Total	141,495,336	86,636,855	1,776,178,146	-	2,004,310,336
Previous Year	58,430,800	58,000,435	1,579,022,949	2,113,797	1,697,567,981
Result:					
Segment Result	132,835,356	71,895,661	1,511,823,248	(3,481,982)	1,713,072,283
Previous Year	47,901,702	52,384,667	1,441,039,068	865,540	1,542,190,977
Provision for Tax	-	-	-	(578,000,000)	(578,000,000)
Previous Year	-	-	-	(526,500,000)	(526,500,000)
Provisions for FBT	-	-	-	-	-
Previous Year	-	-	-	(980,000)	(980,000)
Deffered Tax	-	-	-	705,639	705,639
Previous Year	-	-	-	(269,817)	(269,817)
Income Tax Adjustments	-	-	-	220,542	220,542
Previous Year	-	-	-	(6,560)	(6,560)
Total Results	132,835,356	71,895,661	1,511,823,248	(580,555,801)	1,135,998,464
Previous Year	47,901,702	52,384,667	1,441,039,068	(526,890,837)	1,014,434,600
Capital Employed:					
Segment Assets	1,601,228,385	1,058,908,924	20,331,346	(31,350,080)	2,649,118,574
Previous Year	561,748,125	860,772,348	124,308,190	159,786,170	1,706,614,833
Segment Liabilities	905	-	-	2,649,117,669	2,649,118,574
Previous Year	217,523,761	-	-	1,489,091,072	1,706,614,833
Net Segment Assets	1,601,227,480	1,058,908,924	20,331,346	(2,680,467,749)	-
Previous Year	344,224,364	860,772,348	124,308,190	(1,329,304,902)	-
Other Information:					
Capital Expenditure	2,961,852	2,961,852	6,546,195	-	12,469,900
Previous Year	295,027	312,302	8,826,102	-	9,433,431
Depreciation	251,725	251,725	2,873,046	-	3,376,495
Previous Year	40,225	40,225	384,727	-	465,177

Schedules

Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

6. 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
2	Money Matters Investment Advisors Private Limited	Wholly owned Subsidiary
3	Money Matters Distribution Company Private Limited	Wholly owned Subsidiary
4	Money Matters Capital Private Limited	Wholly owned Subsidiary
5	Money Matters Research Private Limited	Wholly owned Subsidiary (wef January 22, 2010)
6	Money Matters Resources Private Limited	Wholly owned Subsidiary (wef March 12, 2010)

B. Other related parties with whom transactions have taken place during the year:

A: Key Management Personnel

1	Mr. Rajesh Sharma	Chairman & Managing Director
2	Mr. Suresh Gattani	Whole Time Director (till August 21, 2009)

B: Joint Ventures

1	Capstone Capital Services Private Limited
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C. Enterprises over which person described in (A) above along with his relatives has control

1	Money Matters Advisory Services Limited
2	Money Matters Infrastructure Private Limited



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Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

D. Details of transactions during the year and closing balances as at the year end:

(Amount in ₹)

Sr. No.	Particulars	Subsidiaries		Joint Ventures		Enterprises over which person described in (A) has control		Key Management Personnel		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
a	Profit and Loss Account Heads:										
	(I) Incomes:										
	Interest Received	-	-	-	-	-	-	-	-	-	-
	Rent Received	6,183,000	2,061,000	-	-	-	-	-	-	6,183,000	2,061,000
	Sale of Bonds	-	-	-	-	109,040,400	101,444,521	-	-	109,040,400	101,444,521
	(II) Expenses										
	Rent Paid	-	-	-	-	13,932,000	4,644,000	-	-	13,932,000	4,644,000
	Interest Paid	-	-	-	-	-	-	-	-	-	-
	Brokerage Paid	50	-	-	-	-	-	-	-	50	-
	Salaries, Commission and other benefits	-	-	-	-	-	-	69,039,281	2,949,947	69,039,281	2,949,947
	Purchase of Bonds	-	-	-	-	220,829,825	-	-	-	220,829,825	-
b	Balance Sheet Heads (Closing Balances)										
	i Sundry Creditors/Other Liabilities for rendering services	-	-	-	-	-	-	-	-	-	-
	ii Investment in Equity Shares	330,000,000	305,000,000	4,999,990	-	-	-	-	-	334,999,990	305,000,000
	iii Loans & Advances Given	501,000,000	2,968,000	-	-	-	-	-	-	501,000,000	2,968,000
	iv Recoverable Expenses	237,428	-	-	-	-	-	-	-	237,428	-
c	Contingent Liabilities (Closing Balances)										
	i Guarantees and Collaterals	-	-	-	-	-	-	-	-	-	-
d	Transactions during the year										
	i Loans Given	588,219,598	216,660,000	-	-	-	-	-	-	588,219,598	216,660,000
	ii Loans Given Returned	337,219,598	214,192,400	-	-	-	-	-	-	337,219,598	214,192,400
	iii Loans Taken	-	-	-	-	-	-	-	-	-	-
	iv Loans Taken Returned	-	-	-	-	-	-	-	-	-	-
	v Recoverable Expenses										
	a) incurred for related parties	680,433	2,044,324	-	-	-	-	-	-	680,433	2,044,324
	b) incurred by related parties on our behalf	-	-	-	-	-	-	-	-	-	-
	vi Investment in equity shares	25,000,000	243,000,000	4,999,990	-	-	-	-	-	29,999,990	243,000,000

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Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

7. Earnings Per Share

(Amount in ₹)

Particulars		For the year ended March 31, 2010	For the year ended March 31, 2009
Net Profit after tax as per profit and loss account	(A)	1,135,998,464	1,014,434,600
Weighted average number of equity shares for calculating Basic EPS	(B)	27,183,649	22,562,145
Weighted average number of equity shares for calculating Diluted EPS	(C)	45,173,296	40,562,545
Basic earnings per equity share (Face value of ₹ 10/- per share)	(A)/(B)	41.79	44.96
Diluted earnings per equity share (Face value of ₹ 10/- per share)	(A)/(C)	25.15	25.01
Particulars		For the year ended March 31, 2010	For the year ended March 31, 2009
Weighted average number of equity shares for calculating EPS		271,83,649	22,562,145
Add : Equity shares arising on conversion of warrants		17,249,695	18,000,400
Add : Equity shares for no consideration arising on grant of stock options under ESOP		739,952	-
Weighted average number of equity shares in calculation of diluted EPS		45,173,296	40,562,545

8. Deferred Tax Liabilities/(Assets)(Net)

The break up of deferred tax asset/liabilities is as under :-

(Amount in ₹)

	As at March 31, 2010	As at March 31, 2009
Deferred Tax Liabilities		
Timing difference on account of ;		
Differences in depreciation in block of fixed assets as per tax books and financial books	-	316,353
Gross Deferred Tax Liabilities (A)	-	316,353
Deferred Tax Assets		
Timing difference on account of ;		
Differences in depreciation in block of fixed assets as per tax books and financial books	220,079	-
Expenses disallowed under Income Tax Act, 1961	169,207	-
Gross Deferred Tax Assets (B)	389,286	-
Gross Deferred Tax Liabilities/(Assets)(Net) (A-B)	(389,286)	316,353



Schedules

Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

9. Employee Stock Option Plan

Date of grant	October 27, 2009		December 16, 2009	
Date of Board /Committee Approval	October 27, 2009		December 16, 2009	
Date of Shareholder's Approval	September 22, 2009		September 22, 2009	
Number of options granted	825,000		50,000	
Method of Settlement (Cash/Equity)	Equity		Equity	
	Vesting Dates	No of Options	Vesting Dates	No of Options
	01/11/2011	18,000	01/12/2011	2,500
	01/11/2012	229,500	01/12/2012	12,500
	01/11/2013	247,500	01/12/2013	15,000
	01/11/2014	330,000	01/12/2014	20,000
Total		825,000		50,000
Exercisable period	Within 3 Years from the Vesting date		Within 3 Years from the Vesting date	

The details have been summarized below:

