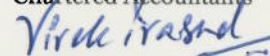


AUDITORS' REPORT
TO THE MEMBERS OF PRAMERICA ASSET MANAGERS PRIVATE LIMITED
Page 1 of 1

1. We have audited the attached Balance Sheet of Pramerica Asset Managers Private Limited (the "Company") as at March 31, 2011 and the related Profit and Loss Account for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (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 sub-section (4A) of Section 227 of 'The Companies Act, 1956 of India' (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 or 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 Company so far as appears from our examination of those books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and 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 Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account of the loss for the year ended on that date;

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Vivek Prasad
Partner
Membership No.: F-104941

Place: Mumbai
Date: August 26, 2011

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the Members of Pramerica Asset Managers Private Limited on the financial statements for the year ended March 31, 2011

Page 1 of 2

1. (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(ii) The fixed assets of the company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(iii) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. The Company did not have any inventory at anytime during the year. Hence, the requirements of clause (ii) of paragraph 4 of the said Order are not applicable to the Company.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weaknesses have been noticed or reported.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangement does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. As the Company is registered for a period of less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable for the year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long term investment.



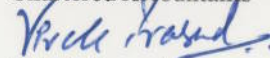
Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the Members of Pramerica Asset Managers Private Limited on the financial statements for the year ended March 31, 2011

Page 2 of 2

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants



Vivek Prasad
Partner

Membership No.: F-104941

Place: Mumbai
Date: August 26, 2011

PRAMERICA ASSET MANAGERS PRIVATE LIMITED

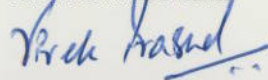
BALANCE SHEET AS AT MARCH 31, 2011

	SCHEDULE	MARCH 31, 2011 (Rupees)	MARCH 31, 2010 (Rupees)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	857,329,270	408,580,000
Share Application Money		-	230
TOTAL		857,329,270	408,580,230
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	2	62,489,132	41,280,671
Less: Depreciation / Amortisation		22,482,226	3,371,103
Net Block		40,006,906	37,909,568
Capital Work-in-Progress		-	1,342,457
Investments	3	265,304,172	124,074,830
Current Assets, Loans and Advances			
Sundry Debtors	4	2,815,785	-
Cash and Bank Balances	5	625,931	451,875
Loans and Advances	6	28,311,121	23,437,484
		31,752,837	23,889,359
Less: Current Liabilities and Provisions	7		
Current Liabilities		92,666,847	26,199,770
Provisions		4,923,851	2,320,149
		97,590,698	28,519,919
Net Current Assets		(65,837,861)	(4,630,560)
Profit and Loss Account		617,856,053	249,883,935
TOTAL		857,329,270	408,580,230
Notes to the Financial Statements	10		

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Vivek Prasad
Partner

Membership No: F 104941
Place : Mumbai

Date : 26 AUG 2011

For and on behalf of Board of Directors



Vijai Mantri
Director



Ravi Kumar
Director

Place: Mumbai

Date : 26 AUG 2011

PRAMERICA ASSET MANAGERS PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

		April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010
	SCHEDULE	(Rupees)	(Rupees)
INCOME			
Management Fees		12,964,080	-
Gross (Tax Deducted at Source Rs. 14,29,938, Previous Year Rs. Nil)			
Profit on Sale of Current Investments		18,966,616	6,480,783
Foreign Exchange Fluctuation (Net)		116,282	745,654
TOTAL		32,046,978	7,226,437
EXPENDITURE			
Employee Costs	8	197,205,272	114,965,403
Administrative and Other Expenses	9	183,392,611	44,542,246
Depreciation / Amortisation	2	19,158,330	3,274,659
TOTAL		399,756,213	162,782,308
LOSS BEFORE TAXATION		(367,709,235)	(155,555,871)
Less: Provision for tax			
- Current Tax (Refer Note 1(h) on Schedule 10)		258,583	2,033,050
- Wealth Tax		4,300	5,920
- Fringe Benefit Tax		-	23,648
		262,883	2,062,618
LOSS AFTER TAXATION		(367,972,118)	(157,618,489)
Balance brought forward from previous year		(249,883,935)	(92,265,446)
BALANCE CARRIED TO BALANCE SHEET		(617,856,053)	(249,883,935)
Earnings per share on face value of Rs 10 each (Basic and Diluted) (Refer Note 5 on Schedule 10)		(5.35)	(5.45)

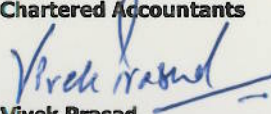
Notes to the Financial Statements

10

The Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


Vivek Prasad

Partner

Membership No: F 104941

Place : Mumbai

Date :

