

**AUDITORS' REPORT**

**TO THE MEMBERS OF  
MONEY MATTERS SECURITIES PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **MONEY MATTERS SECURITIES PRIVATE LIMITED** as at **31<sup>ST</sup> March, 2012**, the statement of Profit and Loss and also 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 conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the aforesaid 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 purposes 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, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet and the statement of profit and loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on 31<sup>ST</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>ST</sup> March, 2012 from being appointed as a director in terms of paragraph (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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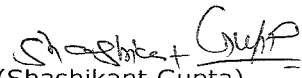
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- vi) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid accounts read together with Significant Accounting Policies and other Notes on Accounts give the information required by the Companies 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 **31<sup>st</sup> March 2012**; and
- (b) in the case of the statement of Profit and Loss of the **Loss** for the year ended on that date.
- (c) in case of the Cash Flow Statement, of the Cash flows for the year ended on that date

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May, 2012



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No. 045629

**MONEY MATTERS SECURITIES PRIVATE LIMITED**

**Annexure to the Auditors' Report**

*Referred to in paragraph 3 of our report of even date,*

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion during the year, the Company has not disposed off a substantial part of the plant and machinery so as to affect the going concern status of the Company.
- (ii) The Company does not have any inventories. Hence the provisions of paragraph 4(ii) of the aforesaid order are not applicable to the company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence provisions of paragraph 4(iii)(b) to 4(iii)(d) of the aforesaid Order are not applicable to the Company.
- (b) The Company has taken unsecured loan and advances in the nature of loan from a Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of such loan together with balance as at the end of the previous year was Rs. 9034.73 lacs and the year end balance is Rs. 1820.00 lacs.
- (c) The said loan is interest free and other terms and conditions are not prima facie prejudicial to the interest of the Company.
- (d) As per the explanation and information given by the management, the said loan and advances in the nature of loan is interest-free and in our opinion, the repayment of principal amount is regular.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls system.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there is no particulars of contracts or arrangements referred under section 301 of the Companies Act, 1956 that need to be entered into the register. Hence, in our opinion, the requirement of paragraphs (v)(a) and (v)(b) of the Order is not applicable.

(cont..2)



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- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which provisions of Sections 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us by the management, the Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of The Companies Act, 1956 and in our opinion, the provision of paragraph (viii) of Paragraph 4 the aforesaid Order are not applicable to the Company.
- (ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, service tax, wealth tax, cess and other applicable statutory dues.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, were outstanding, as at 31-03-2012, for a period of more than six months from the date they became payable.
- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- (xi) According to the explanation and information given by the management, the Company has not availed of any loan from Banks and Financial Institutions and therefore, in our opinion the provision of paragraph 4(xii) of the said Order is not applicable to the Company.
- (xii) Based on our examination of documents and records and according to the information and explanations given to us by the management we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4(xii) of the aforesaid Order are not applicable.
- (xiii) As per the information and explanations given by the management, the Company is not a Chit Fund or a Nidhi Company. Hence in our opinion, the provisions of any special statute as specified under Paragraph (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- (xiv) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the Company has held all the shares, securities, and other investments in its own name.

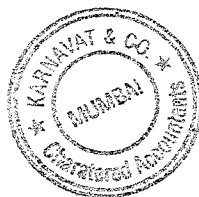
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- (xv) The Company has not given any guarantee for loans taken by others from Bank or financial institution, and accordingly requirement of Paragraph 4(xv) of the aforesaid Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us by the management, no term loan has not been raised during the year and accordingly, provision of paragraph 4(xvi) of the aforesaid Order are not applicable to the Company.
- (xvii) According to the cash flow statement on the Balance Sheet date, and according to the information and explanations given to us by the management and on an overall examination of the Balance sheet of the Company, we are of the opinion that no funds raised on short term basis have, *prima-facie*, been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of The Companies Act, 1956 and therefore, paragraph 4 (xviii) of the aforesaid Order are not applicable to the Company.
- (xix) During the period covered by our audit report, the Company has not issued debentures and therefore, paragraph 4 (xix) of the aforesaid Order are not applicable to the Company.
- (xx) According to the information and explanations given to us by the management, during the period covered by our audit report, the Company has not raised money by way of public issues and therefore, paragraph 4(xx) of the aforesaid Order are not applicable to the Company.
- (xxi) Based upon the audit procedures performed by us and according to the information and explanations given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.

For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W



192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May, 2012

*Shashikant Gupta*  
(Shashikant Gupta)  
Partner  
Membership No. 045629

**MONEY MATTERS SECURITIES PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>		
1	<b><u>Shareholders' Fund</u></b>		
	Share Capital	250,000,000	250,000,000
	Reserves and Surplus	53,386,798	54,722,853
		<u>303,386,798</u>	<u>304,722,853</u>
2	<b><u>Non-Current Liabilities</u></b>		
	Long Term Provisions	283,638	209,590
		<u>283,638</u>	<u>209,590</u>
3	<b><u>Current Liabilities</u></b>		
	Short Term Borrowings	182,000,000	1,246,075,674
	Trade Payables	577,494	263,157
	Other Current Liabilities	181,801	461,807
	Short Term Provisions	18,920	1,063,747
		<u>182,778,216</u>	<u>1,247,864,385</u>
	<b>Total</b>	<b><u>486,448,652</u></b>	<b><u>1,552,796,828</u></b>
<b>II</b>	<b><u>ASSETS</u></b>		
1	<b><u>Non Current Assets</u></b>		
	Fixed Assets		
	Tangible Assets	11,551,760	14,427,136
	Non Current Investments	332,316,976	332,316,976
	Deferred Tax Assets (Net)	1,065,439	833,880
	Long Term Loans and Advances	52,961,744	48,493,491
	Other Bank Balance	26,800,000	36,800,000
		<u>413,144,159</u>	<u>418,444,346</u>
2	<b><u>Current Assets</u></b>		
	Inventories	-	34,890,030
	Trade Receivables	14,212,641	19,486,982
	Cash and Bank Balances	45,723,238	1,038,569,924
	Short Term Loans and Advances	263,675	1,722,806
	Other Current Assets	1,553,178	25,255,604
		<u>61,752,732</u>	<u>1,119,925,346</u>
	<b>Total</b>	<b><u>486,448,652</u></b>	<b><u>1,552,796,828</u></b>

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

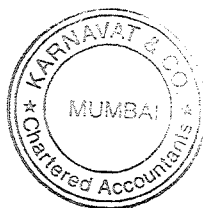
For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*(Shashikant Gupta)*  
Partner  
Membership No. 045629  
Place: Mumbai  
Date: 17th May 2012



For and on behalf of the Board of Directors

*(Rajesh Sharma)*

(Rajesh Sharma)  
Director

*(Beni Prasad Rauka)*

(Beni Prasad Rauka)  
Director



*(Riddhi Shah)*  
Company Secretary

**MONEY MATTERS SECURITIES PRIVATE LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	Year ended 31-03-2012 Rs.	Year ended 31-03-2011 Rs.
<b>I INCOME</b>			
Revenue from Operations	18	39,778,714	25,933,732
Other Income	19	10,760,625	35,770,346
<b>Total Revenue</b>		<b>50,539,339</b>	<b>61,704,078</b>
<b>II EXPENSES</b>			
Purchase of Traded Goods	20	-	34,890,030
Changes in Inventories of Traded goods	21	34,890,030	(34,890,030)
Employee Benefit Expenses	22	9,974,955	19,581,089
Finance Costs	23	1,093,636	6,937,350
Depreciation and Amortization Expenses	24	2,875,376	3,647,618
Other Expenses	25	3,298,123	23,696,123
<b>Total Expenses</b>		<b>52,132,120</b>	<b>53,862,180</b>
<b>III Profit/(Loss) before Tax</b>		<b>(1,592,781)</b>	<b>7,841,898</b>
Less: Tax Expenses			
Current Tax		-	2,325,000
Deferred Tax		(231,559)	(539,835)
Income Tax Adjustments		(256,726)	-
		<b>(1,336,055)</b>	<b>6,056,733</b>
<b>IV Profit/(Loss) for the period</b>			
<b>V Earnings per Equity Share (Nominal Value of share Rs.10/- each)</b>			
Basic		(0.05)	0.24
Diluted		(0.05)	0.24

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Shashikant Gupta*  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director

*Beni Prasad Rauka*

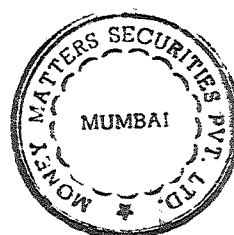
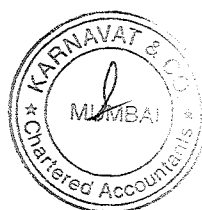
(Beni Prasad Rauka)  
Director



*Riddhi Shah*  
(Riddhi Shah)  
Company Secretary

**MONEY MATTERS SECURITIES PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

Particular	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	(1,592,780)	7,841,897
Adjusted for:		
Depreciation	2,875,376	3,647,618
Bad Debts w/off	-	10,413,393
Interest Received	(7,499,091)	(31,064,150)
Dividend Received	(3,131,009)	(2,281,173)
Short Term Capital gain	-	(517,005)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(9,347,503)</b>	<b>(11,959,420)</b>
adjusted for:		
Trade and other receivables	5,274,341	17,290,086
Change in Inventory	34,890,030	(34,890,030)
Loans & Advances	24,399,244	386,861,697
Trade and other payables	(911,282)	(144,694,063)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>54,304,829</b>	<b>212,608,270</b>
Taxes Paid	(4,702,588)	(1,198,598)
<b>CASH FLOW GENERATED FROM OPERATING ACTIVITIES</b>	<b>49,602,241</b>	<b>211,409,672</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(255,500)
Change in Investments	-	(332,316,976)
Interest Received	7,499,091	31,064,150
Dividend Received	3,131,009	2,281,173
Short Term Capital gain	-	517,005
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>10,630,099</b>	<b>(298,710,148)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Secured Loans	(342,603,057)	63,594,653
Proceeds from Unsecured Loans	(721,472,617)	652,472,617
<b>NET CASH USED IN FINANCIAL ACTIVITIES</b>	<b>(1,064,075,674)</b>	<b>716,067,270</b>
Net increase/decrease in Cash and Cash Equivalents	(1,003,843,333)	628,766,793
Cash and Cash Equivalents as on 01.04.2011	1,076,366,571	447,599,779
Cash and Cash Equivalents as on 31.03.2012	72,523,238	1,076,366,572






Note:-

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

Particulars	As at 31.03.2012	As at 31.03.2011
Cash in Hand	742	100,742
Balance with Bank	72,522,496	1,076,265,830
	<b>72,523,238</b>	<b>1,076,366,572</b>

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

For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No. 045629  
Place : Mumbai  
Date : 17th May 2012



For and on behalf of the Board of Directors



(Rajesh Sharma)  
Director



(Beni Prasad Rauka)  
Director



(Riddhi Shah)  
Company Secretary



## MONEY MATTERS SECURITIES PRIVATE LIMITED

### Notes to Financial Statements for the year ended 31 March, 2012

#### 1. Significant Accounting Policies

##### 1.1 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

##### 1.2 Change in Accounting Policy:

###### Presentation and Disclosure of Financial Statement

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year.

##### 1.3 Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### 1.4 Tangible Fixed Assets

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

##### 1.5 Depreciation on Tangible Fixed Assets

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

##### 1.6 Impairment of Tangible and Intangible Assets:

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

##### 1.7 Stock in Trade

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 assets declared by the mutual funds is considered as market value.

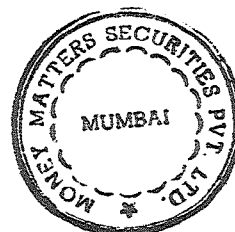
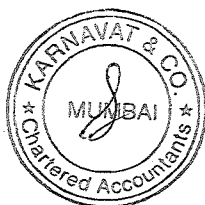
##### 1.8 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



### 1.9 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

#### a) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from operations" in the statement of profit and loss.

#### b) Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

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

### 1.10 Retirement and other employee 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 :

From the Current Financial Year the Company has an funded (upto Previous year unfunded) defined benefit obligation plan for gratuity under the Group Gratuity scheme of Life Insurance Corporation of India. The company has created plan assets by contributing to the Gratuity Fund with LIC Of India.

Provision for Gratuity liability is made as per the actuarial report of the valuer as at the end of the year as required by AS- 15 (Revised) Employees Benefits.

#### 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

### 1.11 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a straight-line basis over the lease term.

### 1.12 Income Taxes

#### Current Taxes

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

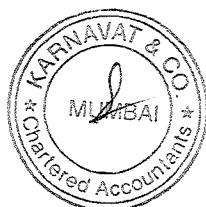
#### Deferred Taxes

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

### 1.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



#### 1.14 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

#### 1.15 Contingent Liabilities

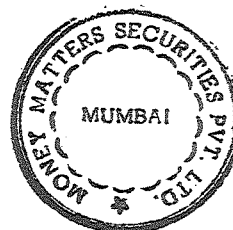
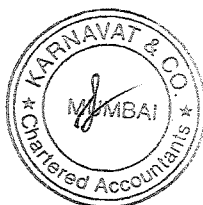
A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

#### 1.16 Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

#### 1.17 Miscellaneous Expenditure :

Preliminary expenditure is written off in the year in which it is incurred, in accordance with provision of Accounting Standard – 26 "Intangible Assets" issued by Institute of Chartered Accountant of India.