	As At March 31, 2010		As At March 31, 2010	
	Grant Date October 27, 2009		Grant Date December 16, 2009	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	NA	-	NA
Add: Granted during the year	825,000	10	50,000	10
Less: Forfeited during the year	-	NA	-	NA
Less: Exercised during the year	-	NA	-	NA
Less: Expired during the year	92,000	NA	-	NA
Outstanding at the end of the year	733,000	10	50,000	10
Exercisable at the end of the year	-	NA	-	NA
Weighted average remaining contractual life (in years)		6.5		6.5
Weighted average fair value of options granted		118.72		106.27

Stock Options Granted

The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	Year 2	Year 3	Year 4	Year 5
Exercise Price	₹ 10	₹ 10	₹ 10	₹ 10
Expected Volatility (%)	85.85%	85.85%	85.85%	85.85%
Historical Volatility	85.85%	85.85%	85.85%	85.85%
Life of the options granted in years	2	3	4	5
Expected dividends per annum (₹)	2	2	2	2
Average risk-free interest rate (%)	6.35%	6.35%	6.35%	6.35%

Schedules

Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

(Amount in ₹)

	As at March 31, 2010	As at March 31, 2009
Compensation cost pertaining to equity-settled employee share-based payment plan included above	7,616,022	-
Liability for employee stock options outstanding as at year end	91,027,650	-
Deferred compensation cost	83,411,628	-

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

(Amount in ₹)

	As at March 31, 2010	As at March 31, 2009
Profit as reported	1,135,998,464	1,014,434,600
Add: Employee stock compensation under intrinsic value method	7,616,022	-
Less: Employee stock compensation under fair value method	7,725,202	-
Proforma profit	1,135,889,284	1,014,434,600
Earnings per share		
Basic		
As reported	41.79	44.96
Proforma	41.79	44.96
Diluted		
As reported	25.15	25.01
Proforma	25.15	25.01

10. Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid /payable are required to be furnished.
11. The exchange difference amounting to ₹ 32,404/- (net loss) (Previous year – ₹ Nil) arising on account of foreign currency transactions has been accounted in the Profit and Loss account in accordance with Accounting Standard – AS 11 – Accounting for the effects of changes in foreign exchange rates.



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Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

12. In compliance with the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS27), the Company has interests in the following jointly controlled entities: (Amount in ₹)

Name of Companies	% age of Share Holding	Amount of Interest based on the Audited Accounts for the year ended March 31, 2010				
		Assets	Liabilities	Income	Expenditure	Capital Commitment and Contingent Liability
Capstone Capital Services Private Limited	50%	5,103,563	5,103,563	25,293	639,221	-

This being the first period of Joint Venture previous year's figures are not given.

Capstone Capital Services Private Limited is a Joint Venture Company of Money Matters Financial Services Limited and Milestone Capital Advisors Private Limited as per the shareholders agreement dated December 16, 2009 and amendment thereof executed by and amongst Money Matters Financial Services Limited and Milestone Capital Advisors Private Limited and Capstone Capital Services Private Limited.

13. Remuneration to Directors Includes: (Amount in ₹)

	For the year ended March 31, 2010	For the year ended March 31, 2009
Salary to Managing Director	68,047,667	1,433,790
Salary to Whole Time Director	991,694	1,516,157
	69,039,361	2,949,947

Computation of net profit for calculation of commission to Directors: (Amount in ₹)

Profit before Taxation as per Profit & Loss	1,713,072,283
Add:	
Depreciation (as per Accounts)	3,376,495
Net Loss on fixed assets sold/discarded (as per Section 349 of the Companies Act, 1956)	2,118,081
Directors' Fees	365,000
Directors' Remuneration	
Whole Time Director	991,614
Managing Director	68,047,667
	74,898,857
Less:	
Depreciation (under Section 350 of Companies Act, 1956)	3,376,495
Directors' Fees	365,000
Directors' Remuneration	
Whole Time Director	991,614
Managing Director	68,047,667
	72,780,776

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Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

(Amount in ₹)

Profit for the year	1,715,190,364
Less :	
Loss brought forward from the pervious year	-
Net Profit / (Loss) under Section 349 of the Companies Act, 1956	1,715,190,364
(A) Managing Directors Salary eligible upto 5% of above.	81,675,732
<u>Out of this</u>	
Salary & Perquisites	8,047,667
Bonus	60,000,000
Total Paid	68,047,667
(B) WTD Salary	991,614
(C) Directors' Fees	365,000

Note: -

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

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

Particulars in respect of trading in Shares and Bonds

Description	Unit	For the year ended March 31, 2010				For the year ended March 31, 2009			
		Shares		Bonds		Shares		Bonds	
		Quantity Nos.	Value ₹	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
A. Opening Stock:									
Shares/Bonds	Nos.	5,200	82,900	250	250,125,000	5,200	82,900	100	100,000,000
B. Purchases:									
Shares/Bonds	Nos.	---	---	356,012	9,878,270,540	---	---	3,090	3,139,791,050
C. Sales:									
Shares/Bonds	Nos.	5,200	82,900	346,009	9,031,129,860	---	---	2,940	3,048,096,850
D. Closing Stock:									
Shares/Bonds	Nos.	---	---	10,253	1,210,125,999	5,200	82,900	250	250,125,000



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Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

15. Investments

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

	March 31, 2010		March 31, 2009	
	Quantity	Amount in ₹	Quantity	Amount in ₹
Investments at the beginning of the year				
Mutual Fund	-	-	6,376,391	70,013,414
Investment made during the year				
Mutual Fund	1,778,794,754	19,219,761,309	282,921,496	3,103,574,243
Investments redeemed / sold during the year				
Mutual Fund	1,774,195,165	19,169,943,013	289,297,887	3,173,587,657
Investment as at the year end				
Mutual Fund	4,599,589	50,503,942	-	-

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

Name of the Unit/Company	Type	Investment		Sales/Redemption	
		No of Units	₹	No of Units	₹
Mutual Fund					
LIC MF Floating Rate Fund-Short Term Plan	Daily Dividend	179,654,236	1,796,542,357	179,654,236	1,796,542,357
		(-)	(-)	(-)	(-)
LIC MF Liquid Fund	Daily Dividend	803,097,294	8,818,588,431	798,497,706	8,768,084,488
		(279,929,887)	(3,073,658,155)	(286,306,279)	(3,143,671,568)
LIC MF Liquid Fund	Growth Option	8,260,398	137,800,000	8,260,398	137,902,846
		(-)	(-)	(-)	(-)
LIC MF Liquid Plus Fund	Daily Dividend	3,451,406	34,514,063	3,451,406	34,514,063
		(-)	(-)	(-)	(-)
LIC MF Saving Plus Fund	Daily Dividend	650,781,336	6,507,813,356	650,781,336	6,507,813,356
		(2,991,609)	(29,916,088)	(2,991,609)	(29,916,088)
LIC MFf Saving Plus Fund	Growth Option	133,550,084	1,924,503,101	133,550,084	1,925,085,902
		(-)	(-)	(-)	(-)
Total		1,778,794,754	19,219,761,309	1,774,195,165	19,169,943,013
		(282,921,496)	(3,103,574,243)	(289,297,887)	(3,173,587,657)

Figures in respect of previous years are given in brackets



Schedules

Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

(₹ in lacs)

iii) Units of mutual funds		-
iv) Government Securities		2,330.57
v) Others (please specify)		
- Certificate of Deposits		9,740.22
2. Unquoted:		
i) Shares: (a) Equity		-
(b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		505.04
iv) Government Securities		-
v) Others (please specify)		-
Long Term investments:		
1. Quoted:		
i) Shares: (a) Equity		-
(b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others (please specify)		-
2. Unquoted:		
i) Shares: (a) Equity		3,350.00
(b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others (please specify)		-

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

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	5,012.37	5,012.37
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	62.33	2,900.00	2,962.33
Total	62.33	7,912.37	7,974.70

Schedules

Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

6 Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):
(₹ in lacs)

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	3,300.00	3,300.00
b) Companies in the same group	-	-
c) Other related parties	50.00	50.00
2. Other than related parties	12,606.30	12,606.30
Total	15,956.30	15,956.30
7 Other information		
i) Gross NonPerforming Assets		
a) Related Parties	-	-
b) Other than related parties	-	-
ii) Net NonPerforming Assets		
a) Related Parties	-	-
b) Other than related parties	-	-
iii) Assets acquired in satisfaction of debt	-	-

