

MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Auditor's Report

105, M. K. BHAWAN,
300, SHAHID BHAGAT SINGH
ROAD, FORT, MUMBAI-400 001.
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To the Members of
OTC EXCHANGE OF INDIA

1. We have audited the attached balance sheet of **OTC EXCHANGE OF INDIA** (the Exchange) [incorporated under Section 25 of the Companies Act, 1956 (the Companies Act)] as at March 31, 2008 and also the Statement of Income and Expenditure for the year then ended, prepared in conformity with accounting principles generally accepted in India. These financial statements are the responsibility of the Exchange'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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (a) 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;
- (b) In our opinion, proper books of account as required by law have been kept by the Exchange so far as appears from our examination of those books;
- (c) The Balance Sheet and Statement of Income and Expenditure dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Statement of Income and Expenditure dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
- (e) On the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Exchange as at 31st March, 2008; and
- (ii) In the case of the Statement of Income and Expenditure, of the surplus for the year ended on that date.



For Mittal & Associates
Chartered Accountants

A handwritten signature in black ink, appearing to read 'M. Mehta'.

M. Mehta
Partner
(Membership No.42990)

Place: Mumbai

Date: 5th August, 2008