26 AUG 2011

For and on behalf of Board of Directors



Vijai Mantri
Director

Place: Mumbai

Date : 26 AUG 2011



Ravi Kumar
Director

PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	<u>MARCH 31, 2011</u> <u>(Rupees)</u>	<u>MARCH 31, 2010</u> <u>(Rupees)</u>
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
150,000,000 (Previous Year 100,000,000) equity shares of Rs 10 each	1,500,000,000	1,000,000,000
Note : The Authorised Share Capital of the Company was increased from Rs.1,000,000,000 consisting of 100,000,000 equity shares of Rs. 10 each to Rs. 1,500,000,000 consisting of 150,000,000 equity share of Rs.10 each pursuant to resolution passed at the extra ordinary general meeting of the Company held on November 25. 2010.		
	<u>1,500,000,000</u>	<u>1,000,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
85,732,927 (Previous Year 40,858,000) equity shares of Rs 10 each	85,732,927	40,858,000
	<u>85,732,927</u>	<u>40,858,000</u>
TOTAL	<u>85,732,927</u>	<u>40,858,000</u>

Notes:

(i) During the year 44,874,927 (Previous Year 30,858,000) equity shares of Rs. 10 each fully paid were issued for cash at par as fully paid up.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE 2 - FIXED ASSETS (Refer Note 1(c) on Schedule 10)

Description of Assets	Gross Block (at Cost)				Depreciation/Amortisation		Net Block	
	As at April 1, 2010	Additions for the Year	Deletions for the Year	As at March 31, 2011	As at April 1, 2010	For the Year	As at March 31, 2011	As at March 31, 2010
	(Rupees)							
Tangible Assets								
Leasehold Improvements	13,750,725	10,983,436	-	24,734,161	982,195	7,836,124	15,915,842	12,768,530
Furniture	4,104,525	1,430,334	27,000	5,507,859	222,770	1,819,476	3,492,613	3,881,755
Office Equipments	4,653,811	1,156,229	-	5,810,040	417,554	1,840,812	3,551,674	4,236,257
Computer Equipments	8,324,799	6,237,669	55,957	14,506,511	773,311	4,553,368	9,200,039	7,551,488
Motor Cars	5,032,331	-	-	5,032,331	691,622	1,006,466	3,334,243	4,340,709
Intangible Assets								
Software	5,414,480	1,483,750	-	6,898,230	283,651	2,102,084	4,512,495	5,130,829
TOTAL	41,280,671	21,291,418	82,957	62,489,132	3,371,103	19,158,330	40,006,906	37,909,568
<i>Previous Year</i>	-	38,422,691	-	41,280,671	-	3,274,659	37,909,568	-

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PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	<u>March 31, 2011</u> (Rupees)	<u>March 31, 2010</u> (Rupees)
SCHEDULE 3		
INVESTMENTS		
(Refer Note 1(d) on Schedule 10)		
Current Investments (At Cost or Fair value whichever is lower)		
Unquoted, Fully paid up		
Nil (Previous Year 8,793,760.581) units of DWS Insta Cash Plus Fund - Institutional Plan Growth Rs 10 each	-	124,074,830
101,346.461 (Previous Year Nil) units of Pramerica Liquid Fund - Growth option Rs 1,000 each	102,804,172	-
10,000,000.000 (Previous Year Nil) units of Pramerica Dynamic Monthly Income Fund - Growth option Rs 10 each	100,000,000	-
62,408.766 (Previous Year Nil) units of Pramerica Short Term Income Fund - Growth option Rs 1,000 each	62,500,000	-
TOTAL	<u>265,304,172</u>	<u>124,074,830</u>
Aggregate value of unquoted Investments - Book value	<u>265,304,172</u>	<u>124,074,830</u>
SCHEDULE 4		
SUNDRY DEBTORS		
Unsecured, Considered good		
Outstanding		
- for more than six months	-	-
- for less than six months	2,815,785	-
	<u>2,815,785</u>	<u>-</u>
SCHEDULE 5		
CASH AND BANK BALANCES		
Balances with scheduled banks		
- In Current account	625,931	451,875
TOTAL	<u>625,931</u>	<u>451,875</u>
SCHEDULE 6		
LOANS AND ADVANCES		
(Unsecured and considered good, unless otherwise stated)		
Advances recoverable in cash or kind or value to be received	11,108,023	10,102,320
Deposits	15,773,164	13,335,164
Advance Tax and Tax Deducted at Source (Net of Provision for Income Tax Rs. 2,261,149, previous year Nil)	1,429,934	-
TOTAL	<u>28,311,121</u>	<u>23,437,484</u>