16 (b) Disclosures in terms of Paragraph 10 of Non Banking Financial (Non- Deposit Accepting or Holding)

Companies Prudential Norms(Reserve Bank) Directions, 2007

(I) Disclosure for CRAR :-

CRAR	Items	As on March 31, 2010	As on March 31, 2009
i)	CRAR (%)	141%	268%
ii)	CRAR - Tier I Capital (%)	141%	268%
iii)	CRAR - Tier II Capital (%)	0%	0%

(II) Exposure to Real Estate Sector

Category	As on March 31, 2010	As on March 31, 2009
a) Direct Exposure		
i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 Lacs may be shown separately	Nil	Nil



Schedules

Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, deve	Nil	Nil
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs.)	Nil	Nil

(II) Maturity Pattern of Assets & Liabilities as at March 31, 2010

(Amount in ₹)

	1 Day to 30/31 days (One Month)	Over one Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total
Liabilities									
Borrowing from Banks	905	-	-	-	-	-	-	-	905
	(-)	(217,523,760)	(-)	(-)	(-)	(-)	(-)	(-)	(217,523,760)
Market Borrowings	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Assets									
Advances	511,000,000	6,232,640	-	240,237,428	40,000,000	-	-	-	797,470,068
	(-)	(-)	(117,968,000)	(-)	(-)	(-)	(-)	(-)	(117,968,000)
Investments	1,024,525,942	-	-	-	-	-	-	334,999,990	1,359,525,932
	(250,125,000)	(-)	(-)	(-)	(-)	(-)	(-)	(305,000,000)	(555,125,000)

Note : Figures of Previous years are given in brackets

Schedules

Notes on Accounts forming part of the Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended March 31, 2010

17. The Company believes that no impairment of assets arises during the year as per the recommendations of Accounting Standard - 28 Impairment of Assets, issued by the Institute of Chartered Accountants of India.

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

(a) Earning in Foreign Currency : ₹ 3,662,109/- (Previous Year ₹ 4,054,765/-)

(b) Expenditure in Foreign Currency : ₹ 101,768/- (Previous Year ₹ Nil)

19. The Company had issued 18,000,400 equity shares on right basis @ ₹ 10 each along with 18,000,400 Detachable Convertible Warrants on March 27, 2009 in the previous year. Out of these Warrants, 750,705 warrants have been converted into equity shares of ₹ 10/- each @ a premium of ₹ 97.47 on January 02, 2010. As at the year end (as on March 31, 2010) 17,249,695 warrants are outstanding.

20. Prior period comparatives:

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

As per Our Report Annexed:

For and on behalf of the Board of Directors

For **Agarwal Gupta Nokari**

& Rustagi Associates

Chartered Accountants

(Firm Reg. No. 310041E)

B. C. Khaitan

Partner

Membership No. 17387

Place: Ambavane, Pune

Dated: July 10, 2010

Rajesh Sharma

Chairman & Managing Director

Pramod Kasat

Whole Time Director

Place: Ambavane, Pune

Dated: July 10, 2010

Yogesh Kolwalkar

VP (Legal) & Company Secretary



Balance Sheet Abstract and General Business Profile

AS PER PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956

I Registration Details	
Registration No.	L65921MH1994PTC173469
Balance Sheet Date	March 31, 2010
State Code	11
II Capital Raised During The Year	(Amount in ₹ '000)
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Warrant Conversion	7,507
Private Placement	Nil
III Position of Mobilisation and Deployment of Funds	
Total Liabilities	2,649,119
Total Assets	2,649,119
Source of Funds	
Paid Up Capital	277,513
Stock Option Outstanding	7,616
Share Application Money	Nil
Reserves & Surplus	2,363,989
Secured Loans	1
Unsecured Loans	Nil
Deferred Tax Liability	Nil
Application of Funds	
Net Fixed Assets	18,390
Investment	385,504
Deferred Tax Asset	389
Net Current Assets	2,244,836
Misc Expenditure	Nil
Accumulated Loss	Nil
IV Performance Of The Company	
Total Income	2,004,310
Total Expenditure	291,238
Profit Before Tax	1,713,072
Profit After Tax	1,135,998
Basic Earning Per Share	41.79
Diluted Earning Per Share	25.15
Dividend Rate (%)	20%
V Generic Names Of Three Principal	
Products/Services Of Company (As Per Monetary Terms)	
Item Code No	N.A.
Product Description	1. Financial Advisory Services 2. Investment & Trading In Securities 3. Finance Activity

For **Agarwal Gupta Nokari & Rustagi Associates**
Chartered Accountants
(Firm Reg. No. 310041E)

For and on behalf of the Board of Directors

B. C. Khaitan
Partner
Membership No. 17387

Rajesh Sharma
Chairman & Managing Director

Pramod Kasat
Whole Time Director

Yogesh Kolwalkar
VP (Legal) & Company Secretary

Place: Ambavane, Pune
Dated: July 10, 2010

Place: Ambavane, Pune
Dated: July 10, 2010

Auditors' Report

- To,
- The Board of Directors, MONEY MATTERS FINANCIAL SERVICES LIMITED, on the consolidated financial statement
1. We have audited the attached Consolidated Balance Sheet of MONEY MATTERS FINANCIAL SERVICES LIMITED ("the Company") and its subsidiaries (collectively referred to as "the MONEY MATTERS GROUP") as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. We did not audit the financial statement of subsidiaries & joint ventures, whose financial statements reflect total assets of ₹ 438,912,289/- As at March 31, 2010, total revenues of ₹ 119,712,884/- and total cash outflow of ₹ 580,438,354/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, is so far as it relates to the amounts included in respect of these subsidiaries are based solely on the report of the other auditors.
 4. We report that the consolidated financial statement have been prepared by the Money Matters Group's management in accordance with the requirements of the Accounting Standard (AS) 21, 'Consolidated Financial Statements', (AS) 23 'Accounting for investments in Associates in Consolidated Financial Statements' and (AS) 27 'Financial Reporting of Interests in Joint Ventures' as prescribed under the Companies (Accounting Standards) Rules, 2006.
 5. Based on our audit and on consideration of reports of other auditors on separate financial statements and the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Money Matters Group as at March 31,2010;
 - (b) in the case of the Consolidated Profit & Loss Account, of the profit of the Money Matters Group for the year ended on that date; and
 - (c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Money Matters Group for the year ended on that date.

**For Agarwal Gupta Nokari &
Rustagi Associates**
Chartered Accountants
Firm Reg. No.:310041E

B. C. Khaitan
Partner

Place: Ambavane, Pune
Dated: July 10, 2010

Membership No. 17387



Consolidated Balance Sheet as at March 31, 2010

(Amount in ₹)

	Schedule	As at March 31, 2010	As at March 31, 2009
I. SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	277,513,050	270,006,000
Stock option outstanding account	2	7,616,022	-
Reserves & Surplus	3	2,523,847,480	1,259,302,925
Loan Funds			
Secured Loans	4	279,009,309	217,523,761
Unsecured Loans	5	45,000	-
Deferred Tax Liabilities (net) (Refer note no. 8 of Schedule 25)		-	428,748
	Total	3,088,030,861	1,747,261,434
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	51,068,381	36,942,623
Less: Accumulated Depreciation		14,483,860	6,641,154
Net Block		36,584,521	30,301,469
Investments	7	63,809,714	60,137,621
Deferred Tax Assets (net) (Refer note no. 8 of Schedule 25)		723,853	-
Current Assets, Loans & Advances			
Inventories	8	1,210,125,999	250,207,900
Sundry Debtors	9	236,995,535	159,675,071
Cash & Bank Balances	10	1,057,594,818	1,110,704,696
Other Current Assets	11	32,997,430	32,369,833
Loans & Advances	12	1,911,276,485	707,638,592
		4,448,990,267	2,260,596,093
Less: Current Liabilities & Provisions			
Current Liabilities	13	256,351,356	57,938,941
Provisions	14	1,205,726,140	551,056,005
		1,462,077,496	608,994,946
Net Current Assets		2,986,912,773	1,651,601,147
Miscellaneous expenditure	15	-	5,221,197
(To the extent not written off)			
	Total	3,088,030,861	1,747,261,434
The Schedules referred to above form an integral part of the Balance Sheet			

