

Audited Financial Results for the Year ended March 31, 2010

(Rs. in Crores)

Balance Sheet as at March 31, 2010

SOURCES OF FUNDS	
1. Shareholders' Funds	
A Share Capital	222.17
B Reserves and Surplus	46.15
	268.32
2. Loan Funds	
A Secured Loans	861.54
B Unsecured Loans	145.00
	1,006.54
	1,274.86
APPLICATION OF FUNDS	
1. Fixed Asests	2.02
2. Current Assets, Loans & Advances	
A Current Assets	
I Stock in trade	
Government Securities (Inclusive of T-Bills)	1,311.19
II Other Current Assets	15.76
B Loans and Advances	12.78
	1,339.73
Less:	
A Current Liabilities	66.74
B Provisions	0.37
	67.11
Net Current Assets	1,272.62
3. Others	0.22
	1,274.86

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

Income	
Trading of Securities	
Interest	15.01
Discount	14.10
Trading Profit	3.36
Others	7.30
	39.77
Expenses	
Interest	12.85
Adminstrative and Other Costs	17.16
	30.01
Profit before tax	9.76
Net Profit	5.13
Regulatory Capital Required (As per Capital Adequacy Guidelines)	230.82
Actual Capital (Paid up Capital + Reserves & Surplus - Intangible Assets)	267.43
Return on Average Net Worth	3.46%

Notes:

- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on June 21, 2010
- The Company Commenced "Primary Dealer" Operations on July 20, 2009
- For the year from July 20, 2009 to March 31, 2010 net borrowing in call averaged Rs. 26.02 crores and the peak borrowing was Rs. 145 Crores.
- Basis of Valuation of Stock-in-trade : Lower of Cost and market value on categorywise basis
- Leverage ratio for the period July 20, 2009 to March 31, 2010 : 2.97 times (average) and 9.88 times (Peak)
- Capital Adequacy ratio considering applicable risk weight including market risk was 96.69% as on September 30, 2009, 23.94% as on December 31, 2009 and 17.38% as on March 31, 2010
- Investment in non-government debt securities as on March 31, 2010 - Nil.
- The results have been extracted from the audited accounts and are publised in accordance with the Reserve Bank of India circular IDMD.PDRS. 01/03.64.00/2009-10 dated July 1, 2009

Place: Mumbai
 Dated: June 21, 2010

For Morgan Stanley India Primary Dealer Private Limited
 Sd/-
 (Chief Executive Officer & Director)