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	<u>March 31, 2011</u> (Rupees)	<u>March 31, 2010</u> (Rupees)
SCHEDULE 7		
CURRENT LIABILITIES		
Sundry creditors (Other than small scale industrial undertaking/ due to companies registered under Micro, Small and Medium Enterprise Development Act, 2006) *	73,198,340	21,387,121
Other Liabilities	17,905,196	4,386,104
Rent Equalisation Liability (Refer Note 1(g) on Schedule 10)	1,563,311	426,545
TOTAL	<u>92,666,847</u>	<u>26,199,770</u>
 PROVISIONS		
Income Tax (Net of Advance Tax and tax deducted at source Rs. Nil, previous year Rs. 1,700,000)	-	302,566
Wealth Tax (Net of Payments Rs. 18,032, previous period Rs. 8,532)	4,300	9,503
Gratuity	2,104,842	665,061
Leave Encashment	2,814,709	1,343,019
	<u>4,923,851</u>	<u>2,320,149</u>

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

* Determined to the extent such parties have been identified on the basis of information available with the Company
This has been relied upon by the Auditors



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	April 01, 2010 to March 31, 2011 (Rupees)	April 01, 2009 to March 31, 2010 (Rupees)
SCHEDULE 8		
EMPLOYEE COSTS		
Salaries, Bonus and Allowances	186,874,165	108,682,506
Gratuity	1,439,781	665,061
Leave encashment	1,471,690	1,343,019
Contribution to Provident and Other Funds	6,978,468	3,987,671
Staff Welfare Expenses	441,168	287,146
TOTAL	197,205,272	114,965,403
SCHEDULE 9		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent and Other Expenses	27,957,042	17,130,781
Electricity	2,096,065	543,373
Rates and Taxes	9,542,559	5,400,897
Travelling and Conveyance	11,877,311	2,638,332
Business Promotion Expenses	15,954,464	197,343
Advertising and Marketing Expenses	10,413,980	-
Brokerage and Scheme Related Expenses	73,292,126	-
Legal and Professional Fees	7,145,574	13,061,562
Membership and Subscription	3,975,463	689,941
Auditors Remuneration		
- Audit Fee	500,000	375,000
- Tax Audit Fee	75,000	-
- Out of Pocket Expenses	4,540	2,096
Communication	14,001,154	2,877,893
Computer Consumables	652,901	402,276
Printing and Stationery	1,467,819	217,471
Books and Periodicals	22,252	97,010
Insurance	1,099,470	370,070
Directors' Sitting Fees	260,000	180,000
Other Administration Charges	2,892,854	198,031
Loss on Sale of Fixed Assets	25,751	-
Miscellaneous Expenses	136,286	160,170
TOTAL	183,392,611	44,542,246

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PREMERICA ASSET MANAGERS PRIVATE LIMITED

Balance sheet abstract and the company's general business profile

(All amount, in INR '000)

I Registration details

Registration No. State Code

Balance Sheet Date

II Capital raised during the year

Public Issue	<input type="text" value="Nil"/>	Rights Issue	<input type="text" value="Nil"/>
Bonus Issue	<input type="text" value="Nil"/>	Private placement	<input type="text" value="448,749"/>

III Position of mobilisation and deployment of funds

Total Liabilities	<input type="text" value="954,920"/>	Total Assets	<input type="text" value="954,920"/>
Sources of Funds		Reserves and Surplus	<input type="text" value="NIL"/>
Capital	<input type="text" value="857,329"/>	Unsecured Loans	<input type="text" value="NIL"/>
Secured Loans	<input type="text" value="NIL"/>	Investments	<input type="text" value="265,304"/>
Application of Funds		Misc. Expenditure	<input type="text" value="NIL"/>
Net Fixed Assets	<input type="text" value="40,007"/>	Profit & Loss	<input type="text" value="617,856"/>
Net Current Assets	<input type="text" value="(65,838)"/>		
Accumulated Losses	<input type="text" value="NIL"/>		

IV Performance of the company

Turnover (Including Interest on Deposit)	<input type="text" value="32,047"/>	Total Expenditure	<input type="text" value="399,756"/>
Profit/Loss Before Tax	<input type="text" value="(367,709)"/>	Provision for taxes	<input type="text" value="263"/>
		Profit(loss) After Tax	<input type="text" value="(367,972)"/>
Basic Profit per share in Rs.	<input type="text" value="(5.35)"/>	Dividend rate %	<input type="text" value="NIL"/>
Diluted Profit per share in Rs.	<input type="text" value="(5.35)"/>		

V Generic names of three principal products/services of company

(As per monetary terms)
 Item code No.(ITC code)
 Product Description

For and on behalf of Board of Directors



Vijai Mantri
Director



Ravi Kumar
Director

Place: Mumbai
Date :

26 AUG 2011

PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 10 - NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies

a. Basis for Accounting

The financial statements have been prepared under historical cost convention and on accrual basis of accounting and comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 (the Act).