**MONEY MATTERS SECURITIES PRIVATE LIMITED**
**Notes to Financial Statements for the year ended 31 March, 2012**
**2. Share Capital**
**Authorized Shares**

2,50,00,000 (31 March 2011: 2,50,00,000)  
Equity Shares of Rs. 10 each

31-03-2012 Rs.	31-03-2011 Rs.
250,000,000	250,000,000
<b>250,000,000</b>	<b>250,000,000</b>

**Issued, Subscribed and fully paid up Shares**

2,50,00,000 (31 March 2011: 2,50,00,000)  
Equity Shares of Rs. 10 each

250,000,000	250,000,000
<b>250,000,000</b>	<b>250,000,000</b>

**2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**
**Equity Shares:**

	31-03-2012		31-03-2011	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	25,000,000	250,000,000	25,000,000	250,000,000
<b>Outstanding at the end of the period</b>	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>

**2.2 Terms/Rights attached to equity shares:**

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2011 Rs. NIL)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

**2.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates:**
**Holding Company :**

Money Matters Financial Services Limited,  
2,50,00,000 (31 March 2011-2,50,00,000) Equity Shares of Rs. 10 each fully paid

31-03-2012 Rs.	31-03-2011 Rs.
250,000,000	250,000,000

**2.4 Details of shareholders holding more than 5% share in the company**

	31-03-2012		31-03-2011	
	Nos.	%	Nos.	%
<b>Equity Shares of Rs. 10/- each fully paid up</b>	25,000,000	100%	25,000,000	100%
Name of Shareholder - Money Matters Financial Services Ltd				

**3. Reserve and Surplus**

Surplus / (Deficit) in the statement of profit and loss  
Balance as per the last financial statements  
Profit/(Loss) for the year:  
Net surplus in the statement of profit and loss  
Total Reserves and Surplus

54,722,853	48,666,121
(1,336,055)	6,056,733
<b>53,386,798</b>	<b>54,722,853</b>
<b>53,386,798</b>	<b>54,722,853</b>



**4. Long-term Provisions**  
**4.1 Provisions for employees benefits**

Provision for gratuity (Note No. 26)

31-03-2012 Rs.	31-03-2011 Rs.
283,638	209,590
283,638	209,590

**5. Short Term Borrowings**

- 5.1 Cash Credit from banks (secured)  
5.2 Interest free loan and advances from related parties  
repayable on demand (unsecured) (Note No. 28)

-	342,603,057
182,000,000	903,472,617
182,000,000.00	1,246,075,674

(Cash credit Facility of Rs. NIL(31st March, 2011 Rs. 342,603,057/-)

(Secured against the Fixed Deposit of Rs. NIL(31st March, 2011 Rs. 1,021,924,343/-)

**6. Trade payables**

Trade payables (including acceptances)

31-03-2012 Rs.	31-03-2011 Rs.
577,494	263,157
577,494	263,157

**7. Other Current Liabilities:**

TDS payable  
Audit Fees Payable

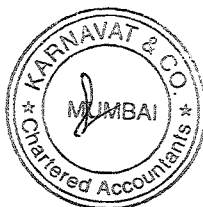
131,239	412,172
50,562	49,635
181,801	461,807

**8. Short Term Provisions**

**Others**

Provisions for Fringe Benefit Taxation  
Outstanding Expenses

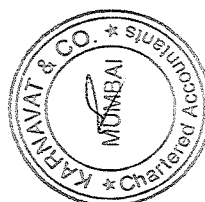
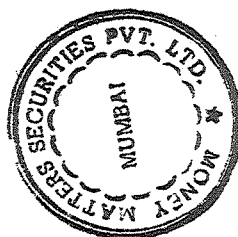
-	25,167
18,920	1,038,580
18,920	1,063,747



9. Fixed Assets

Tangible Assets

	Rate of Depreciation	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
		Cost as at 01.04.2011	Additions / Disposals	Other Adjustments	Cost as at 31.03.2012	As at 01.04.2011	For the year	Adjustment on Disposals	Cost as at 31.03.2012	As at 31.03.2011
		01.04.2011	31.03.2012	01.04.2011	31.03.2012	01.04.2011	31.03.2012	31.03.2012	31.03.2012	31.03.2011
Furniture and Fixtures	18.10%	22,125,645			22,125,645	9,881,312	2,216,224		12,097,536	10,028,109
Office Equipments	13.91%	1,297,881			1,297,881	477,765	114,078		591,843	706,038
Computer	40.00%	5,429,924			5,429,924	4,067,238	545,073		4,612,311	817,613
Current Year		28,853,450	-	-	28,853,450	14,426,314	2,875,376	-	17,301,690	11,551,760
Previous Year		28,597,950	255,500	-	28,853,450	10,778,696	3,647,618	-	14,426,314	14,427,136
										17,819,254



**10. Non Current Investments**

**Non-trade, Quoted  
(valued at cost unless stated otherwise)  
In Equity Shares**

Investment in Equity Instruments (Quoted)

2087339( 31 March 2011 : 2087339) Equity shares of `Rs.10 each fully paid up in Future Capital Holdings Ltd.

31-03-2012 Rs.	31-03-2011 Rs.
332,316,976	332,316,976
<b>332,316,976</b>	<b>332,316,976</b>

Aggregate amount of quoted Investments Rs. 332316976/-(31st March 2011 Rs.332316976/-)  
(Market Value Rs. 251941817/- (31st March 2011 Rs. 290557589/-)

**11. Deferred Tax Assets (Net)**

(Disclosure as per AS - 22, Accounting for Taxes on Income)

**Particulars**

**Deferred Tax Asset**

Excess of WDV of assets as per Income Tax over Book value of the Assets

Provision for Gratuity

**Total (A)**

**Deferred Tax Liability**

**Total (B)**

**Net Deferred Tax Asset (A-B)**

**Total**

1,065,439	766,149
-	67,731
<b>1,065,439</b>	<b>833,880</b>
-	-
-	-
<b>1,065,439</b>	<b>833,880</b>
<b>1,065,439</b>	<b>833,880</b>

**12. Loans and Advances**

**12.1 Capital Advances**

Unsecured, considered good

**12.2 Security Deposit**

Unsecured, considered good

**12.3 Other Loans and Advances**

Advance Income Tax (Net of provision for taxation)

Prepaid Expenses

Loans to Employees

Less than 12 months

More than 12 months

Current maturities of more than 12 months

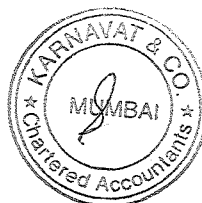
Contribution to MMSPL Employees Gratuity Fund

TDS Recoverable from Exchange and ILFS

Amount Recoverable from National Stock Exchange

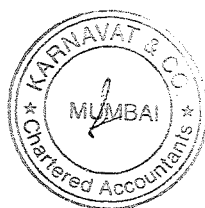
Non-Current		Current	
31-03-2012	31-03-2011	31-03-2012	31-03-2011
-	-	-	1,240,000
-	-	-	<b>1,240,000</b>
44,819,685	45,585,647	-	-
<b>44,819,685</b>	<b>45,585,647</b>	-	-
7,610,431	2,907,844	-	-
-	-	48,203	394,947
-	-	-	43,357
201,828	-	-	-
-	-	123,600	-
329,800	-	-	-
-	-	2,207	44,502
-	-	89,665	-
<b>8,142,059</b>	<b>2,907,844</b>	<b>263,675</b>	<b>482,806</b>
<b>52,961,744</b>	<b>48,493,491</b>	<b>263,675</b>	<b>1,722,806</b>

Note : Advance Income Tax is net of provision for tax Rs. 14,782,700/-(31st March 2011 Rs. 14,782,700/-)



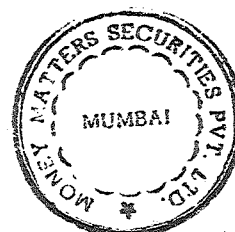


		Current	
		31-03-2012	31-03-2011
		Rs.	Rs.
<b>13. Trade receivable</b>			
Unsecured, Considered good unless stated otherwise			
Due for more than 180 days		14,212,641	12,854,270
Others		-	6,632,712
		<b>14,212,641</b>	<b>19,486,982</b>
<b>14. Other Bank Balances ( Non Current )</b>			
Deposits with original maturity for more than 12 months		26,800,000	36,800,000
		<b>26,800,000</b>	<b>36,800,000</b>
<b>15. Inventories</b>			
(valued at lower of cost and net realizablve value)			
<b>Traded Goods</b>			
Nil (Previous Year 387667) Equity Shares of		-	34,890,030
Power Grid Corporation Limited		-	<b>34,890,030</b>
<b>16. Cash and Bank Balances</b>			
<b>Cash on hand</b>		742	100,742
<b>Balance with banks:</b>			
In Current Accounts		1,729,484	4,931,643
Deposits with original maturity of less than three months		43,993,012	
<b>Other Bank Balances</b>			
Fixed Deposits with original maturity for more than 3 months but less than 12 months			1,021,924,434
Current maturities of fixed deposits with original maturity of more than 12 months			11,613,104
		<b>45,723,238</b>	<b>1,038,569,924</b>
<b>17. Other Current Assets</b>			
Unsecured, Considered good unless stated otherwise			
Service Tax Receivable		641,250	345,827
Interest accrued on Fixed Deposits		911,928	24,909,777
		<b>1,553,178</b>	<b>25,255,604</b>



**MONEY MATTERS SECURITIES PRIVATE LIMITED**
**Notes to Financial Statements for the year ended 31 March, 2012**

	31-03-2012	31-03-2011	
	Rs.	Rs.	
<b>18. Revenue from Operations</b>			
<b>18.1 Sale of products</b>			
Sale of shares	39,616,189	-	
	<b>39,616,189</b>	<b>-</b>	
<b>18.2 Sale of Services</b>			
Equity Brokerage	-	18,977,199	
Profit /(Loss) in Future & Options	-	5,054,637	
Profit /(Loss) on Trading in Shares	-	75,086	
Brokerage From Debt Market	-	135,449	
Depository CDSL Charges	3,199	3,225	
Delayed Payment Charges	159,325	1,647,896	
Rebate On Bse Transaction Charges	-	40,240	
	<b>162,525</b>	<b>25,933,732</b>	
<b>Revenue from Operations (Gross)</b>	<b>39,778,714</b>	<b>25,933,732</b>	
<b>19. Other Income</b>			
<b>19.1 Interest income on</b>			
Bank Deposits	7,399,800	29,769,339	
Loans given	29,428	196,106	
Deposit with ILFS	69,863	3,006,723	
Income Tax Refund	1,140	-	
<b>19.2 Dividend Income on Current Investments</b>	3,131,009	2,281,173	
<b>19.3 Net gain on sale of current investments</b>	-	517,005	
<b>19.4 Prior Period Income</b>	129,386	-	
	<b>10,760,625</b>	<b>35,770,346</b>	
<b>20. Purchase of Traded Goods</b>			
Purchase of Shares	-	34,890,030	
	<b>-</b>	<b>34,890,030</b>	
<b>21. Changes in Inventories of Traded goods</b>			
<b>21.1 Details at the end of the year</b>	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>Difference</b>
Traded Goods	-	34,890,030	(34,890,030)
	<b>-</b>	<b>34,890,030</b>	<b>(34,890,030)</b>
<b>21.2 Details at the beginning of the year</b>			
Traded Goods	34,890,030	-	34,890,030
	<b>34,890,030</b>	<b>-</b>	<b>34,890,030</b>



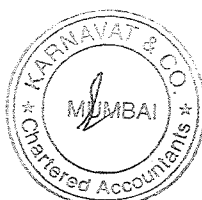
	31-03-2012	31-03-2011
	Rs.	Rs.
<b>22. Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	9,753,972	18,640,857
Contribution to Provident Fund	86,703	238,858
Gratuity Expenses (Note No. 26)	74,048	(33,330)
Staff Welfare Expenses	60,232	734,704
	<b>9,974,955</b>	<b>19,581,089</b>
<b>23. Finance Costs</b>		
Interest		
-Interest Paid On Bank OD	517,423	1,908,018
-Interest Paid On Loan	-	3,858,463
Bank Charges & Commission	101,755	30,994
Bank Guarantee Charges	291,665	1,034,455
Limit Processing Charges	182,793	105,420
	<b>1,093,636</b>	<b>6,937,350</b>
<b>24. Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Assets	2,875,376	3,647,618
	<b>2,875,376</b>	<b>3,647,618</b>
<b>25. Other Expenses</b>		
Lease Line Charges	322,421	319,382
Marketing Commission	-	197,897
Software Running Exp	1,351,345	3,359,715
Exchange & Statutory Charges	159,585	661,127
V-Sat Exp	145,344	100,000
Depository Charges	116,133	457,239
Vandha A/c	-	3,195
Travelling & Conveyance	245,132	308,461
Printing & Stationery	20,349	81,087
Bad Debts Written Off	-	10,413,393
Rent	-	4,637,250
Rates & Taxes	50,026	10,650
Electricity Charges	-	298,968
Professional Charges	320,623	204,203
Board Meeting Sitting Fees to Directors	50,000	50,000
Telephone & Communication Expenses	283,033	698,351
Insurance Expense	106,928	121,731
Repairs & Maintenance	11,850	30,691
Payment to Jobbers	-	1,407,479
Franking Charges	4,280	41,615
Society Charges	-	70,374
Postage & Courier Expense	47,319	121,610
Office & Miscellaneous Expenses	13,755	51,704
Payment to auditor (Refer details below)	50,000	50,000
	<b>3,298,123</b>	<b>23,696,123</b>
<b>Payment to Auditor</b>		
<b>As Auditor</b>		
Audit Fees	35,000	35,000
Tax Audit Fees	10,000	10,000
<b>In Other capacity</b>		
Other services (certification fees)	5,000	5,000
	<b>50,000</b>	<b>50,000</b>



**26. Gratuity and other post employment benefit plans (AS - 15)**

From the Current Financial Year the Company has an funded (upto Previous year unfunded) defined benefit obligation plan for gratuity under the Group Gratuity scheme of Life Insurance Corporation of India. The company has created plan assets by contributing to the Gratuity Fund with LIC Of India.

	2011-12	2010-11
<b>a) Assumptions as at</b>		
Mortality	LIC 1994-96 (ultimate)	LIC 1994-96 (ultimate)
Interest/Discount Rate	8.00%	8.25%
Rate of increase in compensation	5.00%	5.00%
Employee attrition rate (Past Service [PS])	1% to 3%	2.00%
<b>b) Changes in present value of obligations:</b>		
PVO at the beginning of period	209,590	242,920
Interest cost	16,767	37,233
Current service cost	97,871	222,497
Past Service Cost (non vested benefit)	-	-
Past Service Cost (vested benefit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(40,590)	(293,060)
PVO at end of period	283,638	209,590
<b>c) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b>		
Investments with LIC of India	329,800	NA
Actual return on plan assets	-	NA
<b>d) Amount recognised in the Balance Sheet as at the end of the year.</b>		
Present Value of Defined Benefit Obligation	283,638	-
Fair Value of Plan Assets	329,800	-
Funded status - Surplus/(Deficit)	-	-
<b>Net Asset/(Liability)</b>	46,162	209,590
<b>e) Expense recognised in the statement of Profit &amp; Loss :</b>		
Current service cost	97,871	222,497
Interest cost	16,767	37,233
Net actuarial (gain)/loss recognised for the period	40,590	(293,060)
Expense recognised in the statement of Profit & Loss.	74,048	(33,330)



**27. Segment Information (AS - 17)**

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

**28. Related Party Disclosures (AS - 18)****Name of related parties and related party relationship:**

a) Related parties where control exists:

Holding Company

Money Matters Financial Services Limited

b) Key Management Personnel :

Rajesh Sharma

Director

Sanjay Sharma

Director (Upto 11-02-2011)

c) Fellow Subsidiary Companies :

Money Matters Investments Advisors Private Limited

Money Matters Distribution Company Private Limited

Money Matters Capital Private Limited

Money Matters Research Private Limited

Money Matters Resources Private Limited

d) Fellow Step Down Subsidiary

Money Matters Advisory Pte Limited (up to 07/03/2012)

e) Related parties with whom transaction have taken place during the year

Nature of Transactions	Key Management Personnel	Holding Company	Fellow and Step Down Subsidiary Companies	Enterprises over which person described in (b) has control
Advance Taken	Nil (Nil)	6,154,000 (2,466,022,617)	Nil (Nil)	Nil (Nil)
Advance repaid	Nil (Nil)	727,626,617 (1,813,550,000)	Nil (Nil)	Nil (Nil)
Expenses incurred on behalf	Nil (Nil)	64,172,696 (4,875,000)	Nil (Nil)	Nil (Nil)
Reimbursement of expenses	Nil (Nil)	63,671,544 (4,875,000)	Nil (Nil)	Nil (Nil)
Directors Remuneration	Nil (956,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Brokerage paid	Nil (2,000)	Nil (Nil)	Nil (Nil)	Nil (56,000)
Rent	Nil (Nil)	Nil (4,637,000)	Nil (Nil)	Nil (Nil)
<b>Amount outstanding as at 31.03.2012</b>				
Loan Amount Payable	Nil (Nil)	182,000,000 (903,472,617)	Nil (Nil)	Nil (Nil)
<b>Maximum Amount Outstanding during the year</b>	Nil (Nil)	903,472,617 (1,339,437,574)	Nil (Nil)	Nil (Nil)

(Figures in bracket represent previous year's figures)

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



29. In accordance with Accounting Standard - 20 Earnings per Share, the computation of earnings per share is set out below :

Particulars	31st March, 2012	31st March, 2011
Number of shares at the beginning of the period	25,000,000	25,000,000
Number of shares at the end of the period	25,000,000	25,000,000
Weighted average number of shares outstanding during the period	25,000,000	25,000,000
Net Profit after tax available for equity shareholders	(1,336,055)	6056733
Basic Earnings Per Share (In Rs.)	(0.05)	0.24

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

30. 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.