As per our report of even date

For and on behalf of the Board of Directors

For **Agarwal Gupta Nokari
& Rustagi Associates**
Chartered Accountants
(Firm Reg. No. 310041E)

B. C. Khaitan
Partner
Membership No. 17387
Place: Ambavane, Pune
Dated: July 10, 2010

Rajesh Sharma
Chairman & Managing Director

Pramod Kasat
Whole Time Director

Yogesh Kolwalkar
VP (Legal) & Company Secretary

Place: Ambavane, Pune
Dated: July 10, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

(Amount in ₹)

	Schedule	Year Ended March 31, 2010	Year Ended March 31, 2009
I. INCOME			
Fees from Financial Advisory Services (Net)		2,007,375,080	1,610,272,949
Equity Brokerage		9,748,640	12,398,518
Brokerage from Debt Market		4,073,023	-
Income from Trading in Securities	16	140,953,848	77,196,343
Interest Received	17	81,441,852	42,676,003
Other Income	18	26,853,121	20,494,528
		2,270,445,564	1,763,038,341
II. EXPENDITURE			
Stock Broking Operational Expenses	19	3,589,859	2,671,150
Payment to Employees	20	140,262,890	129,689,259
Administrative & Other Expenses	21	188,459,693	46,339,257
Financial Charges	22	26,217,791	20,806,917
Loss on sale of Fixed Assets		1,844,168	-
Miscellaneous Expenses W/Off	23	5,684,685	1,578,587
Depreciation		8,415,272	5,897,107
		374,474,359	206,982,277
III. Profit Before Taxation (I-II)			
Provision for Taxation		641,633,000	528,560,000
FBT		-	1,131,900
Deferred Tax		(1,152,601)	(159,645)
		1,255,490,806	1,026,523,809
Income Tax Adjustment		220,542	(6,560)
Profit After Taxation		1,255,711,348	1,026,517,249
Add: Balance Brought Forward		887,645,711	64,015,382
Profit Available for appropriation		2,143,357,059	1,090,532,631
IV. Appropriations			
Transferred to Reserve Fund in terms of Section 45 IC(1) of the Reserve Bank of India Act, 1934		228,342,785	202,886,920
Transferred to General Reserve		120,000,000	-
Interim Dividend		27,000,600	-
Proposed Final Dividend		27,751,305	-
Tax on Dividend		9,197,897	-
Balance carried to Balance Sheet		1,731,064,472	887,645,711
Earning Per Share (Refer Note 7 of Schedule 25)			
Basic		46.19	45.50
Diluted		27.80	25.31
Nominal value of Share		10.00	10.00
Significant Accounting Policies	24		
Notes forming part of the Accounts	25		
The Schedules referred to above form an integral part of the Profit and Loss Account			

As per our report of even date

For and on behalf of the Board of Directors

For **Agarwal Gupta Nokari
& Rustagi Associates**

Chartered Accountants
(Firm Reg. No. 310041E)

B. C. Khaitan
Partner
Membership No. 17387
Place: Ambavane, Pune
Dated: July 10, 2010

Rajesh Sharma
Chairman & Managing Director

Pramod Kasat
Whole Time Director

Yogesh Kolwalkar
VP (Legal) & Company Secretary

Place: Ambavane, Pune
Dated: July 10, 2010



Consolidated Cash Flow Statement for the year ended March 31, 2010

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
(A) Cash Flow From Operating Activities		
Profit Before Taxation	1,895,971,205	1,556,056,064
Add:		
Depreciation	8,415,272	5,897,107
Stock Options Adjustment	7,616,022	-
Bad Debts Written off	13,251,053	-
Miscellaneous Expenses W/off	5,684,685	1,578,587
Loss on sale of Fixed Assets	1,844,168	-
Less:		
Rights Issue/Preliminary Expenses Incurred	(456,040)	(2,427,187)
Dividend on investments	(25,492,546)	-
Profit on sale of investments	(543,862)	2,850,599
Operating Profit before Working Capital Changes	1,906,289,958	1,563,955,170
Movements in Working Capital		
(Increase)/Decrease in Sundry Debtors	(90,571,517)	(90,378,377)
(Increase)/Decrease in Stock-in-trade	(959,918,099)	(150,125,000)
(Increase)/Decrease in Loans & Advances	(549,940,826)	57,577,369
(Increase)/Decrease in Other Current Assets	(627,597)	31,785,555
Increase/(Decrease) in Current Liabilities	198,412,415	(38,373,879)
Increase/(Decrease) in Provisions	(19,323,315)	-
Income Tax Adjustment	220,542	(6,560)
Direct Taxes Paid	(658,272,121)	(253,307,210)
FBT Paid	(21,144)	(1,047,361)
Net Cash (Used)/Generated in/from Operating Activities (A)	(173,751,706)	1,120,079,707
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(19,362,663)	(13,666,160)
Sale of Fixed Assets	2,820,170	-
Dividend on investments	25,492,546	-
Profit on sale of investments	543,862	-
(Increase)/Decrease in Investments	(4,060,301)	23,021,426
Net Cash Flow Used In Investing Activities (B)	5,433,613	9,355,266

Consolidated Cash Flow Statement for the year ended March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
(C) Cash Flow From Financing Activities		
Increase/(Decrease) in Secured Borrowings	61,485,549	217,523,761
Increase/(Decrease) in Unsecured Borrowings	45,000	(600,000,000)
Interim Dividend Paid	(27,000,600)	-
Increase/(Decrease) in Share Capital	7,507,050	180,004,000
Increase/(Decrease) in Share Premium	73,171,215	-
Net Cash Flow From Financing Activities (C)	115,208,214	(202,472,239)
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(53,109,878)	926,962,734
Cash & Cash Equivalents at the beginning of the year	1,110,704,696	183,741,962
Cash & Cash Equivalents at the end of the year	1,057,594,818	1,110,704,696
Net Increase/Decrease in Cash & Cash Equivalents	(53,109,878)	926,962,734

For **Agarwal Gupta Nokari
& Rustagi Associates**

Chartered Accountants
(Firm Reg. No. 310041E)

For and on behalf of the Board of Directors

B. C. Khaitan
Partner
Membership No. 17387

Rajesh Sharma
Chairman & Managing Director

Pramod Kasat
Whole Time Director

Yogesh Kolwalkar
VP (Legal) & Company Secretary

Place: Ambavane, Pune
Dated: July 10, 2010

Place: Ambavane, Pune
Dated: July 10, 2010



Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2010

(Amount in ₹)

Particulars			As at March 31, 2010	As at March 31, 2009
SCHEDULE-1				
SHARE CAPITAL				
Authorised				
45,250,000 (45,250,000) Equity Shares of ₹10/- Each			452,500,000	452,500,000
Issued, Subscribed & paid up				
27,751,305 (27,000,600) Equity Shares of ₹10/- Each fully paid up			277,513,050	270,006,000
Of the above:				
The Company had issued 18,000,400 Warrants eligible for conversion into Equity Shares on March 27, 2009. Out of this 750,705 warrants were converted into Equity Shares during the FY 2009-10			277,513,050	270,006,000
SCHEDULE-2				
STOCK OPTION OUTSTANDING				
Employee Stock Option Outstanding			91,027,650	-
Less : Deferred Employee Compensation Expenses			(83,411,628)	-
			7,616,022	-
SCHEDULE-3				
	As at	Additions	As at	As at
RESERVES & SURPLUS	April 30, 2009		March 31, 2010	March 31, 2009
Capital Reserve on Consolidation	28,406,916	388,208	28,018,709	28,406,916
Share Premium Account (Received on conversion of Warrants)	160,000,000	73,171,216	233,171,216	160,000,000
Reserve Fund in term of Section 45 I C(1) of the RBI Act,1934	211,657,215	228,342,785	440,000,000	211,657,215
General Reserves	-	120,000,000	120,000,000	-
	400,064,131	421,125,794	821,189,925	400,064,131
Retained Earnings *	859,238,794	843,418,761	1,702,657,555	859,238,794
	1,259,302,925	1,026,517,249	2,523,847,480	1,259,302,925
Previous Year	232,785,677	1,026,517,249	1,259,302,925	232,785,677
NOTES:				
* Retained earnings comprises of general reserves and Profit and Loss Account balances.				
SCHEDULE-4				
SECURED LOANS				
Bank of India - Cash Credit (Secured by Pledge of Specific Assets covered under the loan agreement)			905	-
Bank O/D with Union Bank of India (Secured against Fixed Deposit)			279,008,404	-
Bank of India (Secured against the Fixed Deposits of the Company)			-	217,523,761
			279,009,309	217,523,761
SCHEDULE-5				
UNSECURED LOANS				
Short term loan from Shareholder			45,000	-
			45,000	-

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd..)