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Act. Accordingly, the Company has complied with the Accounting Standards as applicable to SMC, to the extent applicable.

b. Revenue recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection.

- Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, where applicable, and investments made by the Company in the respective scheme), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996, as amended.
- Interest income is recorded on an accrual basis.

c. Fixed Assets and Depreciation:

i) Tangible Assets

- Tangible assets are stated at cost inclusive of incidental expenses less accumulated depreciation.
- Depreciation is provided on straight line method over the useful life of assets on pro- rata basis for additions and deletions during the year as follows:

Leasehold Improvements	Over the primary lease period
Furniture and Fittings	3 years
Motor Car	5 years
Computer	3 years
Office Equipments	3 years

ii) Intangible Assets

Intangible assets are stated at cost inclusive of incidental expenses less accumulated amortization and accumulated impairment losses thereon. An intangible asset is recognized when it is probable that future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The cost of intangible asset is allocated over the best estimate of its useful life on straight line basis, a basis that reflects the pattern in which the assets economic benefits are consumed.

Intangible assets are amortised over the period of 3 years.

Fixed assets costing Rs 5,000 or less are fully depreciated in the year of purchase.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 10 - NOTES TO THE FINANCIAL STATEMENTS

d. Investments

Gain and losses on sale of investments are determined using the first in first out cost method. Investments are classified as long term or current. Investments that are intended to be held for more than one year are classified as long term investments. Other investments are classified as current investments. The cost of investments includes all costs incurred in acquiring the investments and incidental to acquisition of investments. Investments are recorded in the books when they are funded. Long term investments are accounted at cost and any decline in the value, other than temporary determined separately for each individual investment is provided for. Current investments are valued at cost or market value, whichever is lower. The comparison of cost and net realizable value is done separately for each individual investment.

e. Employee Benefits

Long Term Employee Benefits

(i) Defined Contribution Plan

The Company has defined contribution plan for post employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of employees. The Company has no further obligation beyond making the contributions. The Company's contribution to the above Plan is charged to the Profit and Loss Account as incurred.

(ii) Defined Benefit Plan

The Company has a defined benefit plan for post employment benefits in the form of Gratuity. The Company accounts for Gratuity based on an actuarial valuation which is carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognised immediately in the Profit and Loss Account as income or expense.

Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation.

Leave Encashment liability is a defined benefit obligation and is wholly unfunded. Company has policy of carry forward of 10 days un-availed leave to next calendar year. The Company accounts for expected cost of compensated absences based on an actuarial valuation.

Actuarial gains/losses are charged to the Profit and Loss Account.

f. Foreign Currency Transactions

Revenues and expenses are recorded at exchange rate prevailing on the date of the transaction. Asset and liabilities denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transactions and on account of restatement of assets and liabilities are dealt with in the Profit and Loss account.

g. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognized as an expense on a straight line basis over the lease period.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 10 - NOTES TO THE FINANCIAL STATEMENTS

h. Taxation

i) Current Tax

Current tax is determined as the amount payable in respect of taxable profit for the accounting period.

ii) Deferred Tax

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset including asset arising from unabsorbed depreciation and losses carried forward, is not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax can be recognized.

i. Preliminary expenses

Preliminary expenses are written off in the year in which they are incurred.

j. Provision and Contingent Liabilities

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

k. Fund Expenses

Annual recurring expenses related to the schemes of Pramerica Mutual Fund which are in excess of internal expense limits are borne by the Company. The internal expense limits are within the overall expense limits as prescribed by the SEBI.

The Company also absorbs the expenses relating to the launch of the schemes of Pramerica Mutual Fund.