**31. Contingent Liability**

On account of corporate guarantee to the Stock Exchanges for Margin/ Security Deposits Rs. Nil (31 March 2011: 800 Lacs)

**32. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

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.

**33. Previous year figures**

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. the company has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investments in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

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

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Shashikant Gupta*  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



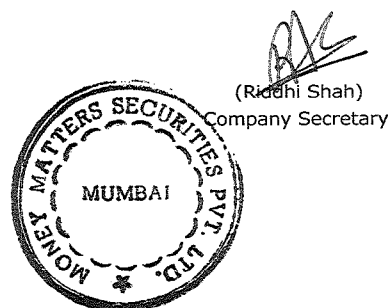
For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director

*Beni Prasad Rauka*

(Beni Prasad Rauka)  
Director



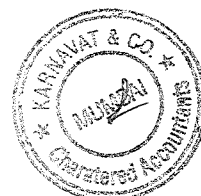
(Ridhi Shah)  
Company Secretary

**AUDITORS' REPORT**

**TO THE MEMBERS OF  
MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED** as at **31<sup>ST</sup> March, 2012**, the Statement of Profit and Loss and also 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 conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the aforesaid 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 purposes 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, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet and the statement of profit and loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of paragraph (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(Cont..2)



\*\* 2 \*\*

- vi) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid accounts read with significant Policies and Notes on 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 **31<sup>st</sup> March 2012**; and
- (b) in the case of the statement of Profit and Loss, of the **Profit** for the year ended on that date.
- (c) in case of the Cash Flow Statement, of the Cash flows for the year ended on that date

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May 2012



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No. 045629



**MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED**

**Annexure to the Auditors' Report**

*Referred to in paragraph 3 of our report of even date,*

- (i) (a) The Company has maintained proper records showing full particulars Including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion during the year, the Company has not disposed off any substantial part of the plant and machinery so as to affect the going concern status of the Company.
- (ii) The Company does not have any inventories. Hence the provisions of paragraph 4(ii) of the aforesaid order are not applicable to the company.
- (iii) (a) According to the information and explanation given to us by the management, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence provisions of paragraph 4(iii)(b) to 4(iii)(d) of the aforesaid Order are not applicable to the Company.
- (b) According to the information and explanation given to us by the management, the Company has not taken loans secured or unsecured loan from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In respect of unsecured loan taken from a holding Company covered in the register maintained under section 301 of the Companies Act, 1956 in respect of earlier years, the maximum amount involved during the year in respect of such loan is Rs. 7.98 lakhs and the year-end balance is Nil.
- (c) The aforesaid loan is interest free and other terms and conditions are not *prima facie* prejudicial to the interest of the Company.
- (d) The aforesaid loan is interest-free and in our opinion, the repayment of principal amount is regular.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there is no particulars of contracts or arrangements under section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Sec 301 of the Companies Act, 1956. Hence, in our opinion, the requirement of paragraphs (v)(a) and (v)(b) of Paragraph 4 of the Order are not applicable.

(cont..2)



\*\* 2 \*\*

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which provisions of Sections 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us by the management, the Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of The Companies Act, 1956 and in our opinion, the provision of paragraph (viii) of the aforesaid Order are not applicable to the Company.
- (ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, custom duty, excise-duty, cess and other applicable statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31-03-2012, for a period of more than six months from the date they became payable.
- (x) Since the Company has been registered for a period of less than five years, in our opinion, the provisions of paragraph 4(x) of the aforesaid Order are not applicable to the Company.
- (xi) According to the information and explanations given to us by the management, the Company has not availed any loan from Banks and Financial Institutions and in our opinion, the provisions of paragraph 4(xi) of the aforesaid Order are not applicable to the Company.
- (xii) Based on our examination of documents and records and according to the information and explanations given to us by the management, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and in our opinion, the provisions of paragraph 4(xii) of the aforesaid Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of any special statute as specified under paragraph 4(xiii) of the aforesaid Order are not applicable to the Company.
- (xiv) Based on our examination of the records and according to the information and explanations given to us by the management, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in mutual fund units and other investments and timely entries have been made therein. The Company has not dealt or traded in shares, securities, and debentures. All mutual fund units and other investments have been held by the Company in its own name.

(cont..3)





\*\* 3 \*\*

- (xv) According to the information and explanations given to us by the management, the Company has not given any guarantee for loans taken by others from bank or financial institutions and accordingly, provision of paragraph 4(xv) of the aforesaid Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us by the management, no term loan has not been raised during the year and accordingly, provision of paragraph 4(xvi) of the aforesaid Order are not applicable to the Company.
- (xvii) According to the cash flow statement on the Balance Sheet date, and according to the information and explanations given to us by the management and on an overall examination of the Balance sheet of the Company, we are of the opinion that no funds raised on short term basis have, *prima-facie*, been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of The Companies Act, 1956 and therefore, paragraph 4 (xviii) of the aforesaid Order are not applicable to the Company.
- (xix) During the period covered by our audit report, the Company has not issued debentures and therefore, paragraph 4 (xix) of the aforesaid Order are not applicable to the Company.
- (xx) According to the information and explanations given to us by the management, during the period covered by our audit report, the Company has not raised money by way of public issues and therefore, paragraph 4(xx) of the aforesaid Order are not applicable to the Company.
- (xxi) Based upon the audit procedures performed by us and according to the information and explanations given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.



192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May 2012

For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No. 045629

# MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
Share Capital	2	50,000,000	50,000,000
Reserves and Surplus	3	133,461,729	129,286,660
		<u>183,461,729</u>	<u>179,286,660</u>
<b>2 Non-Current Liabilities</b>			
Long Term Provisions	4	191,063	271,982
		<u>191,063</u>	<u>271,982</u>
<b>3 Current Liabilities</b>			
Short Term Borrowings	5	-	325,000
Other Current Liabilities	6	28,090	68,618
Short Term Provisions	7	456,554	476,293
		<u>484,644</u>	<u>869,911</u>
<b>Total</b>		<u><b>184,137,436</b></u>	<u><b>180,428,553</b></u>
<b>II ASSETS</b>			
<b>1 Non Current Assets</b>			
Fixed Assets			
Tangible Assets	8	115,856	193,093
Deferred Tax Assets (Net)	9	2,026	185,747
Long Term Loans and Advances	10	49,491,785	15,933,871
Other Non-Current Assets	11	41,000	41,000
		<u>49,534,811</u>	<u>16,160,618</u>
<b>2 Current Assets</b>			
Inventories	12	134,127,170	-
Trade Receivables	13	-	324,782
Cash and Bank Balances	14	355,497	159,757,608
Short Term Loans and Advances	10	-	158,338
Other Current Assets	11	4,102	3,834,113
		<u>134,486,769</u>	<u>164,074,842</u>
<b>Total</b>		<u><b>184,137,436</b></u>	<u><b>180,428,553</b></u>

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Shashikant Gupta*  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012

For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director

*Nitin Pandey*

(Nitin Pandey)  
Director



*Trusha Dand*

(Trusha Dand)  
Company Secretary



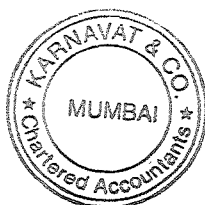
**MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	Year ended 31-03-2012 Rs.	Year ended 31-03-2011 Rs.
<b>I INCOME</b>			
Revenue from Operations	15	120,824,183	46,145,199
Other Income	16	8,451,196	9,411,408
<b>Total Revenue</b>		<b>129,275,379</b>	<b>55,556,607</b>
<b>II EXPENSES</b>			
Purchase of Traded Goods	17	235,500,000	-
Changes in Inventories of Traded goods	18	(134,127,169)	-
Employee Benefit Expenses	19	19,837,334	28,735,502
Depreciation and Amortization Expenses	20	77,237	128,729
Other Expenses	21	1,666,187	4,010,650
<b>Total Expenses</b>		<b>122,953,589</b>	<b>32,874,881</b>
<b>III Profit before Tax</b>		<b>6,321,790</b>	<b>22,681,726</b>
Less: Tax Expenses			
Current Tax		1,963,000	6,000,000
Deferred Tax		183,721	(140,520)
Earlier years adjustments		-	3,550
		<b>2,146,721</b>	<b>5,863,030</b>
<b>IV Profit for the period</b>		<b>4,175,069</b>	<b>16,818,696</b>
<b>V Earnings per Equity Share (Nominal Value of share Rs. 10/- each)</b>			
Basic		0.84	3.36
Diluted		0.84	3.36

Significant Accounting Policies 1  
The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached  
For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

*(Shashikant Gupta)*  
Partner  
Membership No. 045629  
Place: Mumbai  
Date: 17th May 2012



For and on behalf of the Board of Directors

*(Rajesh Sharma)*

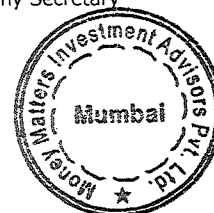
(Rajesh Sharma)  
Director

*(Nitin Pandey)*

(Nitin Pandey)  
Director

*(Trusha Dand)*

(Trusha Dand)  
Company Secretary



**MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-MAR-2012**

Particular	For the year ended	
	31-Mar-12 Rs.	31-Mar-11 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	6,321,789	22,681,727
adjusted for:		
Depreciation	77,237	128,729
Interest Received	(2,558,628)	(3,760,893)
Dividend Received	-	(5,650,515)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,840,398</b>	<b>13,399,048</b>
adjusted for:		
Trade & other Receivables	324,782	124,814,668
Loans & Advances	(27,151,173)	(8,420,293)
Inventories	(134,127,169)	
Trade & other Payables	(344,267)	(23,020,119)
Provisions	(80,919)	17,057
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(157,538,348)</b>	<b>106,790,360</b>
Taxes Paid	(4,422,392)	(37,690,335)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>(161,960,740)</b>	<b>69,100,025</b>
Prior period adjustments	-	(3,550)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(161,960,740)</b>	<b>69,096,475</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	-	-
Interest Received	2,558,628	3,760,893
Dividend Received	-	5,650,515
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>2,558,628</b>	<b>9,411,408</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Unsecured Loans	-	(249,675,000)
<b>NET CASH USED IN FINANCIAL ACTIVITIES</b>	<b>-</b>	<b>(249,675,000)</b>
Net increase/decrease in Cash and Cash Equivalents	(159,402,112)	(171,167,117)
Cash and Cash Equivalents (Opening Balance)	159,757,608	330,924,725
Cash and Cash Equivalents (Closing Balance)	<b>355,497</b>	<b>159,757,608</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	<b>(159,402,112)</b>	<b>(171,167,117)</b>

**Note:-**

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

Particulars	31-Mar-12	31-Mar-11
Cash in Hand	-	5,942
Balance with Bank	355,497	114,751,666
FD with Bank	-	45,000,000
	<b>355,497</b>	<b>159,757,608</b>

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

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Shashikant Gupta*  
 (Shashikant Gupta)  
 Partner

Membership No. 045629  
 Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

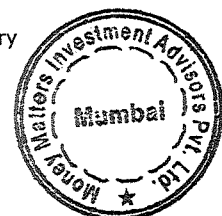
(Rajesh Sharma)  
 Director

*Nitin Pandey*

(Nitin Pandey)  
 Director

*Trusha Dand*

(Trusha Dand)  
 Company Secretary



## **MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED**

### **Notes to Financial Statements for the year ended 31st March, 2012**

#### **1. Significant Accounting Policies**

##### **1.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

##### **1.2 Change in Accounting Policy: Presentation and Disclosure of Financial Statement**

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year.

##### **1.3 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **1.4 Tangible Fixed Assets**

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

##### **1.5 Depreciation/Amortisation on Fixed Assets**

Depreciation on Fixed Assets has been provided on 'Written down Method' as per the rates specified in Scheduled XIV of the Companies Act, 1956.

Depreciation on fixed assets acquired/sold during the year is provided on pro-rata basis.

Intangible Assets are amortised pro-rata on straight line method over the useful life of the assets of three years as estimated by the management.

##### **1.6 Impairment of Tangible and Intangible Assets:**

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

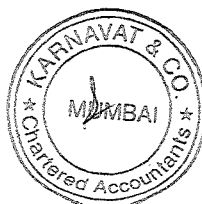
##### **1.7 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.





## 1.8 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

**a) Income from Corporate Advisory Services & Syndication Fees** 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 basis.

### **b) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operations" in the statement of profit and loss.

### **c) Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

## 1.9 Retirement and other employee 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 :**

From the Current Financial Year the Company has an funded (upto Previous year unfunded) defined benefit obligation plan for gratuity under the Group Gratuity scheme of Life Insurance Corporation of India. The company has created plan assets by contributing to the Gratuity Fund with LIC Of India.

Provision for Gratuity liability is made as per the actuarial report of the valuer as at the end of the year as required by AS- 15 (Revised) Employees Benefits.

### **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

## 1.10 Income Taxes

### **Current Taxes**

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

### **Deferred Taxes**

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

## 1.11 Earnings Per Share

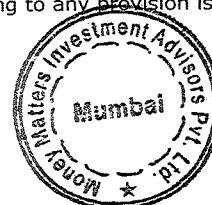
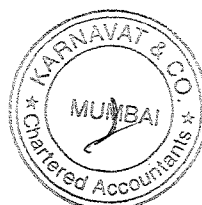
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.12 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.



### 1.13 Contingent Liabilities

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### 1.14 Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

### 1.15 Miscellaneous Expenditure :

Preliminary expenditure is written off in the year in which it is incurred, in accordance with provision of Accounting Standard – 26 "Intangible Assets" issued by Institute of Chartered Accountant of India.



# MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

## 2. Share Capital

### Authorized Shares

50,00,000 (31 March 2011: 50,00,000) Equity Shares of Rs. 10 each

31-03-2012 Rs.	31-03-2011 Rs.
-------------------	-------------------

50,00,000	50,00,000
-----------	-----------

### Issued, Subscribed and fully paid up Shares

50,00,000 (31 March 2011: 50,00,000) Equity Shares of Rs.10 each

50,00,000	50,00,000
-----------	-----------

50,00,000	50,00,000
-----------	-----------

50,00,000	50,00,000
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## 2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

### Equity Shares:

	31-03-2012		31-03-2011	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	5,000,000	50,00,000	5,000,000	50,00,000
Outstanding at the end of the period	5,000,000	50,00,000	5,000,000	50,00,000

## 2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs.NIL(31st March 2011 Rs.NIL)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

## 2.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

### Holding Company

Money Matters Financial Services Limited

50,00,000 (31st March 2011: 50,00,000) Equity Shares of Rs. 10 each fully paid

31-03-2012 Rs.	31-03-2011 Rs.
-------------------	-------------------

50,00,000	50,00,000
-----------	-----------

## 2.4 Details of shareholders holding more than 5% share in the company

	31-03-2012		31-03-2011	
	Nos.	%	Nos.	%
Equity Shares of Rs. 10/- each fully paid up				
Name of Shareholder - Money Matters Financial Services Ltd	5,000,000	100%	5,000,000	100%

## 3. Reserve and Surplus

Surplus in the statement of profit and loss

Balance as per the last financial statements

Profit for the year:

Net surplus in the statement of profit and loss

### Total Reserves and Surplus

31-03-2012 Rs.	31-03-2011 Rs.
-------------------	-------------------

129,286,660	112,467,964
-------------	-------------

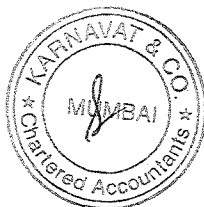
4,175,069	16,818,696
-----------	------------

133,461,729	129,286,660
-------------	-------------

133,461,729	129,286,660
-------------	-------------



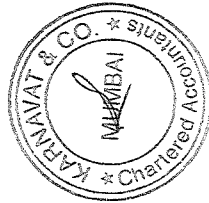
4. Long-term Provisions Provisions for employees benefits	31-03-2012 Rs.	31-03-2011 Rs.
Provision for gratuity (Note No. 22)	191,063	271,982
	<b>191,063</b>	<b>271,982</b>
5. Short Term Borrowings		
Interest free loan and advances from related parties repayable on demand (unsecured) (Note No. 24) From Holding Company	-	325,000
	-	<b>325,000</b>
6. Other Current Liabilities:		
Others payables		
Provision for Audit Fees	28,090	27,575
Service Tax payable	-	41,043
	<b>28,090</b>	<b>68,618</b>
7. Short Term Provisions		
7.1 Provisions for employee benefits:		
Salary and Reimbursements	456,554	463,293
7.2 Others		
Provision for Professional fees & Other Expenses	-	13,000
	<b>456,554</b>	<b>476,293</b>



# 8. Fixed Assets

## Tangible Assets

	Rate of Depreciation	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
		Cost as at 01.04.2011	Additions / Disposals	Other Adjustments	Cost as at 31.03.2012	As at 01.04.2011	For the year	Adjustment on Disposal	Cost as at 31.03.2012	As at 31.03.2012
Computer	40%	475,100	-	-	475,100	282,007	77,237	-	359,244	115,856
<b>Current Year (In Rs.)</b>		<b>475,100</b>	-	-	<b>475,100</b>	<b>282,007</b>	<b>77,237</b>	-	<b>359,244</b>	<b>115,856</b>
Previous Year (In Rs.)		475,100			475,100	153,278	128,729	-	282,007	193,093
										321,822



**9. Deferred Tax Assets (Net)**

(Disclosure as per AS-22 "Accounting for Taxes on Income")

**Particulars****Deferred Tax Asset**Provision for Gratuity  
Preliminary Expenses**Total (A)**

	88,245
29,750	98,986
<b>29,750</b>	<b>187,231</b>

**Deferred Tax Liability**Excess of WDV of assets as per Income Tax  
over Book value of the Assets**Total (B)**

27,724	1484
--------	------

**Net Deferred Tax Asset**  
**Total****(A-B)**

<b>27,724</b>	<b>1484</b>
<b>2,026</b>	<b>185,747</b>
<b>2,026</b>	<b>185,747</b>

**10. Loans and Advances****10.1 Capital Advances**

Secured, considered good

Non-Current		Current	
31-03-2012	31-03-2011	31-03-2012	31-03-2011
Rs.	Rs.	Rs.	Rs.
39,279,421	8,583,050	-	-
<b>39,279,421</b>	<b>8,583,050</b>	<b>-</b>	<b>-</b>

**10.2 Other Loans and Advances**

Advances recoverable in cash or kind

(Unsecured, Considered good)

Prepaid Expenses

Advance Income Tax (Net of Provisions)

Gratuity Fund with LIC of India

9,810,213	7,350,821	-	158,338
402,151	-	-	-
<b>10,212,364</b>	<b>7,350,821</b>	<b>-</b>	<b>158,338</b>
<b>49,491,785</b>	<b>15,933,871</b>	<b>-</b>	<b>158,338</b>

**11. Other Assets****Unsecured, Considered good unless stated otherwise**

Interest accrued but not due on Fixed Deposits

Service Tax Unclaimed

Service Tax Receivable

TDS refund Receivable

Non-Current		Current	
31-03-2012	31-03-2011	31-03-2012	31-03-2011
Rs.	Rs.	Rs.	Rs.
-	-	-	3,831,537
-	-	3,740	-
-	-	362	2,576
<b>41,000</b>	<b>41,000</b>	<b>-</b>	<b>-</b>
<b>41,000</b>	<b>41,000</b>	<b>4,102</b>	<b>3,834,113</b>

Note : Advance Income Tax is net of provision for tax Rs. 6,69,63,000/- (31st March 2011 Rs. 6,50,00,000/-)

**12. Inventories**

(valued at lower of cost or net realisable value whichever is lower)

**Non Trade, Unquoted**

In Mutual Fund Units

234870.70 (31st March 2011 : Rs. Nil) units of ICICI Prudential Money Market Fund Cash  
Option (G)8801267.38 (31st March 2011 : Rs. Nil) units of ICICI Pru.Interval Fund II Qtrly Interval Plan  
B(I)

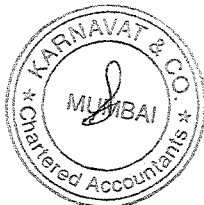
31-03-2012	31-03-2011
Rs.	Rs.
34,127,174	-
99,999,996	-
<b>134,127,170</b>	<b>-</b>

**13. Trade receivable**Unsecured, Considered good unless stated  
otherwise

Due for more than 180 days

Others

-	3,836
-	320,946
<b>-</b>	<b>324,782</b>



**14. Cash and Bank Balances****14.1 Cash and Cash equivalents**

Cash on hand

Balance with banks:

In Current Accounts

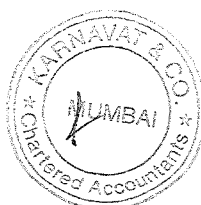
**14.2 Other Bank Balances**Deposits with original maturity for more  
than 3 months but less than 12 months

Current	
31-03-2012	31-03-2011
Rs.	Rs.
-	5,942
355,497	114,751,666
355,497	114,757,608
-	45,000,000
-	45,000,000
355,497	159,757,608



**MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED**  
**Notes to Financial Statements for the year ended 31 March, 2012**

	<b>31-03-2012</b>	<b>31-03-2011</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>15. Revenue from Operations</b>		
Sale of Services		
Syndication Fees	18,406,941	45,922,536
Debt Advisory Fees	17,237	222,663
Sale of Mutual Funds	102,400,004	-
	<u>120,824,182</u>	<u>46,145,199</u>
<b>16. Other Income</b>		
<b>16.1</b> Interest income on		
Bank Deposits	2,558,628	3,686,685
Income Tax Refund	-	74,208
<b>16.2</b> Dividend Income on Current Investments	-	5,650,515
<b>16.3</b> Net gain on sale of current investments	5,892,568	-
	<u>8,451,196</u>	<u>9,411,408</u>
<b>17. Purchase of Traded Goods</b>		
Purchase of Shares	235,500,000	-
	<u>235,500,000</u>	<u>-</u>
<b>18. Changes in Inventories of Traded goods</b>		
<b>18.1 Details at the end of the year</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
		<b>Difference</b>
Traded Goods	134,127,169	-
	<u>134,127,169</u>	<u>-</u>
<b>18.2 Details at the beginning of the year</b>		
Traded Goods	-	-
	<u>-</u>	<u>-</u>
<b>19. Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	19,692,283	28,074,880
Contribution to Provident Fund	211,600	593,449
Gratuity (Note No. 22)	(80,919)	4,057
Staff Welfare Expenses	14,370	63,116
	<u>19,837,334</u>	<u>28,735,502</u>
<b>20. Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Assets	77,237	128,729
	<u>77,237</u>	<u>128,729</u>
<b>21. Other Expenses</b>		
Bank charges	625	166,093
Rates and Taxes	11,520	4,000
Books & Periodicals	-	10,013
Legal and Professional fees	179,478	351,833
Recruitment Expenses	-	24,990
Membership & Subscription Charges	50,000	325,000
Software Expenses	40,000	150,000
Payment to auditor (Refer details below)	25,000	25,000
Travelling and Conveyance	1,343,820	2,816,100
Communication costs	13,534	50,366
Printing and Stationery	1,225	4,447
Miscellaneous expenses	985	82,808
	<u>1,666,187</u>	<u>4,010,650</u>
<b>Payment to Auditor</b>		
<b>As Auditor</b>		
Audit Fees	20,000	20,000
Tax Audit Fees	5,000	5,000
	<u>25,000</u>	<u>25,000</u>





## 22. Gratuity and other post employment benefit plans

From the Current Financial Year the Company has an funded (upto Previous year unfunded) defined benefit obligation plan for gratuity under the Group Gratuity scheme of Life Insurance Corporation of India. The company has created plan assets by contributing to the Gratuity Fund with LIC Of India.

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.

### A) Principal actuarial assumptions as at the balance sheet date:

	2011-12	2010-11
Mortality	LIC 1994-96 (ultimate)	LIC 1994-96 (ultimate)
Discount Rate	8.00%	8.25%
Salary Escalation	5.00%	5.00%
Employee Attrition Rate	1.00% to 3.00%	2.00%

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

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

	2011-12	2010-11
Liability at the beginning of the Year	1,155,712	509,390
Interest Cost	92,457	110,095
Current Service Cost	453,814	866,792
Past Service Cost (non vested benefit)	-	-
Past Service Cost (vested benefit)	-	-
Benefits paid	-	-
Actuarial (Gain)/Loss	(354,993)	(330,565)
<b>Liability at the end of the Year</b>	<b>1,346,990</b>	<b>1,155,712</b>

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

Particulars	2011-12	2010-11
Investments with LIC of India	402,151	NA
Actual return on plan assets	-	NA

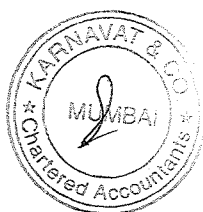
### D) Amount Recognized in Balance Sheet Provision for Gratuity

	2011-12	2010-11
Liability at the end of the Year	191,063	271,982
Fair Value of plan assets at the end of the year	402,151	-
Difference	211,088	(271,982)
Unrecognised past service cost	-	-
Unrecognised transition liability	-	-
<b>Amount in Balance Sheet</b>	<b>211,088</b>	<b>(271,982)</b>

### e) Statement of Profit and Loss

#### Net Employee Benefit Expenses (recognised in employee cost)

	2011-12	2010-11
Current Service Cost	137,716	486,378
Interest on defined benefit obligation	21,759	60,344
Net actuarial losses/(gains) recognised in the year	240,394	(542,665)
Past Service Cost	-	-
Actuarial (gain)/losses	-	-
<b>Total included in employee benefit expense</b>	<b>(80,919)</b>	<b>1,089,387</b>



# MONEY MATTERS INVESTMENT ADVISORS PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March, 2012

### 23. Segment Information (AS - 17)

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

### 24. Related Party Disclosures (AS - 18)

#### Name of related parties and related party relationship:

a) Related parties where control exists:

Holding Company

Money Matters Financial Services Limited

b) Key Management Personnel :

Rajesh Sharma

Director

Nitin Pandey

Director

c) Fellow Subsidiary Companies :

Money Matters Securities Private Limited

Money Matters Distribution Company Private Limited

Money Matters Capital Private Limited

Money Matters Research Private Limited

Money Matters Resources Private Limited

d) Fellow Step Down Subsidiary

Money Matters Advisory Pte Limited (up to 07/03/2012)

e) Related parties with whom transaction have taken place during the year

Nature of Transactions	Holding Company	
	2011-12	2010-11
Expenses incurred on our behalf	126,248	19,928,710
Reimbursement of Expenses	451,248	19,604,760
Amount Received	3,250,000	9,900,000
Amount Repaid	3,250,000	259,900,000
Balance payable as at year end	-	325,000

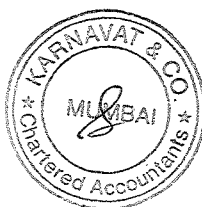
Note : Related Parties are disclosed by the management and relied upon by the auditors.

25. In accordance with Accounting Standard - 20 (AS - 20) Earnings per Share, the computation of earnings per share is set out below :

Particulars	31st March 2012	31st March 2011
Weighted average number of Equity Shares of Rs. 10/- each, fully paid up		
Number of shares at the end of the period	5,000,000	5,000,000
Adjusted Weighted average number of shares outstanding during the period	5,000,000	5,000,000
Net Profit/(Loss) after tax available for equity shareholders	4,175,069	16,818,696
Basic Earnings Per Share (In Rs.)	0.84	3.36

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

26. 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.



**27. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

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.

**28. Capital and other commitments( Net of Advances)**

**a) Nature**

Amount payable towards acquisition of Property)

**Amount**  
148,619,721

b) Other Commitments - NIL

**29. Previous year figures**

Till the period ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year's figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

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

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors



(Rajesh Sharma)  
Director

  
(Nitin Pandey)  
Director



  
(Trusha Dand)  
Company Secretary

**AUDITORS' REPORT**

**TO THE MEMBERS OF  
MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED** as at **31<sup>st</sup> March, 2012**, the statement of Profit and Loss and also 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 conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the aforesaid 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 purposes 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, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet and the statement of profit and loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(Cont..2)




\*\* 2 \*\*

- vi) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid accounts read with significant Accounting Policies and Notes on 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 **31<sup>st</sup> March 2012**; and
- (b) in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date.
- (c) in case of the Cash Flow Statement, of the Cash flows for the year ended on that date

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May 2012



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No. 045629

**MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED**

**Annexure to the Auditors' Report**

**Referred to in paragraph 3 of our report of even date**

- (i) The Company does not have fixed assets. Hence, in our opinion the provisions of paragraphs 4(i)(a) to 4(i)(c) of the aforesaid Order are not applicable to the Company.
- (ii) The Company does not have inventories. Hence the provision of paragraphs 4(ii)(a) to 4(ii)(c) of the aforesaid Order are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence provisions of paragraphs 4(iii)(b) to 4(iii)(d) of the aforesaid Order are not applicable to the Company.  
  
(b) The Company has taken unsecured loan and advances in the nature of loan from a Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of such loan together with balance as at the end of the previous year was Rs. 7.50 lacs and the year end balance is Rs. Nil.  
  
(c) The said loan is interest free and other terms and conditions are not prima facie prejudicial to the interest of the Company.  
  
(d) As per the explanation and information given by the management, the said loan and advances in the nature of loan is interest-free and in our opinion, the repayment of principal amount is regular.
- (iv) According to the information and explanations given to us by the management, the Company does not have any fixed assets, inventory and there is no sale of goods and services during the year hence, in our opinion the provision of paragraph 4(iv) of the aforesaid Order are not applicable to the Company.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there were no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provision of paragraph (v)(b) of the aforesaid Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which provisions of Sections 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(cont..2)



\*\* 2 \*\*

- (viii) According to the information and explanations given to us by the management, the Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of The Companies Act, 1956 and in our opinion the provision of paragraph (viii) of the aforesaid Order are not applicable to the Company.
- (ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31-03-2012, for a period of more than six months from the date they became payable.
- (x) Since the Company has been registered for a period of less than five years, in our opinion, the provisions of paragraph 4(x) of the aforesaid Order are not applicable to the Company.
- (xi) According to the information and explanations given to us by the management, the Company has not availed any loan from Banks and Financial Institutions and in our opinion, the provision of paragraph 4(xi) of the aforesaid Order are not applicable to the Company.
- (xii) Based on our examination of documents and records and according to the information and explanations given to us by the management, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and in our opinion, the provisions of paragraph 4(xii) of the aforesaid Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of any special statute as specified under paragraph 4(xiii) of the aforesaid Order are not applicable to the Company.
- (xiv) Based on our examination of the records and according to the information and explanations given to us by the management, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in mutual fund units and other investments and timely entries have been made therein. The Company has not dealt or traded in shares, securities, and debentures. All mutual fund units and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us by the management, the Company has not given any guarantee for loans taken by others from bank or financial institutions and accordingly, provision of paragraph 4(xv) of the aforesaid Order are not applicable to the Company.