SCHEDULE-6 FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS ON 01.04.09	ADDITION	DEDUCTIONS	AS ON 31.03.10	UPTO 01.04.09	FOR THE YEAR	DEDUCTIONS	AS ON 31.03.10	AS ON 31.03.10	AS ON 31.03.09
Property	-	4,851,680	-	4,851,680	-	7,975	-	7,975	4,843,705	-
Computers & Accessories	7,037,729	3,648,935	122,000	10,564,664	2,385,682	2,540,470	51,631	4,874,521	5,690,143	4,652,047
Office Equipments	2,820,997	1,718,412	-	4,539,409	231,737	482,867	-	714,604	3,824,805	2,589,260
Electrical Installation	1,631,415	9,620	-	1,641,035	27,880	224,122	-	252,002	1,389,033	1,603,535
Furniture & Fixtures	25,452,482	1,058,351	-	26,510,833	3,995,855	4,041,030	-	8,036,886	18,473,948	21,456,627
Motor Car	-	8,075,665	5,114,905	2,960,760	-	1,118,808	520,936	597,872	2,362,888	-
Total	36,942,623	19,362,663	5,236,905	51,068,381	6,641,154	8,415,272	572,567	4,483,860	36,584,521	30,301,469
Previous Year	23,276,463	13,666,160	-	36,942,623	744,046	5,897,107	-	6,641,154	30,301,469	22,532,417

(Amount in ₹)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE-7 INVESTMENTS		
Long Term :		
Curret Investments (At Fair Value)		
Units of Mutual funds		
4,599,229 Units (Previous year 5,476,964.78) Units of LIC Mutual Fund Liquid Fund	50,503,942	60,137,621
478,415 Units (Previous Year Nil) of LIC MF Saving Plus - Daily Dividend Plan	4,784,149	-
72,878.141 Units ICICI Prudential Flexible Income Plan	3,852,885	-
462,231.168 Units (Previous Year Nil) of LIC Saving Plus - Daily Dividend Plan	4,668,738	-
	63,809,714	60,137,621
SCHEDULE-8 INVENTORIES		
(As Certified by the Management)		
A. Quoted (Shares)		
Nil (169) Equity Shares of HDFC Bank Limited	-	81,100
300 (300) Equity Shares of Vardhman Lab Ltd.	-	1,800
	-	82,900
B. Bonds		
Nil (250) HDFC Ltd 9.90% Bond	-	250,125,000
250 (Nil) G-Sec 2034 August 7.5% Bonds (Valued at Market Price. The cost being ₹ 241,700,000)	233,057,250	-
3 (Nil) JP Associates Ltd July 2014 ,11.75% Bonds	3,046,749	-
	236,103,999	250,125,000
C. Certificate of Deposit with Banks		
10,000(Nil) ICICI Bank Ltd CS 10-09-2010	974,022,000	-
	974,022,000	-
	(A+B+C)	1,210,125,999
		250,207,900



Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2010

(Amount in ₹)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE-9		
SUNDRY DEBTORS		
More than Six Months	42,720,800	24,017,935
Other Debts	194,274,736	135,657,136
	236,995,536	159,675,071
SCHEDULE- 10		
CASH & BANK BALANCES		
Cash in hand	1,949,135	2,730,035
Balances with Scheduled Banks in Current Accounts	158,104,333	220,240,059
Balances with Scheduled Banks in FD	897,541,350	887,734,602
(Includes Fixed Deposits of ₹ 45,000,000 (PY ₹ 550,000,000) pledged as lien against overdraft facility taken)		
	1,057,594,818	1,110,704,696
SCHEDULE- 11		
OTHER CURRENT ASSETS		
Security & Other Deposit	30,307,955	31,759,930
Prepaid Expenses	1,558,348	51,000
Service Tax Recievables	1,128,037	558,903
Service Tax Unclaimed	3,090	-
	32,997,430	32,369,833
SCHEDULE- 12		
LOANS & ADVANCES		
(Secured, Considered Good)		
Loans	6,232,640	-
(Unsecured, Considered Good recoverable in cash or in kind or for value to be received)		
Loans	294,005,406	133,673,604
Margin with NSE	415,454,000	-
Interest Receivable	7,182,195	19,822,541
Advance Payment of Tax (Including TDS)	1,156,167,696	528,788,341
Other Advances	32,234,547	25,354,106
	1,911,276,485	707,638,592

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2010

(Amount in ₹)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE-13		
LIABILITIES		
Sundry Creditors for Expenses	63,858,726	3,575,636
Sundry Creditors	147,939,523	4,106,575
Service Tax Payable	17,733,930	18,423,725
TDS Payable	26,819,177	260,195
Professional Tax Payable	-	8,675
Stock Exchange Clearing House	-	31,564,135
	256,351,356	57,938,941
SCHEDULE- 14		
PROVISIONS		
Provision for Income Tax	1,171,325,455	549,967,288
Provision for FBT	1,020,000	1,088,717
Provision for Gratuity	1,020,235	-
Proposed Dividend	27,751,305	-
Corporate Dividend Tax	4,609,145	-
	1,205,726,140	551,056,005
SCHEDULE- 15		
Miscellaneous Expenditure (To the extent not written off)		
A) Preliminary Expenses		
Opening Balance	3,239,394	3,776,312
Addition during the year	384,603	967,417
	3,623,997	4,743,729
Less : Written off during the year	3,623,997	1,137,562
	(A) -	3,606,167
B) Pre-Operative Exp.		
Opening Balance	447,214	596,285
Addition during the year	-	-
	447,214	596,285
Less : Written off during the year	447,214	149,071
	(B) -	447,214
C) Right Issue Expenses		
Opening Balance	1,127,815	-
Addition during the year	71,437	1,409,769
	1,199,252	1,409,769
Less : Written off during the year	1,199,252	281,954
	(C) -	1,127,815
D) Share Capital Increase Expenses	(D) -	40,001
	(A+B+C+D) -	5,221,197



Schedules

forming part of the Consolidated Profit & Loss Account for the year ended March 31, 2010

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE-16		
INCOME FROM TRADING IN SECURITIES		
A. Income from Shares		
Sale of Shares & Securities	137,558,972	-
Income/(Loss) from Futures & Options	(796,369)	-
Written off*	82,900	-
<i>*Considered unrealizable</i>		
	136,845,503	-
Less:		
Opening Stock	82,900	-
Purchases	137,304,091	-
	137,386,991	-
Income from Shares	(A)	(541,488)
B. Income from Bond Trading		
Sale of Bonds/Debentures	8,789,429,860	3,048,096,850
Interest on Bonds	35,644,772	18,398,146
Interest on Application Money for Bonds	1,687,066	367,397
Closing Stock	1,210,125,999	250,207,900
	10,036,887,696	3,317,070,293
Less:		
Opening Stock	250,125,000	100,082,900
Demat Charges	1,872	-
Delivery/Brokerage Charges	52,198	-
Purchases	9,645,213,290	3,139,791,050
	9,895,392,360	3,239,873,950
Income from Bond Trading	(B)	77,196,343
	(A+B)	77,196,343
SCHEDULE-17		
INTEREST RECEIVED		
Interest on Loan	7,088,335	6,642,120
Interest - ILFS	1,000,496	210,078
Interest on Bank Fixed Deposits	69,139,049	35,018,243
Interest on Margin Funding	4,213,972	580,890
Interest- Others	-	172,944
Interest on I.T.Refund	-	51,728
	81,441,852	42,676,003

Schedules

forming part of the Consolidated Profit & Loss Account for the year ended March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE-18		
OTHER INCOME		
Dividend Received on Mutual Fund	25,492,546	17,638,926
Short Term Capital Gain Mutual Funds	1,085,350	-
Short Term Capital Gain	-	(2,674,108)
Long Term Capital Gain	-	5,524,707
Loan Processing Fess Received	275,000	-
Other Misc. Income	-	5,003
Depository CDSL Charges	225	-
	26,853,121	20,494,528
SCHEDULE-19		
STOCK BROKING OPERATIONAL EXPENSES		
Lease Line Charges	350,754	44,794
Software Running Exp	2,306,577	1,876,937
Exchange & Statutory Charges	549,588	431,078
V-Sat Exp	40,191	82,877
Depository Charges	341,990	230,992
Vandha A/c	759	4,472
	3,589,859	2,671,150
SCHEDULE-20		
PAYMENT TO EMPLOYEES		
Salaries & Bonus	136,732,464	128,894,291
Staff Welfare Expenses	2,510,192	794,968
Provision for Gratuity	1,020,235	-
	140,262,890	129,689,259



Schedules

forming part of the Consolidated Profit & Loss Account for the year ended March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE-21		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement Expenses	109,025	30,560
Bad Debts Written Off	13,251,053	-
Business Promotion Expenses	33,664,967	11,266,546
Computer Maintenance	543,943	110,554
Conveyance Expenses	498,599	803,463
Custodian Charges	65,000	14,000
Directors Sitting Fees	395,000	115,000
Donation	2,756,100	621,000
Electricity Charges	1,409,860	695,409
Filing & Compounding Fees to ROC	15,374	66,282
Foreign Exchange Loss	32,404	-
General Expenses	1,916,761	1,090,987
Insurance Exp.	111,996	137,944
Legal & Professional Fees	10,283,070	1,380,189
Listing Fees & Stock Exchange Fees	86,750	60,590
Meeting & Conference Expenses	247,509	231,304
Membership & Subscription	2,342,500	30,000
Vehicle Expenses	3,136,200	944,471
Postage & Stamps	214,197	115,155
Payment to Jobbers	289,467	-
Printing & Stationery	1,111,934	693,568
Rates & Taxes	181,022	58,791
Recruitment & Training Expenses	3,490,596	2,011,514
Remuneration to Auditors		
- Audit Fees	172,060	117,758
- Tax Audit Fees	30,000	20,000
- Certification	15,000	10,000
- Out of Pocket Expenses	70,471	27,277
Remuneration to Directors	70,714,249	5,475,904
Rent Paid	22,434,552	14,406,860
Repairs & Maintenance	-	102,508
Sundry balances Written off	59,913	(1,069)
Telephone and Internet Expenses	2,055,585	1,149,362
Foreign Travelling Expenses	476,506	-
Travelling Expenses	8,651,941	4,295,773
SEBI Fees	-	178,996
STT	-	23,561
DP Processing Fees	-	55,000
Software Expenses	7,532,257	-
Society Charges	93,832	-
	188,459,693	46,339,257

Schedules

forming part of the Consolidated Profit & Loss Account for the year ended March 31, 2010 (Contd..)

(Amount in ₹)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE-22		
FINANCIAL CHARGES		
Bank Charges	47,073	77,000
Bank Guarantee Charges	2,522,396	4,244,134
Interest on Loan	14,489,469	5,540,876
Franking Charges	30,070	500,700
Interest on Bank OD	7,368,703	8,488,173
Interest Others	-	34,667
Loan Processing Fees	575,000	1,500,000
Limit Processing Charges	685,080	421,367
Rating Charges	500,000	-
	26,217,791	20,806,917
SCHEDULE-23		
MISCELLANEOUS EXPENSES W/OFF		
Preliminary expenses w/off	4,038,219	1,137,562
Pre-Operative Exp.	447,214	149,071
Share Capital Increase Exp.	-	10,000
Rights Issue Expenses w/off	1,199,252	281,954
	5,684,685	1,578,587



Schedules

Significant Accounting Policies forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

24. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements:

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under Section 211(3C) of the Act, read with Companies (Accounting Standards) Rules, 2006 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Basis of Consolidation:

The consolidated financial statements relate to Money Matters Financial Services Limited (the Parent Company), its subsidiary companies and joint ventures.

(i) Principles of Consolidation:

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) - "Consolidated Financial Statements" and Accounting Standard 27 (AS-27) - "Financial Reporting of Interests in Joint Ventures" as prescribed under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Parent and its subsidiary companies (together the "Group") have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.
- b) The consolidated financial statements include the interest of the Parent Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reports the Parent Company's share of assets, liabilities, income and expenses of a jointly controlled entity as a separate item after fully eliminating unrealised profits or losses on intra-group transactions.
- c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries / joint ventures with respect to different accounting policies for like transaction and events in similar circumstances for the purpose of preparation of consolidated financial statements.
- d) The excess of cost to the Parent Company of its investment in the subsidiary / joint venture over the Parent Company's portion of equity of the subsidiary / joint venture is recognised in the financial statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.
- e) The financial statements of the subsidiaries / joint ventures used in consolidation are drawn upto the same reporting date as that of the Parent Company i.e. year ended March 31, 2010.

Schedules

Significant Accounting Policies forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

(ii) Subsidiary Companies included in the consolidated financial statements:

Name of Subsidiaries	Country of Incorporation	Year/Period ended included in Consolidation	Ownership Interest (%)	Auditor
Money Matters Securities Pvt. Ltd.	India	26/03/2008 to 31/03/2009	100%	S.K. Patodia & Associates
		01/04/2009 to 31/03/2010		
Money Matters Investment Advisors Pvt. Ltd.	India	15/04/2008 to 31/03/2009	100%	S.K. Patodia & Associates
		01/04/2009 to 31/03/2010		
Money Matters Distribution Company Pvt. Ltd.	India	18/11/2008 to 31/03/2009	100%	S.K. Patodia & Associates
		01/04/2009 to 31/03/2010		
Money Matters Capital Pvt. Ltd.	India	11/08/2009 to 31/03/2010	100%	S.K. Patodia & Associates

During the year the company has incorporated two wholly owned subsidiaries viz; Money Matters Research Pvt. Ltd. & Money Matters Resources Pvt. Ltd. on January 22, 2010 & on March 12, 2010 respectively. The accounts of the said companies are not drawn as at March 31, 2010 as the companies have not yet started any activity. Further the parent company has incurred expenses in promotion of these two Companies to the extent of ₹136,988/- as pre-incorporation expenses on behalf of these two companies.

(iii) Particulars of investment in Joint Venture Companies as at March 31, 2010 are as under:

Name of Associates	Country of Incorporation	Year /Period	Ownership Interest (%)	Original Cost of Investment (₹)	Share of Post acquisition Reserves and Surplus (₹)	Auditor
Capstone Capital Services Private Limited	India	08/02/2010 to 31/03/2010	50%	4,999,990	(618,633)	G.M. Kapadia & Co.

Capstone Capital Services Private Limited is a Joint Venture Company of Money Matters Financial Services Limited and Milestone Capital Advisors Private Limited as per the shareholders agreement dated December 16, 2009 and amendment thereof executed by and amongst Money Matters Financial Services Limited and Milestone Capital Advisors Private Limited and Capstone Capital Services Private Limited

(c) Use of Estimates

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

(d) Revenue Recognition:

Income from Corporate Advisory Services are accounted for as and when the relevant services are rendered and revenue is recognised using completed service contract method except where the recovery is uncertain in which case it is accounted for on receipt. Interest income is accounted for on accrual basis except where the recovery is uncertain, in which case it is accounted for on receipt. Dividend is recognised as income when right to receive payment is established by the date of Balance Sheet. Brokerage income is recognised till the trade date. Profit/loss on the sale of investments/inventories is dealt with at the time of actual sale/redemption.



Schedules

Significant Accounting Policies forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

(e) Fixed assets, depreciation/amortisation and impairment of assets

Fixed Assets

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

Depreciation/Amortisation

Depreciation is provided on a written down value basis from the date the asset is ready to use or put to use, whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal. Depreciation is charged at the rates prescribed in the Schedule XIV to the Companies Act, 1956.

Software expenses include expenditure on licenses for various office applications which are written off in the year of purchase on a prudent basis.

Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(f) Stock in Trade:

- a) The securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of cost or market value. In case of units of mutual fund, net asset value of units declared by the mutual funds is considered as market value.