(cont..3)



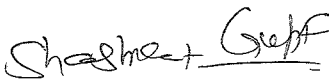
\*\* 3 \*\*

- (xvi) According to the information and explanations given to us by the management, no term loan has not been raised during the year and accordingly, provision of paragraph 4(xvi) of the aforesaid Order are not applicable to the Company.
- (xvii) According to the cash flow statement on the Balance Sheet date, and according to the information and explanations given to us by the management and on an overall examination of the Balance sheet of the Company, we are of the opinion that no funds raised on short term basis have, *prima-facie*, been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of The Companies Act, 1956 and therefore, paragraph 4 (xviii) of the aforesaid Order are not applicable to the Company.
- (xix) During the period covered by our audit report, the Company has not issued debentures and therefore, paragraph 4 (xix) of the aforesaid Order are not applicable to the Company.
- (xx) According to the information and explanations given to us by the management, during the period covered by our audit report, the Company has not raised money by way of public issues and therefore, paragraph 4(xx) of the aforesaid Order are not applicable to the Company.
- (xxi) Based upon the audit procedures performed by us and according to the information and explanations given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.



192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May 2012

For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No. 045629



**MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
Share Capital	2	50,000,000	50,000,000
Reserves and Surplus	3	4,045,038	1,686,174
		<u>54,045,038</u>	<u>51,686,174</u>
<b>2 Current Liabilities</b>			
Other Current Liabilities	4	14,046	13,788
Short Term Provisions	5	64,000	3,500
		<u>78,046</u>	<u>17,288</u>
<b>Total</b>		<b><u>54,123,084</u></b>	<b><u>51,703,462</u></b>
<b>II ASSETS</b>			
<b>1 Non Current Assets</b>			
Deferred Tax Assets (Net)	6	62,906	30,900
		<u>62,906</u>	<u>30,900</u>
<b>2 Current Assets</b>			
Inventories	7	54,011,510	-
Cash and Bank Balances	8	48,668	51,672,562
		<u>54,060,178</u>	<u>51,672,562</u>
<b>Total</b>		<b><u>54,123,084</u></b>	<b><u>51,703,462</u></b>

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

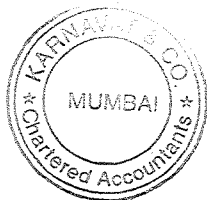
*Shashikant Gupta*  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012

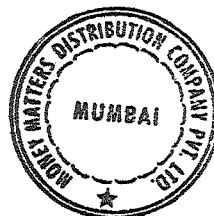


For and on behalf of the Board of Directors

*Rajesh Sharma* *Nitin Pandey*

(Rajesh Sharma)  
Director

(Nitin Pandey)  
Director



**MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	Year ended 31-03-2012 Rs.	Year ended 31-03-2011 Rs.
<b>I INCOME</b>			
Revenue from Operations	9	53,751,888	1,987,890
<b>Total Revenue</b>		<u>53,751,888</u>	<u>1,987,890</u>
<b>II EXPENSES</b>			
Purchase of Traded Goods	10	104,400,000	-
Changes in the Inventories	11	(54,011,510)	-
Other Expenses	12	22,540	20,996
<b>Total Expenses</b>		<u>50,411,030</u>	<u>20,996</u>
<b>III Profit before Tax</b>		3,340,858	1,966,894
Less: Tax Expenses			
Current Tax		1,014,000	-
Deferred Tax		(32,006)	(30,900)
		<u>981,994</u>	<u>(30,900)</u>
<b>IV Profit for the period</b>		<u>2,358,864</u>	<u>1,997,794</u>
<b>V Earnings per Equity Share (Nominal Value of share Rs.10 each)</b>			
Basic		0.47	0.40
Diluted		0.47	0.40

Significant Accounting Policies 1  
The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached  
For and on behalf of

**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

*(Shashikant Gupta)*  
(Shashikant Gupta)  
Partner  
Membership No. 045629  
Place: Mumbai  
Date: 17th May 2012



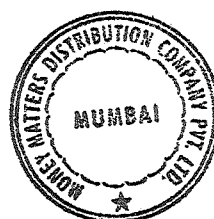
For and on behalf of the Board of Directors

*(Rajesh Sharma)*

(Rajesh Sharma)  
Director

*(Nitin Pandey)*

(Nitin Pandey)  
Director



**MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

Particular	For the year ending	
	31-Mar-12 Rs.	31-Mar-11 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	3,340,858	1,966,894
Adjustments for:		
Dividend Received	-	(1,987,890)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,340,858</b>	<b>(20,996)</b>
Adjustments for:		
Inventories	(54,011,510)	
Trade & Other Payables	(3,242)	11,773
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(50,673,894)</b>	<b>(9,223)</b>
Direct Taxes Paid (Including earlier years)	(950,000)	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(A) (51,623,894)</b>	<b>(9,223)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase/(Decrease) in investments	-	4,668,738
Dividend Received	-	1,987,890
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>(B) -</b>	<b>6,656,628</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	-	45,000,000
<b>NET CASH GENERATED FROM FINANCIAL ACTIVITIES</b>	<b>(C) -</b>	<b>45,000,000</b>
Net increase/(decrease) in Cash and Cash Equivalents	<b>(A+B+C) (51,623,894)</b>	51,647,405
Cash and Cash Equivalents (Opening Balance)	51,672,562	25,157
Cash and Cash Equivalents (Closing Balance)	48,668	51,672,562

**Note:-**

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

Particulars	31-Mar-12	31-Mar-11
Cash in Hand	-	-
Balance with Bank	48,668	51,672,562
	<b>48,668</b>	<b>51,672,562</b>

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

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

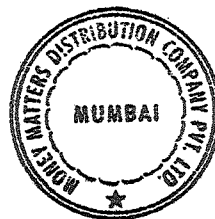
*Shashikant Gupta*  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director

*Nitin Pandey*

(Nitin Pandey)  
Director

## **MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED**

### **Notes to Financial Statements for the year ended 31st March, 2012**

#### **1. Significant Accounting Policies**

##### **1.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

##### **1.2 Change in Accounting Policy:**

###### **Presentation and Disclosure of Financial Statement**

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year.

##### **1.3 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **1.4 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

##### **1.5 Revenue Recognition**

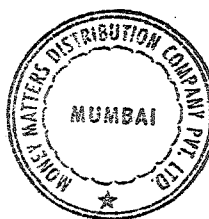
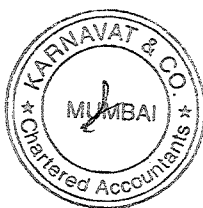
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

###### **a) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "revenue from Operations" in the statement of profit and loss.

###### **b) Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.



## 1.6 Income Taxes

### Current Taxes

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

### Deferred Taxes

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

## 1.7 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.8 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

## 1.9 Contingent Liabilities

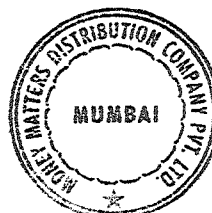
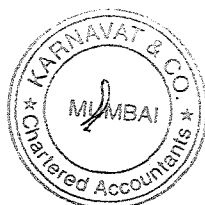
A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## 1.10 Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

## 1.11 Miscellaneous Expenditure

Preliminary expenditure is written off in the year in which it is incurred, in accordance with provision of Accounting Standard – 26 "Intangible Assets" issued by Institute of Chartered Accountant of India.



# **MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED**

**Notes to Financial Statements for the year ended 31 March, 2012**

	31-03-2012 Rs.	31-03-2011 Rs.
<b>2. Share Capital</b>		
<b>Authorized Shares</b>		
50,00,000 (31st March 2011: 50,00,000) Equity Shares of Rs. 10 each	50,00,000	50,00,000
	<b>50,00,000</b>	<b>50,00,000</b>
<b>Issued, Subscribed and fully paid up Shares</b>		
50,00,000 (31st March 2011: 50,00,000) Equity Shares of Rs.10 each	50,00,000	50,00,000
	<b>50,00,000</b>	<b>50,00,000</b>

## **2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

### **Equity Shares:**

	31-03-2012		31-03-2011	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	5,000,000	50,00,000	5,000,000	50,00,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>5,000,000</b>	<b>50,00,000</b>	<b>5,000,000</b>	<b>50,00,000</b>

## **2.2 Terms/Rights attached to equity shares:**

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2011 Rs. NIL)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

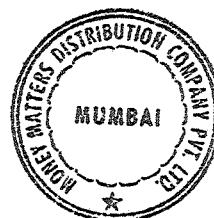
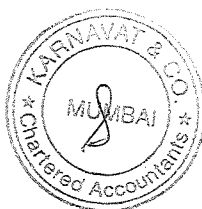
## **2.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates:**

### **Holding Company :**

	31-03-2012 Rs.	31-03-2011 Rs.
Money Matters Financial Services Limited, 50,00,000 (31 March 2011-50,00,000) Equity Shares of Rs.10 each fully paid	50,00,000	50,00,000

## **2.4 Details of shareholders holding more than 5% share in the company**

	31-03-2012		31-03-2011	
	Nos.	%	Nos.	%
<b>Equity Shares of Rs. 10/- each fully paid up</b>				
Name of Shareholder - Money Matters Financial Services Ltd	5,000,000	100%	5,000,000	100%



### 3. Reserve and Surplus

Surplus in the statement of profit and loss  
 Balance as per the last financial statements  
 Profit for the year  
 Net Surplus in the statement of profit and loss  
**Total Reserves and Surplus**

31-03-2012	31-03-2011
Rs.	Rs.
1,686,174	(311,620)
2,358,864	1,997,794
4,045,038	1,686,174
<b>4,045,038</b>	<b>1,686,174</b>

### 4. Other Current Liabilities:

Audit Fees Payable

14,046 13,788

### 5. Short Term Provisions

#### Others

Provision for taxation (Net of Advances)  
 Provision for Professional Fees

64,000 -  
 - 3,500  
**64,000 3,500**

Note : Advance Income Tax is net of provision for tax Rs. 10,14,000/-(31st March 2011 Rs. NIL)

### 6. Deferred Tax Assets (Net)

(Disclosure as per AS-22 "Accounting for Taxes on Income")  
**Particulars**

#### Deferred Tax Asset

Preliminary Expenses

**Total (A)**

#### Deferred Tax Liability

**Total (B)**

**Net Deferred Tax Asset (A-B)**

31-03-2012	31-03-2011
Rs.	Rs.
62,906	30,900
<b>62,906</b>	<b>30,900</b>
-	-
-	-
<b>62,906</b>	<b>30,900</b>

### 7. Inventories

(valued at lower of cost and net realisable value whichever is lower)

#### Non Trade, Unquoted

In Mutual Fund Units

4400633(31st March 2011 : NIL)Units of ICICI Pru.Interval Fund II Qtrly Interval Plan B(I)

49,999,992 -

27568.769(31st March 2011 : NIL) units of ICICI Pru MF Money Market Fund Cash Option (G)

4,011,518 -

**54,011,510 -**

### 8. Cash and Bank Balances

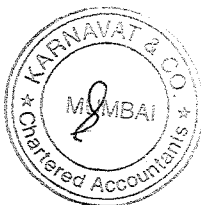
Cash and Cash equivalents

Cash on hand

Balance with banks:

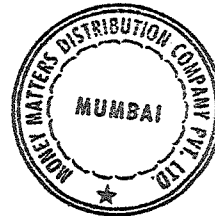
In Current Accounts

48,668 51,672,562  
**48,668 51,672,562**



**MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED**  
**Notes to Financial Statements for the year ended 31 March, 2012**

	31-03-2012 Rs.	31-03-2011 Rs.
<b>9. Revenue from Operations</b>		
9.1 Dividend Income on Current Investments	-	1,987,890
9.2 Sale of Mutual Funds	50,750,008	-
9.3 Net gain on sale of current investments	3,001,880	-
	<b>53,751,888</b>	<b>1,987,890</b>
<b>10. Purchase of Traded Goods</b>		
Purchases of Mutual Funds	104,400,000	-
	<b>104,400,000</b>	-
<b>11. Changes in Inventories of Traded goods</b>		
<b>11.1 Details at the end of the year</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Traded Goods	54,011,510	-
	<b>54,011,510</b>	<b>(54,011,510)</b>
<b>11.2 Details at the beginning of the year</b>		
Traded Goods	-	-
	-	-
<b>12. Other Expenses</b>		
Bank charges	50	3,708
Legal and Professional fees	5,445	3,500
ROC Charges	3,000	-
Payment to auditor (Refer details below)	14,045	13,788
	<b>22,540</b>	<b>20,996</b>
<b>Payment to Auditor</b>		
As Auditor	-	-
Audit Fees	12,500	12,500
Reimbursement of Service Tax	1,545	1,288
	<b>14,045</b>	<b>13,788</b>





# MONEY MATTERS DISTRIBUTION COMPANY PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March, 2012

### 13. Segment Information (AS - 17)

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

### 14. Related Party Disclosures (AS - 18)

#### Name of related parties and related party relationship:

##### a) Related parties where control exists:

Holding Company

Money Matters Financial Services Limited

##### b) Key Management Personnel :

Rajesh Sharma

Director

Nitin Pandey

Director

##### c) Fellow Subsidiary Companies :

Money Matters Securities Private Limited

Money Matters Investment Advisors Private Limited

Money Matters Capital Private Limited

Money Matters Research Private Limited

Money Matters Resources Private Limited

##### d) Fellow Step Down Subsidiary

Money Matters Advisory Pte Limited, Singapore (up to 07/03/2012)

##### e) Related parties with whom transaction have taken place during the year

Nature of Transactions	Holding Company	
	2011-12	2010-11
Receipt of Equity Contribution	-	45,000,000
Reimbursement of Expenses	-	-
Amount Received and repaid	750,000	-
Balance payable as on year end	-	-

Note : Related Parties are disclosed by the management and relied upon by the auditors.

### 15. In accordance with Accounting Standard - 20 (AS - 20) Earnings per Share, the computation of earnings per share is set out below :

Particulars	31st March 2012	31st March 2011
Weighted average number of Equity Shares of Rs. 10/- each, fully paid up	5,000,000	5,000,000
Number of shares at the end of the period	5,000,000	5,000,000
Adjusted Weighted average number of shares outstanding during the period	5,000,000	5,000,000
Net Profit/(Loss) after tax available for equity shareholders	2,358,864	1,997,794
Basic Earnings Per Share (In Rs.)	0.47	0.40

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

### 16. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

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.