(g) Investments:

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

(h) Foreign Currency Transactions:

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

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

(i) Retirement Benefits:

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

Gratuity:

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees at retirement, death while in employment or on termination of employment. The Company accounts for

Schedules

Significant Accounting Policies forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out annually for assessing liability as at the balance sheet date.

Leave Encashment:

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

(j) **Taxation**

Income Tax:

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

Deferred Taxation:

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

(k) **Employee Stock Compensation Costs**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis

(l) **Earning Per Share**

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

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

(m) **Segment Reporting Policies:**

Information is given in accordance with the requirements of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

(n) **Provisions and Contingencies**

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

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

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



Schedules

Notes on Accounts forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

25. NOTES ON ACCOUNTS

1. Contingent Liability not provided for in respect of ;

Money Matters Securities Private Limited:

Bank Guarantees aggregating to ₹ Nil (Previous Year ₹ 1,800 Lacs) in respect of credit facilities availed against pledge of Fixed Deposits with Banks aggregating to ₹ Nil (Previous Year ₹ 1,000 Lacs).

2. Capital Commitments in respect of:

Money Matters Financial Services Limited:

(Amount in ₹)

	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	484,093/-	-
Capital Commitments in terms of Contribution Agreement with Special Opportunity Fund	200,000,000/-	-
Uncalled liability on partly paid shares	45,000,000/-	45,000,000/-

3. 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.

4. Retirement Benefit - Gratuity

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

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

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

Profit and Loss Account

Net Employee Benefit Expenses (recognised in employee cost)

(Amount in ₹)

Particulars	2009-10
Current Service Cost	1,234,435
Interest on defined benefit obligation	162,650
Expected return on plan assets	-
Net actuarial losses/(gains) recognised in the year	(1,241,129)
Past Service Cost	864,279
Actuarial (gain)/losses	-

Schedules

Notes on Accounts forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

(Amount in ₹)

Total included in employee benefit expense	1,020,235
Actual return on plan assets	NA
Balance Sheet	
Details of Provision for Gratuity	2009-10
Liability at the end of the Year	1,020,235
Fair Value of plan assets at the end of the year	-
Difference	1,020,235
Unrecognised past service cost	-
Unrecognised transition liability	-
Amount in Balance Sheet	1,020,235
Changes in the present value of the defined benefit obligation are as follows:	2009-10
Liability at the beginning of the Year	-
Interest Cost	162,650
Current Service Cost	1,234,435
Past Service Cost (non vested benefit)	-
Past Service Cost (vested benefit)	864,279
Benefits paid	-
Actuarial (Gain)/Loss	(1,241,129)
Liability at the end of the Year	1,020,235
The Company would not contribute any amount to gratuity in 2009-10 as the scheme is unfunded.	
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	
Particulars	2009-10
Investments with insurer	NA
Principal actuarial assumptions as at the balance sheet date:	2009-10
Discount Rate	8%
Salary Escalation	5%
Employee Attrition Rate	2%

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

5. Segment Reporting

- The Company's operations are solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.
- The group's primary business segments are reflected based on principal business activities carried on by the group. The group's primary business activities are to carry on business of Financial Advisory Services, Financing Activities, Investment Activity, Broking and other related ancillary activities.
- Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Significant Accounting Policies (m) above:



Schedules

Notes on Accounts forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

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

(Amount in ₹)

PARTICULARS	Shares & Debt Securities	Finance	Financial Services Activities	Broking Activity	Unallocated	Year ended March 31, 2010
Segment Revenue	140,953,848	108,294,748	2,009,903,633	11,293,335	-	2,270,445,564
Previous Year	61,281,399	66,497,006	1,610,272,949	24,930,256	57,800	1,763,039,410
Less Inter segment Revenue	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Total	140,953,848	108,294,748	2,009,903,633	11,293,335	-	2,270,445,564
Previous Year	61,281,399	66,497,006	1,610,272,949	24,930,256	57,800	1,763,039,410
Result:						
Segment Result	132,293,868	93,553,444	1,697,247,774	(22,386,479)	(4,737,401)	1,895,971,205
Previous Year	50,752,301	60,881,238	1,465,440,156	(18,840,101)	(2,177,529)	1,556,056,065
Provision for Tax	-	-	-	-	(641,633,000)	(641,633,000)
Previous Year	-	-	-	-	(528,560,000)	(528,560,000)
Provisions for FBT	-	-	-	-	-	-
Previous Year	-	-	-	-	(1,131,900)	(1,131,900)
Deffered Tax	-	-	-	-	1,152,601	1,152,601
Previous Year	-	-	-	-	159,645	159,645
Income Tax Adjustments	-	-	-	-	220,542	220,542
Previous Year	-	-	-	-	(6,560)	(6,560)
Total Results	132,293,868	93,553,444	1,697,247,774	(22,386,479)	(644,997,258)	1,255,711,348
Previous Year	50,752,301	60,881,238	1,465,440,156	(18,840,101)	(531,716,344)	1,026,517,250
Capital Employed:						
Segment Assets	1,279,534,167	1,361,002,104	126,196,825	375,618,178	(54,320,414)	3,088,030,861
Previous Year	256,748,124	912,273,947	126,774,817	286,637,740	164,826,806	1,747,261,434
Segment Liabilities	905	-	45,000	279,008,404	2,808,976,552	3,088,030,861
Previous Year	-	217,523,761	-	-	1,529,737,673	1,747,261,434
Net Segment Assets	1,279,533,262	1,361,002,104	126,151,825	96,609,774	(2,863,296,966)	-
Previous Year	256,748,124	694,750,186	126,774,817	286,637,740	(1,364,910,867)	-
Other Information:						
Capital Expenditure	2,961,852	2,961,852	12,193,201	1,245,758	-	9,362,663
Previous Year	295,027	312,302	8,826,102	4,232,729	-	13,666,160
Depreciation	251,725	251,725	3,303,173	4,608,650	-	8,415,272
Previous Year	40,225	40,225	384,727	5,431,930	-	5,897,107

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

Related parties with whom transactions have taken place during the year:

A: Key Management Personnel

1	Mr. Rajesh Sharma	Chairman & Managing Director
2	Mr. Suresh Gattani	Whole Time Director (till August 21, 2009)
3	Mr. Pawan Bansal	Managing Director of Subsidiary (till August 31, 2009)
4	Mr. Sachin Shahane	Whole Time Director of Subsidiary (till April 26, 2010)
5	Mr. Nitin Khivasara	Whole Time Director of Subsidiary (till April 26, 2010)

Schedules

Notes on Accounts forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

B: Enterprises over which person described in A (1) above along with his relatives has control

- 1 Money Matters Advisory Services Limited
- 2 Money Matters Infrastructure Private Limited

C: Details of transactions during the year and closing balances as at the year end:

(Amount in ₹)

Sr. No.	Particulars	Enterprises over which person described in (A) has control		Key Management Personnel		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
a	Profit and Loss Account Heads:						
	(I) Incomes:						
	Interest Received	-	-	-	-	-	-
	Sale of Bonds	109,040,400	101,444,521	-	-	109,040,400	101,444,521
	Brokerage Received	318,651	1,469,969	550	1,300	319,201	1,471,269
	(II) Expenses						
	Rent Paid	-	-	-	-	-	-
	Interest Paid	-	-	-	-	-	-
	Salaries, Commission and other benefits	-	-	73,969,979	5,498,404	73,969,979	5,498,404
	Purchase of Bonds	220,829,825	-	-	-	220,829,825	-
b	Balance Sheet Heads (Closing Balances)						
	i Sundry Creditors/Other Liabilities for rendering services	51,836,335	-	-	-	51,836,335	-
c	Transactions during the year						
	i Loans Given	-	-	-	-	-	-
	ii Loans Given Returned	-	-	-	-	-	-
	iii Loans Taken	-	-	-	-	-	-
	iv Loans Taken Returned	-	-	-	-	-	-
	v Recoverable Expenses						
	a) incurred for related parties	-	-	-	-	-	-



Schedules

Notes on Accounts forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

7. Earnings Per Share

(Amount in ₹)