### 17. Previous year figures

Till the period ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year's figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

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

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Shashikant Gupta*  
(Shashikant Gupta)  
Partner

Membership No. 045629

Place: Mumbai

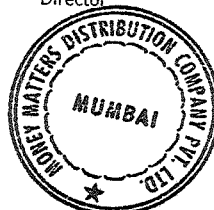
Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director



*Nitin Pandey*

(Nitin Pandey)  
Director

**AUDITORS' REPORT**

**TO THE MEMBERS OF  
MONEY MATTERS CAPITAL PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **MONEY MATTERS CAPITAL PRIVATE LIMITED** as at **31<sup>ST</sup> March, 2012**, the Statement of Profit and Loss and also 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 conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the aforesaid 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 purposes 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, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet and the statement of profit and loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(cont..2)



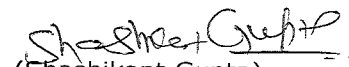
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- vi) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid accounts read together with significant Accounting Policies and other Notes on Accounts give the information required by the Companies 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 **31<sup>st</sup> March 2012**; and
- (b) in the case of the statement of Profit and Loss, of the **Profit** for the year ended on that date.
- (c) in case of the Cash Flow Statement, of the Cash flows for the year ended on that date

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May 2012



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No.045629

**MONEY MATTERS CAPITAL PRIVATE LIMITED**

**Annexure to the Auditors' Report**

**Referred to in paragraph 3 of our report of even date**

- (i) The Company does not have fixed assets. Hence, in our opinion the provisions of paragraphs 4(i)(a) to 4(i)(c) of the aforesaid Order are not applicable to the Company.
- (ii) The Company does not have inventories. Hence the provision of paragraphs 4(ii)(a) to 4(ii)(c) of the aforesaid Order are not applicable to the Company.
- (iii) (a) According to the information and explanation given to us by the management the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence provisions of paragraphs 4(iii)(b) to 4(iii)(d) of the aforesaid Order are not applicable to the Company.  
  
(b) According to the information and explanation given to us by the management, the Company has taken unsecured loan from a Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of such loan is Rs. 6.00 lacs and the year-end balance is Rs. 1.50 lacs.  
  
(c) In our opinion and according to the information and explanations given to us, the aforesaid loan is interest free and other terms and conditions are not *prima facie* prejudicial to the interest of the Company.  
  
(d) The said loan is interest free and the principal amount is repayable on demand.
- (iv) According to the information and explanations given to us by the management, the Company does not have any fixed assets, inventory and there is no sale of goods and services during the year hence, in our opinion the provision of paragraph 4(iv) of the aforesaid Order are not applicable to the Company.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there were no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provision of paragraph (v)(b) of the aforesaid Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which provisions of Sections 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(cont..2)



\*\* 2 \*\*

- (viii) According to the information and explanations given to us by the management, the Central Government has not prescribed for the maintenance of cost records under Section 209(1) (d) of The Companies Act, 1956 and in our opinion the provision of paragraph (viii) of the aforesaid Order are not applicable to the Company.
- (ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31-03-2012, for a period of more than six months from the date they became payable.
- (x) Since the Company has been registered for a period of less than five years, in our opinion, the provisions of paragraph 4(x) of the aforesaid Order are not applicable to the Company.
- (xi) According to the information and explanations given to us by the management, the Company has not availed any loan from Banks and Financial Institutions and in our opinion the provisions of paragraph 4(xi) of the aforesaid Order are not applicable to the Company.
- (xii) Based on our examination of documents and records and according to the information and explanations given to us by the management, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and in our opinion, the provisions of paragraph 4(xii) of the aforesaid Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of any special statute as specified under paragraph 4(xiii) of the aforesaid Order are not applicable to the Company.
- (xiv) Based on our examination of the records and according to the information and explanations given to us by the management, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in mutual fund units and other investments and timely entries have been made therein. The Company has not dealt or traded in shares, securities, and debentures. All mutual fund units and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us by the management, the Company has not given any guarantee for loans taken by others from bank or financial institutions and accordingly, provision of paragraph 4(xv) of the aforesaid Order are not applicable to the Company.

(cont..3)



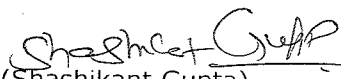
\*\* 3 \*\*

- (xvi) According to the information and explanations given to us by the management, no term loan has not been raised during the year and accordingly, provision of paragraph 4(xvi) of the aforesaid Order are not applicable to the Company.
- (xvii) According to the cash flow statement on the Balance Sheet date, and according to the information and explanations given to us by the management and on an overall examination of the Balance sheet of the Company, we are of the opinion that no funds raised on short term basis have, *prima-facie*, been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of The Companies Act, 1956 and therefore, paragraph 4 (xviii) of the aforesaid Order are not applicable to the Company.
- (xix) During the period covered by our audit report, the Company has not issued debentures and therefore, paragraph 4 (xix) of the aforesaid Order are not applicable to the Company.
- (xx) According to the information and explanations given to us by the management, during the period covered by our audit report, the Company has not raised money by way of public issues and therefore, paragraph 4(xx) of the aforesaid Order are not applicable to the Company.
- (xxi) Based upon the audit procedures performed by us and according to the information and explanations given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May 2012



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No.045629

**MONEY MATTERS CAPITAL PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>		
1	<b><u>Shareholders' Fund</u></b>		
	Share Capital	25,000,000	25,000,000
	Reserves and Surplus	2,629,363	1,297,536
		<u>27,629,363</u>	<u>26,297,536</u>
2	<b><u>Non - Current Liabilities</u></b>		
	Long Term Provisions	20,301	-
2	<b><u>Current Liabilities</u></b>		
	Short Term Borrowings	150,000	400,000
	Other Current Liabilities	14,045	17,288
	Short Term Provisions	-	-
		<u>184,346</u>	<u>417,288</u>
	<b>Total</b>	<b><u>27,813,709</u></b>	<b><u>26,714,824</u></b>
<b>II</b>	<b><u>ASSETS</u></b>		
1	<b><u>Non Current Assets</u></b>		
	Deferred Tax Assets (Net)	66,159	96,140
	Long Term Loans and Advances	-	2,492
	Other Bank Balances	-	4,800,000
	Other Non-Current Assets	-	294,016
		<u>66,159</u>	<u>5,192,648</u>
2	<b><u>Current Assets</u></b>		
	Cash and Bank Balances	26,528,130	20,041,463
	Other Current Assets	1,219,420	1,480,713
		<u>27,747,550</u>	<u>21,522,176</u>
	<b>Total</b>	<b><u>27,813,709</u></b>	<b><u>26,714,824</u></b>

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

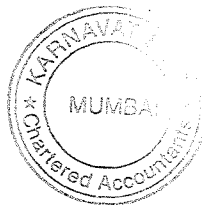
*Shashikant Gupta*  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director

*Nitin Pandey*

(Nitin Pandey)  
Director



**MONEY MATTERS CAPITAL PRIVATE LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	Year ended 31-03-2012 Rs.	Year ended 31-03-2011 Rs.
<b>I INCOME</b>			
Revenue from Operations	12	1,961,662	1,803,695
<b>Total Revenue</b>		<u>1,961,662</u>	<u>1,803,695</u>
<b>II EXPENSES</b>			
Other Expenses	13	23,634	119,561
<b>Total Expenses</b>		<u>23,634</u>	<u>119,561</u>
<b>Profit Before Tax</b>		1,938,028	1,684,134
Depreciation and Amortization Expenses		-	-
<b>III Profit before Tax</b>		<u>1,938,028</u>	<u>1,684,134</u>
Less: Tax Expenses			
Current Tax		570,000	526,000
Deferred Tax		29,981	(96,140)
Earlier years adjustments		6,219	-
		<u>606,200</u>	<u>429,860</u>
<b>IV Profit for the year</b>		<u><b>1,331,828</b></u>	<u><b>1,254,274</b></u>
Earnings per Equity Share (Nominal Value of share Rs. 10/- each)			
Basic		0.53	0.50
Diluted		0.53	0.50

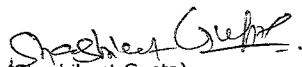
Significant Accounting Policies 1  
The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached  
For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



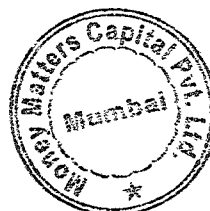
For and on behalf of the Board of Directors



(Rajesh Sharma)  
Director



(Nitin Pandey)  
Director





**MONEY MATTERS CAPITAL PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

Particulars	For the year ended 31-Mar-12 Rs.	31-Mar-11 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	1,938,028	1,684,134
Adjustments for:		
Interest Received	(1,961,662)	(1,782,205)
Dividend Received	-	(21,490)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(23,634)</b>	<b>(119,561)</b>
Adjustments for:		
Trade & Other Receivables	555,309	(1,603,985)
Trade & Other Payables	(253,243)	411,773
<b>CASH GENERATED FROM OPERATIONS</b>	<b>278,432</b>	<b>(1,311,773)</b>
Direct Taxes Paid (Including earlier years)	(553,426)	(542,520)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>(274,994)</b>	<b>(1,854,293)</b>
Prior period adjustments	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(274,994)</b>	<b>(1,854,293)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase/(Decrease) in Investments	-	4,784,149
Interest Received	1,961,662	1,782,205
Dividend Received	-	21,490
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>1,961,662</b>	<b>6,587,844</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in Cash and Cash Equivalents	1,686,668	4,733,551
Cash and Cash Equivalents (Opening Balance)	24,841,463	20,107,912
Cash and Cash Equivalents (Closing Balance)	26,528,130	24,841,463

**Note:-**

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

Particulars	As at 31-Mar-12	As at 31-Mar-11
Cash in Hand	-	3,500
Balance with Bank	26,528,130	24,837,963
	<b>26,528,130</b>	<b>24,841,463</b>

2. Previous years figures have been regrouped wherever necessary to confirm to current years classification.

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

For and on behalf of the Board of Directors

  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012





(Rajesh Sharma)  
Director



  
(Nitin Pandey)  
Director

## **MONEY MATTERS CAPITAL PRIVATE LIMITED**

### **Notes to Financial Statements for the year ended 31st March, 2012**

#### **1. Significant Accounting Policies**

##### **1.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

##### **1.2 Change in Accounting Policy:**

###### **Presentation and Disclosure of Financial Statement**

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year.

##### **1.3 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **1.4 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

##### **1.5 Revenue Recognition**

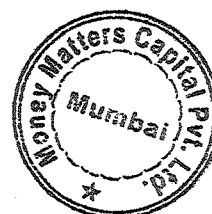
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

###### **a) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operation" in the statement of profit and loss.

###### **b) Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.



## 1.6 Income Taxes

### Current Taxes

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

### Deferred Taxes

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

## 1.7 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.8 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

## 1.9 Contingent Liabilities

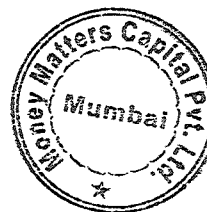
A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## 1.10 Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

## 1.11 Miscellaneous Expenditure :

Preliminary expenditure is written off in the year in which it is incurred, in accordance with provision of Accounting Standard – 26 "Intangible Assets" issued by Institute of Chartered Accountant of India.



# MONEY MATTERS CAPITAL PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

## 2. Share Capital

### Authorized Shares

50,00,000 (31st March 2011: 50,00,000) Equity Shares of Rs.10 each

31-03-2012	31-03-2011
Rs.	Rs.

50,00,000	50,00,000
-----------	-----------

<b>50,00,000</b>	<b>50,00,000</b>
------------------	------------------

### Issued, Subscribed and fully paid up Shares

25,00,000 (31st March 2011: 25,00,000) Equity Shares of Rs.10 each

25,00,000	25,00,000
-----------	-----------

<b>25,00,000</b>	<b>25,00,000</b>
------------------	------------------

## 2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

### Equity Shares:

	31-03-2012		31-03-2011	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	2,500,000	25,000,000	2,500,000	25,000,000
Outstanding at the end of the period	2,500,000	25,000,000	2,500,000	25,000,000

## 2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs.NIL(31st March 2011 Rs.NIL)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

## 2.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

### Holding Company :

Money Matters Financial Services Limited,  
25,00,000 (31st March 2011-25,00,000) Equity Shares of Rs.10 each fully paid

31-03-2012	31-03-2011
Rs.	Rs.

25,00,000	25,00,000
-----------	-----------

## 2.4 Details of shareholders holding more than 5% share in the company

	31-03-2012		31-03-2011	
	Nos.	%	Nos.	%
Equity Shares of Rs. 10/- each fully paid up Name of Shareholder - Money Matters Financial Services Ltd	2,500,000	100%	2,500,000	100%

## 3. Reserve and Surplus

Surplus in the statement of profit and loss

Balance as per the last financial statements

Profit for the year

Net surplus in the statement of profit and loss

### Total Reserves and Surplus

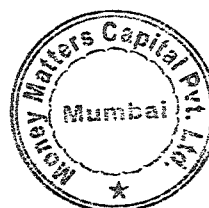
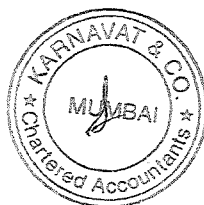
31-03-2012	31-03-2011
Rs.	Rs.

1,297,536	43,262
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1,331,828	1,254,274
-----------	-----------

2,629,363	1,297,536
-----------	-----------

<b>2,629,363</b>	<b>1,297,536</b>
------------------	------------------



#### 4. Long Term Provisions

##### Others

Provision for taxation (Net of Advances)

20,301	-
<b>20,301</b>	<b>-</b>

Note : Provision for tax Rs. 20,301/- is net of Advance Income Tax of Rs. 5,82,699/-

#### 5. Short Term Borrowings

##### Unsecured

Interest free loan and advances from related parties  
repayable on demand (Note No.15)

From Holding Company

150,000	400,000
<b>150,000</b>	<b>400,000</b>

#### 6. Other Current Liabilities:

##### Other payables

Audit Fees Payable

Professional Fees Payable

14,045	13,788
-	3,500
<b>14,045</b>	<b>17,288</b>

#### 7. Deferred Tax Assets (Net)

(Disclosure as per AS-22 " Accounting for Taxes on Income")

		31-03-2012 Rs.	31-03-2011 Rs.
<b>Deferred Tax Asset</b>			
Preliminary Expenses		66,159	96,140
	<b>Total (A)</b>	66,159	96,140
<b>Deferred Tax Liability</b>			
	<b>Total (B)</b>	-	-
<b>Net Deferred Tax Asset (A-B)</b>		66,159	96,140
<b>Total</b>		<b>66,159</b>	<b>96,140</b>

#### 8. Long Term Loans and Advances

Income Tax Advances (Net of Provisions)

-	2,492
<b>-</b>	<b>2,492</b>

Note : Income tax Advances of Rs. 2492/- are net of Provision for tax Rs. 5,59,000/-

#### 9. Other Bank Balances

Deposits with original maturity for more than 12 months

-	4,800,000
<b>-</b>	<b>4,800,000</b>

#### 10. Other Current Assets

	Non-Current		Current	
	31-03-2012 Rs.	31-03-2011 Rs.	31-03-2012 Rs.	31-03-2011 Rs.
Unsecured, Considered good unless stated otherwise				
Interest accrued but not due on Fixed Deposits	-	294,016	1,219,420	1,480,713
	<b>-</b>	<b>294,016</b>	<b>1,219,420</b>	<b>1,480,713</b>

#### 11. Cash and Bank Balances

##### 11.1 Cash and Cash equivalents

Cash on hand

Balance with banks:

In Current Accounts

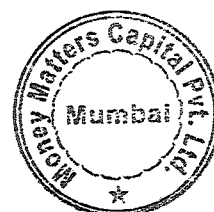
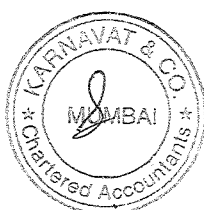
-	3,500
28,130	37,963
<b>28,130</b>	<b>41,463</b>

##### 11.2 Other Bank Balances

Current Maturity of Deposits with original maturity for more than 12 months

Fixed Deposits with maturity of more than 3 months but less than 12 months

26,500,000	20,000,000
26,500,000	20,000,000
<b>26,528,130</b>	<b>20,041,463</b>



**MONEY MATTERS CAPITAL PRIVATE LIMITED****Notes to Financial Statements for the year ended 31st March, 2012**

	Year ended 31-03-2012 Rs.	Year ended 31-03-2011 Rs.
<b>12. Revenue from Operations</b>		
12.1 <b>Interest income on</b>		
Bank Deposits	1,961,662	1,782,205
12.2 <b>Dividend Income on</b>		
Current Investments	-	21,490
	<b>1,961,662</b>	<b>1,803,695</b>
<b>13. Other Expenses</b>		
Bank charges	240	333
Legal and Professional fees	5,324	5,000
ROC Charges	4,025	-
Payment to auditor (Refer details below)	14,045	13,788
Preliminary Expenditure written off	-	100,440
	<b>23,634</b>	<b>119,561</b>
<b>Payment to Auditor</b>		
As Auditor		
Audit Fees	12,500	12,500
Reimbursement of Service Tax	1,545	1,288
	<b>14,045</b>	<b>13,788</b>



# MONEY MATTERS CAPITAL PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March, 2012

### 14. Segment Information (AS - 17)

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

### 15. Related Party Disclosures (AS - 18)

#### Name of related parties and related party relationship:

#### a) Related parties where control exists:

Money Matters Financial Services Limited Holding Company

#### b) Key Management Personnel :

Rajesh Sharma Director  
Nitin Pandey Director

#### c) Fellow Subsidiary Companies :

Money Matters Securities Private Limited  
Money Matters Distribution Company Private Limited  
Money Matters Investment Advisors Private Limited  
Money Matters Research Private Limited  
Money Matters Resources Private Limited

#### d) Fellow Step Down Subsidiary

Money Matters Advisory Pte Limited (up to 07/03/2012)

#### e) Related parties with whom transaction have taken place during the year

Nature of Transactions	Holding Company	
	2011-12	2010-11
Reimbursement of Expenses	-	100,000
Short Term Borrowing	350,700	300,000
Balance repaid towards Short Term Borrowing	600,700	-
Balance payable towards Short Term Borrowing	150,000	300,000
Balance payable towards Expenses advance	-	100,000

Note : Related Parties are as disclosed by the management and relied upon by the auditors.

### 16. In accordance with Accounting Standard - 20 (AS - 20) Earnings per Share, the computation of earnings per share is set out below :

Particulars	31st March 2012	31st March 2011
Weighted average number of Equity Shares of Rs. 10/- each, fully paid up	2,500,000	2,500,000
Number of shares at the end of the period	2,500,000	2,500,000
Adjusted Weighted average number of shares outstanding during the period	2,500,000	2,500,000
Net Profit/(Loss) after tax available for equity shareholders	1,331,828	1,254,274
Basic Earnings Per Share (In Rs.)	0.53	0.50

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

### 17. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

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.

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

### 19. Previous year figures

Till the period ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year's figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

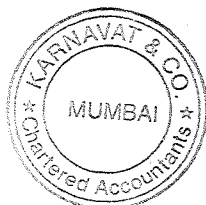
Firm Regn. No. 104863W

*Shashikant Gupta*  
(Shashikant Gupta)  
Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director



*Nitin Pandey*

(Nitin Pandey)  
Director

**AUDITORS' REPORT**

**TO THE MEMBERS OF  
MONEY MATTERS RESEARCH PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **MONEY MATTERS RESEARCH PRIVATE LIMITED** as at **31<sup>ST</sup> March, 2012**, the statement of Profit and Loss and also 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 conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. The provisions of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, are not applicable to the Company being a private limited Company with a paid up capital and reserves of not more than Rs 50 lacs, not having any outstanding loan of Rs. 25 lacs or more from any bank and financial institution and not having a turnover exceeding Rs. 5 Crores.
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 purposes 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, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet and the statement of profit and loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(Cont..2)





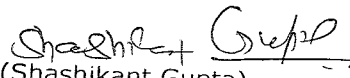
\*\* 2 \*\*

- vi) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid accounts read with significant Accounting Policies and Notes on 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 **31<sup>st</sup> March 2012**; and
- (b) In the case of the statement of Profit and Loss, of the **Loss** for the year ended on that date.
- (c) In case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May 2012



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No. 045629

**MONEY MATTERS RESEARCH PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>		
	<b><u>1 Shareholders' Fund</u></b>		
	Share Capital	100,000	100,000
	Reserves and Surplus	(857,324)	(132,775)
		(757,324)	(32,775)
	<b><u>2 Current Liabilities</u></b>		
	Short Term Borrowings	803,570	585,741
	Other Current Liabilities	14,046	15,288
		817,616	601,029
	<b>Total</b>	<b>60,292</b>	<b>568,254</b>
<b>II</b>	<b><u>ASSETS</u></b>		
	<b><u>1 Non Current Assets</u></b>		
	Deferred Tax Assets (Net)	927	1,240
	Long Term Loans and Advances	-	442,347
		927	443,587
	<b><u>2 Current Assets</u></b>		
	Cash and Bank Balances	59,365	124,667
	<b>Total</b>	<b>60,292</b>	<b>568,254</b>

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

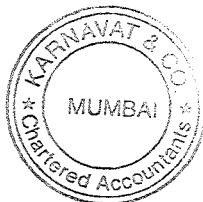
*Shashikant Gupta*  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director

*Nitin Pandey*

(Nitin Pandey)  
Director



**MONEY MATTERS RESEARCH PRIVATE LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	Year Ended 31-03-2012 Rs.	Period Ended 31-03-2011 Rs.
<b>I INCOME</b>			
	<b>Total Revenue</b>	-	-
<b>II EXPENSES</b>			
	Other Expenses 9	23,633	134,015
	<b>Total Expenses</b>	23,633	134,015
<b>III Loss before Exceptional Items and Tax</b>		(23,633)	(134,015)
	Less: Exceptional Items 10	700,603	-
<b>IV Loss before Tax</b>		(724,236)	(134,015)
	Less: Tax Expenses		
	Deferred Tax	313	(1,240)
		313	(1,240)
<b>V Loss for the year/period</b>		<b>(724,549)</b>	<b>(132,775)</b>
<b>VI Earnings per Equity Share (Nominal Value of Share Rs. 10/- each)</b>			
	Basic	(72.45)	(19.40)
	Diluted	(72.45)	(19.40)

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*(Shashikant Gupta)*  
 (Shashikant Gupta)  
 Partner  
 Membership No. 045629  
 Place: Mumbai  
 Date: 17th May 2012



For and on behalf of the Board of Directors

*(Rajesh Sharma)*  
 (Rajesh Sharma)  
 Director

(Rajesh Sharma)  
 Director

*(Nitin Pandey)*  
 (Nitin Pandey)  
 Director



**MONEY MATTERS RESEARCH PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

Particular	Year ended 31.03.2012 Rs.	Period ended 31.03.2011 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	(724,236)	(134,015)
Adjustment for:		
Provisions for Expenses	-	15,288
Preliminary Expenditure written off	-	118,394
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(724,236)</b>	<b>(333)</b>
Adjustment for:		
Trade & Other Receivables	442,347	(442,347)
Trade & Other Payables	216,587	585,741
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(65,302)</b>	<b>143,061</b>
Direct Taxes Paid (Including earlier years)	-	-
<b>NET CASH GENERATED FROM OPERATING EXPENSES</b>	<b>(A) (65,302)</b>	<b>143,061</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(B) -</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	100,000
Preliminary Expenditure Incurred	-	(118,394)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(C) -</b>	<b>(18,394)</b>
Net increase/(decrease) in Cash and Cash Equivalents	<b>(A+B+C) (65,302)</b>	<b>124,667</b>
Cash and Cash Equivalents (Opening Balance)	124,667	-
Cash and Cash Equivalents (Closing Balance)	59,365	124,667

**Note:-**

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

Particulars	As at 31.03.2012	As at 31.03.2011
Cash in Hand	-	-
Balance in Current Account with Schedule Bank	59,365	124,667
	<b>59,365</b>	<b>124,667</b>

2. Figures in bracket denotes cash outflow.

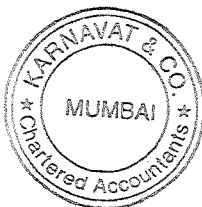
As per Our Report of even date  
For and on behalf of

**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

For and on behalf of the Board of Directors

  
(Shashikant Gupta)

Partner  
Membership No. 045629  
Place: Mumbai  
Date: 17th May 2012





(Rajesh Sharma)  
Director



(Nitin Pandey)  
Director



## **MONEY MATTERS RESEARCH PRIVATE LIMITED**

### **Notes to Financial Statements for the year ended 31st March, 2012**

#### **1. Significant Accounting Policies**

##### **1.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

##### **1.2 Change in Accounting Policy:**

###### **Presentation and Disclosure of Financial Statement**

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year.

##### **1.3 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **1.4 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

##### **1.5 Revenue Recognition**

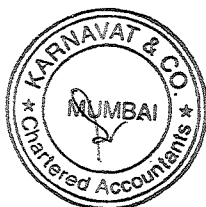
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

###### **a) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operation" in the statement of profit and loss.

###### **b) Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.



## 1.6 Income Taxes

### Current Taxes

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

### Deferred Taxes

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

## 1.7 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.8 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

## 1.9 Contingent Liabilities

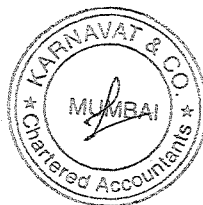
A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## 1.10 Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

## 1.11 Miscellaneous Expenditure :

Preliminary expenditure is written off in the year in which it is incurred, in accordance with provision of Accounting Standard – 26 "Intangible Assets" issued by Institute of Chartered Accountant of India.



# **MONEY MATTERS RESEARCH PRIVATE LIMITED**

**Notes to Financial Statements for the year ended 31 March, 2012**

## **2. Share Capital**

### **Authorized Shares**

500,000 (31st March 2011: 500,000) Equity Shares of Rs. 10 each

31-03-2012 Rs.	31-03-2011 Rs.
-------------------	-------------------

5,000,000	5,000,000
-----------	-----------

<b>5,000,000</b>	<b>5,000,000</b>
------------------	------------------

### **Issued, Subscribed and fully paid up Shares**

10,000 (31st March 2011: 10,000) Equity Shares of Rs. 10 each

100,000	100,000
---------	---------

<b>100,000</b>	<b>100,000</b>
----------------	----------------

## **2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

### **Equity Shares:**

At the beginning of the period

Issued during the year

**Outstanding at the end of the period**

31-03-2012		31-03-2011	
Nos.	Rs.	Nos.	Rs.
10,000	100,000	-	-
-	-	10,000	100,000
10,000	100,000	10,000	100,000

## **2.2 Terms/Rights attached to equity shares:**

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs.NIL(31st March 2011 Rs.NIL)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

## **2.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates:**

### **Holding Company**

Money Matters Financial Services Limited

10,000 (31st March 2011-10,000) Equity Shares of Rs.10 each fully paid

31-03-2012 Rs.	31-03-2011 Rs.
-------------------	-------------------

100,000	100,000
---------	---------

## **2.5 Details of shareholders holding more than 5% share in the company**

### **Equity Shares of Rs. 10/- each fully paid up**

Name of Shareholder - Money Matters Financial Services Ltd

31-03-2012		31-03-2011	
Nos.	%	Nos.	%
10,000	100%	10,000	100%

## **3. Reserve and Surplus**

Deficit in the statement of profit and loss

Balance as per the last financial statements

Loss for the year/period

Net Deficit in the statement of profit and loss

**Total Reserves and Surplus**

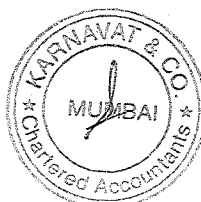
31-03-2012 Rs.	31-03-2011 Rs.
-------------------	-------------------

(132,775)	-
-----------	---

(724,549)	(132,775)
-----------	-----------

(857,324)	(132,775)
-----------	-----------

<b>(857,324)</b>	<b>(132,775)</b>
------------------	------------------



#### 4. Short Term Borrowings

Interest free loan and advances from related parties  
repayable on demand (unsecured) (Note No.12)  
From Holding Company

803,570	585,741
<b>803,570</b>	<b>585,741</b>

#### 5 Other Current Liabilities:

Others payables  
Audit Fees Payable  
Professional Fees Payable

14,046	13,788
-	1,500
<b>14,046</b>	<b>15,288</b>

#### 6. Deferred Tax Assets (Net)

Disclosure as per AS - 22, Accounting for Taxes on Income)

##### Deferred Tax Asset

Preliminary Expenses

Total (A)

##### Deferred Tax Liability

Total (B)

Net Deferred Tax Asset (A-B)

Total

31-03-2012	31-03-2011
Rs.	Rs.
927	1,240
<b>927</b>	<b>1,240</b>
Nil	Nil
Nil	Nil
927	1,240
<b>927</b>	<b>1,240</b>

#### 7 Long Term Loans and Advances

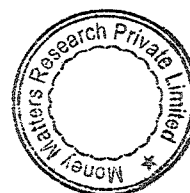
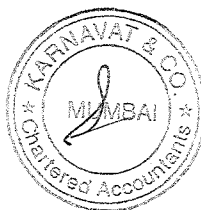
Loans & Advances to related parties (Refer Note No. 12)  
Unsecured, considered good  
Due from Foreign Subsidiary Company

Non-Current	
31-03-2012	31-03-2011
Rs.	Rs.
-	442,347
<b>-</b>	<b>442,347</b>

#### 8 Cash and Bank Balances

Cash and Cash equivalents  
Cash on hand  
Balance with banks:  
in Current Accounts

59,365	124,667
<b>59,365</b>	<b>124,667</b>





**MONEY MATTERS RESEARCH PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March, 2012

	Year Ended 31-03-2012	Period Ended 31-03-2011
	Rs.	Rs.
<b>9. Other Expenses</b>		
Bank charges	80	333
Legal and Professional fees	2,913	1,500
ROC Expenses	6,595	-
Payment to auditor (Refer details below)	14,045	13,788
Preliminary Expenses Written Off	-	118,394
	<b>23,633</b>	<b>134,015</b>
<b>Payment to Auditor</b>		
As Auditor		
Audit Fees	12,500	12,500
Reimbursement of Service Tax	1,545	1,288
	<b>14,045</b>	<b>13,788</b>
<b>10. Exceptional Items</b>		
Loss on Investment in wholly owned Subsidiary company (Refer Note no. 13)	700,603	-
	<b>700,603</b>	<b>-</b>



# MONEY MATTERS RESEARCH PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March, 2012

### 11 Segment Information (AS - 17)

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

### 12 Related Party Disclosures (AS - 18)

#### Name of related parties and related party relationship:

#### a) Related parties where control exists:

Holding Company

Money Matters Financial Services Limited

#### b) Key Management Personnel :

Rajesh Sharma

Director

Nitin Pandey

Director

#### c) Fellow Subsidiary Companies :

Money Matters Securities Private Limited

Money Matters Distribution Company Private Limited

Money Matters Capital Private Limited

Money Matters Resources Private Limited

Money Matters Investment Advisors Private Limited

#### d) Step Down Subsidiary

Money Matters Advisory Pte Limited, Songapore (up to 07/03/2012)

#### e) Related parties with whom transaction have taken place during the year

Nature of Transactions	Holding Company		Fellow Subsidiary Companies & Step Down Subsidiary	
	2011-12	2010-11	2011-12	2010-11
Receipt of Equity Contribution	-	100,000	-	-
Advance given for Incorporation	-	-	-	442,437
Expenses Incurred on Behalf	-	-	258,255	-
Reimbursement of Expenses	-	442,437	-	-
Amount Received	217,829	25,000	-	-
Balance payable as at year end	803,570	585,741	-	442,437

Note : Related Parties are as disclosed by the management and relied upon by the auditors.