Particulars		For the year ended March 31, 2010	For the year ended March 31, 2009
Net Profit after tax as per profit and loss account	(A)	1,255,711,348	1,026,517,249
Weighted average number of equity shares for calculating Basic EPS	(B)	27,183,649	22,562,145
Weighted average number of equity shares for calculating Diluted EPS	(C)	45,173,296	40,562,545
Basic earning per equity share (Face value of ₹ 10/- per share)	(A)/(B)	46.19	45.50
Diluted earning per equity share (Face value of ₹ 10/- per share)	(A)/(C)	27.80	25.31
Particulars		For the year ended March 31, 2010	For the year ended March 31, 2009
Weighted average number of equity shares for calculating EPS		27,183,649	22,562,145
Add : Equity shares arising on conversion of warrants		17,249,695	18,000,400
Add : Equity shares for no consideration arising on grant of stock options under ESOP		739,952	-
Weighted average number of equity shares in calculation of diluted EPS		45,173,296	40,562,545

8. Deferred Tax Liabilities/(Assets)(Net)

The break up of deferred tax asset/liabilities is as under :-

(Amount in ₹)

Particulars	as at March 31, 2010	as at March 31, 2009
Deferred Tax Liabilities :-		
Timing difference on account of ;		
Differences in depreciation in block of fixed assets as per tax books and financial books	-	439,987
Gross Deferred Tax Liabilities (A)	-	439,987
Deferred Tax Assets :-		
Timing difference on account of ;		
Differences in depreciation in block of fixed assets as per tax books and financial books	384,944	-
Expenses disallowed under Income Tax Act, 1961	338,910	-
Gross Deferred Tax Assets (B)	723,854	-
Gross Deferred Tax Liabilities/(Assets)(Net) (A-B)	(723,854)	439,987

Schedules

Notes on Accounts forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

9. Employee Stock Option Plan

Date of grant	October 27, 2009		December 16, 2009	
Date of Board /Committee Approval	October 27, 2009		December 16, 2009	
Date of Shareholder's Approval	September 22, 2009		September 22, 2009	
Number of options granted	825,000		50,000	
Method of Settlement (Cash/Equity)	Equity		Equity	
	Vesting Dates	No of Options	Vesting Dates	No of Options
	01/11/2011	18,000	01/12/2011	2,500
	01/11/2012	229,500	01/12/2012	12,500
	01/11/2013	247,500	01/12/2013	15,000
	01/11/2014	330,000	01/12/2014	20,000
Total		825,000		50,000
Exercisable period	Within 3 Years from the Vesting date		Within 3 Years from the Vesting date	
The details have been summarized below:				
	As At March 31, 2010		As At March 31, 2010	
	Grant Date October 27, 2009		Grant Date December 16, 2009	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	NA	-	NA
Add: Granted during the year	825,000	10	50,000	10
Less: Forfeited during the year	-	NA	-	NA
Less: Exercised during the year	-	NA	-	NA
Less: Expired during the year	92,000	NA	-	NA
Outstanding at the end of the year	733,000	10	50,000	10
Exercisable at the end of the year	-	NA	-	NA
Weighted average remaining contractual life (in years)		6.5		6.5
Weighted average fair value of options granted		118.72		106.27
Stock Options Granted				
The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:				
	Year 2	Year 3	Year 4	Year 5
Exercise Price	₹ 10	₹ 10	₹ 10	₹ 10
Expected Volatility (%)	85.85%	85.85%	85.85%	85.85%
Historical Volatility	85.85%	85.85%	85.85%	85.85%
Life of the options granted in years	2	3	4	5
Expected dividends per annum (₹)	2	2	2	2
Average risk-free interest rate (%)	6.35%	6.35%	6.35%	6.35%



Schedules

Notes on Accounts forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

(Amount in ₹)

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

	As at March 31, 2010	As at March 31, 2009
Compensation cost pertaining to equity-settled employee share-based payment plan included above	7,616,022	-
Liability for employee stock options outstanding as at year end	91,027,650	-
Deferred compensation cost	83,411,628	-

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

(Amount in ₹)

	As at March 31, 2010	As at March 31, 2009
Profit as reported	1,255,711,348	1,026,517,249
Add: Employee stock compensation under intrinsic value method	7,616,022	-
Less: Employee stock compensation under fair value method	7,725,202	-
Proforma profit	1,255,602,168	1,026,517,249
Earnings per share		
Basic		
As reported	46.19	45.50
Proforma	46.19	45.50
Diluted		
As reported	27.80	25.31
Proforma	27.80	25.31

10. The Company believes that no impairment of assets arises during the year as per the recommendations of Accounting Standard - 28 Impairment of Assets, issued by the Institute of Chartered Accountants of India.
11. Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid /payable are required to be furnished.

Schedules

Notes on Accounts forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit & Loss Account for the year ended March 31, 2010

12. Prior period comparatives:

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

As per Our Report Annexed:

For and on behalf of the Board of Directors

For **Agarwal Gupta Nokari**

& Rustagi Associates

Chartered Accountants

(Firm Reg. No. 310041E)

B. C. Khaitan

Partner

Membership No. 17387

Rajesh Sharma

Chairman & Managing Director

Pramod Kasat

Whole Time Director

Yogesh Kolwalkar

VP (Legal) & Company Secretary

Place: Ambavane, Pune

Dated: July 10, 2010

Place: Ambavane, Pune

Dated: July 10, 2010



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 Pvt. Ltd.	Money Matters Investment Advisors Pvt. Ltd.	Money Matters Distribution Company Pvt. Ltd.	Money Matters Capital Pvt. Ltd.
1	Financial year of the subsidiary ended on		March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
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 the Company		25,000,000	5,000,000	5,000,000 (₹ 1/- Paid Up)	25,000,000
	b) Shareholding per cent in the subsidiary held by the Company	%	100	100	100	100
3	The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of the Company					
	a) Not dealt with in the accounts of the Company:					
	(i) For the financial year ended March 31, 2010	₹	9,231,854	111,279,652	(223,250)	43,262
	(ii) For the previous financial years since it became a subsidiary	₹	48,666,120	112,467,964	(311,620)	43,262
	b) Dealt with in the accounts of the Company:					
	(i) For the financial year ended March 31, 2010	₹	-	-	-	-
	(ii) For the previous financial years since it became a subsidiary	₹	-	-	-	-

During the year, the Company has incorporated two wholly owned subsidiaries viz; Money Matters Research Pvt. Ltd. & Money Matters Resources Pvt. Ltd. on January 22, 2010 & on March 12, 2010 respectively. The accounts of the said companies are not drawn as at March 31, 2010 as the companies have not yet started any activity. Further the parent company has incurred expenses of ₹ 136,988/- as pre-incorporation expenses on behalf of these companies.

For and on behalf of the Board of Directors

Rajesh Sharma
Chairman & Managing Director

Pramod Kasat
Whole Time Director

Yogesh Kolwalkar
VP (Legal) & Company Secretary

Place: Ambavane, Pune

Dated: July 10, 2010

Details of Subsidiary Companies

(Amount in ₹)

Particulars	Money Matters Securities Pvt. Ltd.	Money Matters Investment Advisors Pvt. Ltd.	Money Matters Distribution Company Pvt. Ltd.	Money Matters Capital Pvt. Ltd.
Share Capital	250,000,000	50,000,000	5,000,000	25,000,000
Reserves & Surplus	48,666,120	112,467,964	(311,620)	43,262
Total Assets	732,116,227	245,327,919	4,693,895	25,081,777
Total Liabilities	732,116,227	245,327,919	4,693,895	25,081,777
Investments	-	-	4,668,738	4,784,149
Revenue	53,288,228	218,331,703	199,139	473,865
Profit Before Tax	13,425,414	170,234,425	(223,250)	76,262
Provision for Taxation	4,600,000	59,000,000	-	33,000
Profit After Tax	9,231,854	111,279,652	(223,250)	43,262
Proposed Dividend	-	-	-	-

During the year the company has incorporated two wholly owned subsidiaries viz; Money Matters Research Pvt. Ltd. & Money Matters Resources Pvt. Ltd. on January 22, 2010 & on March 12, 2010 respectively. The accounts of the said companies are not drawn as at March 31, 2010 as the companies have not yet started any activity. Further the parent company has incurred expenses of ₹136,988/- as pre-incorporation expenses on behalf of these companies.