13. During the year the Company has incurred an expenditure of Rs. 258255/- on behalf of its wholly owned foreign subsidiary company towards striking off its name from the Register as defunct Company and the name of the said subsidiary Company was struck off from the Register as defunct Company w.e.f. 07-03-2012. Hence, the investment of Rs. 7,00,603/- incurred till date in the said subsidiary has been written off as loss of investment on striking off and is shown under the head "Exceptional Items" in the statement of Profit and Loss.

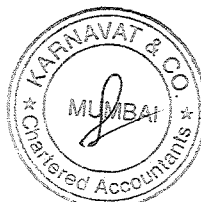
14. The total deficit shown in Reserves & Surplus as on 31-03-2012 is more than 50% of the paid up capital of the company resulting in negative net worth. However, in the opinion of the management it will not affect the Going Concern assumption of the company as the management is of the view that the negative net worth was due to loss of investment in wholly owned foreign subsidiary company which was struck off from register and is of temporary nature. The management has resources to infuse sufficient funds in the company in the coming financial years to cover/offset the negative net worth of the Company.

15. No Provision for Current Income Tax has been made as there is no taxable income as per provisions of Income Tax Act, 1961

16. In accordance with Accounting Standard - 20 (AS - 20) Earnings per Share, the computation of earnings per share is set out below :

Particulars	31st March 2012	31st March 2011
Weighted average number of Equity Shares of Rs. 10/- each, fully paid up	10,000	-
Number of shares at the end of the period	10,000	10,000
Adjusted Weighted average number of shares outstanding during the period	10,000	6,843
Net Profit/(Loss) after tax available for equity shareholders	(724,549)	(132,775)
Basic Earnings Per Share (In Rs.)	(72.45)	(19.40)

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



**17. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

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.

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

**19. Expenditure in Foreign Currency (accrual basis)**

<u>Nature</u>	<u>Amount</u>
Professional fees	258,255
(Refer Note no. 13)	<u>258,255</u>

**20. Previous year figures**

The figures of Previous year are from the period 22-01-2010 to 31-03-2011 and hence are not strictly comparable with the current years figures. Till the period ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year's figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date attached

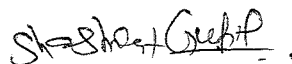
For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

For and on behalf of the Board of Directors

  
(Shashikant Gupta)

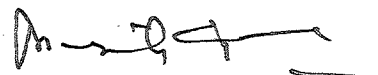
Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012





(Rajesh Sharma)

Director



(Nitin Pandey)

Director



**AUDITORS' REPORT**

**TO THE MEMBERS OF  
MONEY MATTERS RESOURCES PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **MONEY MATTERS RESOURCES PRIVATE LIMITED** as at **31<sup>ST</sup> March, 2012**, the statement of Profit and Loss and also 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 conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. The provisions of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'order'), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, are not applicable to the Company being a private limited company with a paid up capital and reserves of not more than Rs 50 lacs, not having any outstanding loan of Rs. 25 lacs or more from any bank and financial institution and not having a turnover exceeding Rs 5 Crores.
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 purposes 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, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet and the statement of profit and loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(cont..2)



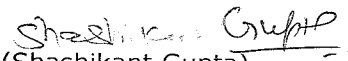
\*\* 2 \*\*

- vi) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid accounts read with significant Accounting Policies and Notes on 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 **31<sup>st</sup> March 2012**; and
- (b) In the case of the statement of Profit and Loss, of the **Loss** for the year ended on that date.
- (c) In case of the Cash Flow Statement, of the Cash flows for the year ended on that date.



192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 17<sup>th</sup> May 2012

For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

  
(Shashikant Gupta)  
Partner  
Membership No. 045629

**MONEY MATTERS RESOURCES PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
Share Capital	2	500,000	500,000
Reserves and Surplus	3	(49,576)	(29,282)
		450,430	470,718
<b>2 Non-Current Liabilities</b>			
<b>3 Current Liabilities</b>			
Other Current Liabilities	4	14,045	15,288
<b>Total</b>		<b>464,475</b>	<b>486,006</b>
<b>II ASSETS</b>			
<b>1 Non Current Assets</b>			
Deferred Tax Assets (Net)	5	3,447	4,600
		3,447	4,600
<b>2 Current Assets</b>			
Inventories	6	400,000	-
Cash and Bank Balances	7	61,028	481,406
		461,028	481,406
<b>Total</b>		<b>464,475</b>	<b>486,006</b>

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Shashikant Gupta*  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director

*Nitin Pandey*

(Nitin Pandey)  
Director



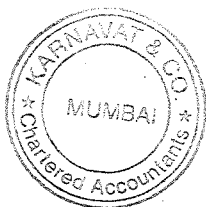
**MONEY MATTERS RESOURCES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	Year Ended 31-03-2012 Rs.	Period Ended 31-03-2011 Rs.
<b>I INCOME</b>			
	<b>Total Revenue</b>	-	-
<b>II EXPENSES</b>			
Other Expenses	8	19,135	33,882
	<b>Total Expenses</b>	19,135	33,882
<b>III Loss before Tax</b>		(19,135)	(33,882)
Less: Tax Expenses			
Deferred Tax		1,153	(4,600)
		1,153	(4,600)
<b>IV Loss for the year/period</b>		<b>(20,288)</b>	<b>(29,282)</b>
<b>V Earnings per Equity Share (Nominal Value of share Rs.10/- each)</b>			
Basic		(0.41)	(0.76)
Diluted		(0.41)	(0.76)

Significant Accounting Policies 1  
The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached  
For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

*Shashikant Gupta*  
(Shashikant Gupta)  
Partner  
Membership No. 045629  
Place: Mumbai  
Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
Director

*Nitin Pandey*  
(Nitin Pandey)  
Director



**MONEY MATTERS RESOURCES PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR 31-Mar-2012**

Particular	For the Year ended 31-Mar-12 Rs.	For the period ended 31-Mar-11 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extraordinary items	(19,135)	(33,882)
Adjustments for:		
Miscellaneous Expenditure written off	-	18,594
<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES</b>	<b>(19,135)</b>	<b>(15,288)</b>
Adjustments for:		
Increase or Decrease in Inventories	(400,000)	-
Trade and other receivables	-	-
Trade and other payables	(1,243)	15,288
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(420,378)</b>	<b>-</b>
Direct Taxes Paid (Including earlier years)	-	-
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>(A) (420,378)</b>	<b>-</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments Made	-	-
	<b>(B) -</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	500,000
Preliminary Expenditure Incurred	-	(18,594)
<b>NET CASH GENERATED IN FINANCING ACTIVITIES</b>	<b>(C) -</b>	<b>481,406</b>
Net increase/(decrease) in Cash and Cash Equivalents	<b>(A+B+C) (420,378)</b>	<b>481,406</b>
Cash and Cash Equivalents (Opening Balance)	481,406	-
Cash and Cash Equivalents (Closing Balance)	<b>61,028</b>	<b>481,406</b>

**Note:-**

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

Particulars	31-Mar-12	31-Mar-11
Cash in Hand	-	-
Balance with Bank	61,028	481,406
	<b>61,028</b>	<b>481,406</b>

2. Figures in bracket denotes cash outflow.

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Shashikant Gupta*  
 (Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors

*Rajesh Sharma*

(Rajesh Sharma)  
 Director

*Nitin Pandey*

(Nitin Pandey)  
 Director

Place: Mumbai  
 Date: 17-05-2012





## **MONEY MATTERS RESOURCES PRIVATE LIMITED**

### **Notes to Financial Statements for the year ended 31st March, 2012**

#### **1. Significant Accounting Policies**

##### **1.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

##### **1.2 Change in Accounting Policy:**

###### **Presentation and Disclosure of Financial Statement**

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year.

##### **1.3 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **1.4 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

##### **1.5 Revenue Recognition**

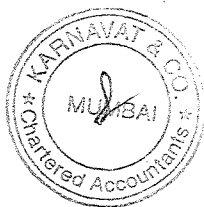
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

###### **a) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operations" in the statement of profit and loss.

###### **b) Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.



**1.6 Income Taxes**  
**Current Taxes**

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

**Deferred Taxes**

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

**1.7 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.8 Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**1.9 Contingent Liabilities**

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**1.10 Cash and Cash Equivalents**

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

**1.11 Miscellaneous Expenditure :**

Preliminary expenditure is written off in the year in which it is incurred, in accordance with provision of Accounting Standard – 26 "Intangible Assets" issued by Institute of Chartered Accountant of India.



# MONEY MATTERS RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March, 2012

## 2. Share Capital

### Authorized Shares

5,00,000 (31 March 2011: 5,00,000) Equity Shares of Rs. 10 each

31-03-2012 Rs.	31-03-2011 Rs.
5,00,000	5,00,000

### Issued, Subscribed and fully paid up Shares

50,000 (31 March 2011: 50,000) Equity Shares of Rs.10 each

31-03-2012 Rs.	31-03-2011 Rs.
50,000	50,000

## 2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

### Equity Shares:

At the beginning of the period

Issued during the year

Outstanding at the end of the period

31-03-2012		31-03-2011	
Nos.	Rs.	Nos.	Rs.
50,000	500,000	-	-
-	-	50,000	500,000
50,000	500,000	50,000	500,000

## 2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs.NIL(31st March 2011 Rs.NIL)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

## 2.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

### Holding Company :

Money Matters Financial Services Limited,

50,000 (31 March 2011-50,000) Equity Shares of Rs.10 each fully paid

31-03-2012 Rs.	31-03-2011 Rs.
500,000	500,000

## 2.4 Details of shareholders holding more than 5% share in the company

Equity Shares of Rs. 10/- each fully paid up  
Name of Shareholder - Money Matters Financial Services Ltd

31-03-2012		31-03-2011	
Nos.	%	Nos.	%
50,000	100%	50,000	100%

## 3. Reserve and Surplus

Surplus / (Deficit) in the statement of profit and loss

Balance as per the last financial statements

Profit/(Loss) for the year:

Net surplus in the statement of profit and loss

Total Reserves and Surplus

31-03-2012 Rs.	31-03-2011 Rs.
(29,282)	-
(20,288)	(29,282)
(49,570)	(29,282)
(49,570)	(29,282)



**4 Other Current Liabilities:**

Other payables

Audit Fees Payable

Professional Fees Payable

14,045	13,788
-	1,500
<b>14,045</b>	<b>15,288</b>

**5. Deferred Tax Assets (Net)**

(Disclosure as per AS - 22, Accounting for Taxes on Income)

**Deferred Tax Asset**

Preliminary Expenses

**Total (A)**

**Deferred Tax Liability**

**Total (B)**

**Net Deferred Tax Asset (A-B)**

<b>31-03-2012</b>	<b>31-03-2011</b>
<b>Rs.</b>	<b>Rs.</b>
3,447	4,600
<b>3,447</b>	<b>4,600</b>
-	-
-	-
<b>3,447</b>	<b>4,600</b>

**6. Inventories**

(valued at lower of cost and net realisable value)

**Non Trade, Unquoted**

Valued at lower of cost and fair value unless stated otherwise

In Mutual Fund Units

2766.135(31 March 2011 : Nil) Units of ICICI Prudential Money Market Fund Cash Option (Growth)

400,000	-
<b>400,000</b>	<b>-</b>

**7 Cash and Bank Balances**

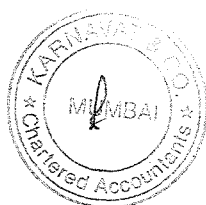
Cash and Cash equivalents

Cash on hand

Balance with banks:

In Current Accounts

61,028	481,406
<b>61,028</b>	<b>481,406</b>



**MONEY MATTERS RESOURCES PRIVATE LIMITED****Notes to Financial Statements for the year ended 31 March, 2012****8. Other Expenses**

Bank charges  
Legal and Professional fees  
ROC Charges  
Payment to auditor (Refer details below)  
Preliminary Expenses Written Off

**Payment to Auditor**

As Auditor

Audit Fees  
Reimbursement of Service Tax

Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
63	-
2,912	1,500
2,115	-
14,045	13,788
-	18,594
<b>19,135</b>	<b>33,882</b>
12,500	12,500
1,545	1,288
<b>14,045</b>	<b>13,788</b>



**Notes to Financial Statements for the year ended 31st March, 2012**

**9. Segment Information (AS - 17)**

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

**10. Related Party Disclosures (AS - 18)**

**Name of related parties and related party relationship:**

a) Related parties where control exists:

Holding Company

Money Matters Financial Services Limited

b) Key Management Personnel :

Rajesh Sharma

Director

Nitin Pandey

Director

c) Fellow Subsidiary Companies :

Money Matters Securities Private Limited

Money Matters Distribution Company Private Limited

Money Matters Capital Private Limited

Money Matters Research Private Limited

Money Matters Investment Advisors Private Limited

d) Fellow Step Down Subsidiary

Money Matters Advisory Pte Limited, Singapore (up to 07/03/2012)

e) Related parties with whom transaction have taken place during the year

Nature of Transactions	Holding Company	
	2011-12	2010-11
Receipt of Equity Contribution	-	500,000
Reimbursement of Expenses	-	18,594
Amount Received and repaid	-	25,000
Balance payable as at year end	-	-

Note : Related Parties are as disclosed by the management and relied upon by the auditors.

**11.** In accordance with Accounting Standard - 20 (AS - 20) Earnings per Share, the computation of earnings per share is set out below :

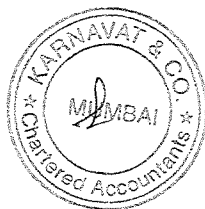
Particulars	31st March 2012	31st March 2011
Number of shares at the Beginning of the period	50,000	-
Number of shares at the end of the period	50,000	50,000
Adjusted Weighted average number of shares outstanding during the period	50,000	38,751
Net Profit/(Loss) after tax available for equity shareholders	(20,288)	(29,282)
Basic Earnings Per Share (In Rs.) (Not Annualised)	(0.41)	(0.76)

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

**12.** No Provision for current income tax has been made as there is no taxable income as per provision of Income Tax Act, 1961

**13. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

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.



**14. Previous year figures**

The figures of Previous year are from the period 12-03-2010 to 31-03-2011 and hence are not strictly comparable with the current years figures. Till the period ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year's figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

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

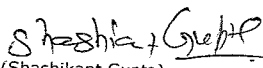
As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

  
(Shashikant Gupta)

Partner

Membership No. 045629

Place: Mumbai

Date: 17th May 2012



For and on behalf of the Board of Directors



(Rajesh Sharma)  
Director



  
(Nitin Pandey)  
Director