2. Capital Commitment

Estimated amount of contracts remaining to be executed on capital accounts (net of capital advances) and not provided for amount to Rs. Nil (Previous Year Rs. 1,273,890) as at March 31, 2011.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 10 - NOTES TO THE FINANCIAL STATEMENTS

3. The following investments have been purchased (including dividend reinvestment) and sold during the year:-

Particulars	March 31, 2011		March 31, 2010	
	Purchased	Sold	Purchased	Sold
Units of Rs. 10 each of DWS Insta Cash Plus - Institutional Plan Growth	15,594,086.612	24,387,847.194	18,652,056.764	15,596,021.392
Units of Rs. 10 each of Pramerica Liquid Fund - Plan Growth**	26,447,174.478	3,285,332.318	-	-
Units of Rs. 1,000 each of Pramerica Liquid Fund - Plan Growth	220,116.244	350,388.205	-	-
Units of Rs. 10 each of Pramerica Dynamic Monthly Income Fund - Plan Growth	10,000,000.000	-	-	-
Units of Rs. 10 each of Pramerica Short Term Income Fund - Plan Growth	62,408.766	-	-	-

** 23,161,842.160 Units of Rs. 10 each has been converted to 231,618.422 units on October 15, 2010

4. Employee Benefits:

The Company has with effect from April 01, 2009 adopted the Accounting Standard 15 (AS 15) (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountants of India. The disclosures required as per revised AS (15) are as under:-

1. Charged to Profit and Loss Account based on the Contribution:-

Particulars	March 31, 2011	March 31, 2010
Employers' Contribution to Provident Fund	6,978,468	3,987,671

2. Disclosure for defined benefit plans based on actuarial report as on March 31, 2011

i. Reconciliation of opening and closing balances of the present value of the defined benefit obligation for gratuity benefits is given below:-

Particulars	March 31, 2011		March 31, 2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation as on April 01, 2010	665,061	1,343,019	-	-
Interest Cost	53,205	107,442	-	-
Service Cost	1,442,707	2,992,695	982,864	1,416,167
Benefits Paid	-	-	-	-
Actuarial Loss/ (Gain)	(56,131)	(1,628,447)	(317,803)	(73,148)
Closing Defined Benefit Obligation as on March 31, 2011	2,104,842	2,814,709	665,061	1,343,019

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PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 10 - NOTES TO THE FINANCIAL STATEMENTS

ii. Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	March 31, 2011		March 31, 2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of funded Obligations	-	-	-	-
Fair value of plan assets	-	-	-	-
Present value of Unfunded Liability	2,104,842	2,814,709	665,061	1,343,019
Unrecognized past service cost	-	-	-	-
Net Liability	2,104,842	2,814,709	665,061	1,343,019
Amounts in the Balance Sheet:				
Liabilities – Provisions (Schedule-6)	2,104,842	2,814,709	665,061	1,343,019

iii. Cost recognized for the year

Particulars	March 31, 2011		March 31, 2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Interest Cost	53,205	107,442	-	-
Service Cost	1,442,707	2,992,695	982,864	1,416,167
Actuarial (Gain) / Loss recognized	(56,131)	(1,628,447)	(317,803)	(73,148)
Net Loss to be provided as expense in Profit and Loss Account	1,439,781	1,471,690	665,061	1,343,019

iv. Principal actuarial assumption

Particulars	March 31, 2011		March 31, 2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	8.00%	8.00%	8.25%	8.25%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Mortality Table	L.I.C (1994-96) Ultimate	L.I.C (1994-96) Ultimate	L.I.C (1994-96) Ultimate	L.I.C (1994-96) Ultimate

RK



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 10 - NOTES TO THE FINANCIAL STATEMENTS

5. Earnings per Share (EPS)

The numerator and denominators used for calculation of basic and diluted earnings per share are as follows:

Particulars	March 31, 2011	March 31, 2010
Loss attributable to equity shareholders (Rs.)	367,972,118	157,618,489
Number of equity shares outstanding at the end of the year	85,732,927	40,858,000
Weighted average number of equity shares outstanding at the end of the year	68,777,338	28,918,301
Loss per share (Basic and Diluted) (Rs.)	5.35	5.45
Nominal value per share (Rs.)	10	10

6. Deferred Income Tax

Management has not recognised deferred tax asset on carry forward losses on prudent basis.

7. Additional information pursuant to paragraph 4 and 4D of Part II of Schedule VI of the Companies Act, 1956, as applicable, is given below:

a) Directors Remuneration:-

Particulars	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010
Salaries, allowances etc.	51,748,309	52,598,007
Contribution to provident and other funds	2,144,134	1,758,024
Total	53,892,443	54,356,031

- The above remuneration excludes provision for gratuity based on actuarial valuation since this is done on an overall Company basis.
- Includes provision for bonus for the year/period and excludes Restricted Stock Units (RSUs) payable.

b) Expenditure in foreign Currency:-

Particulars	April 01, 2010 to March 31, 2011	April 01, 2009 to March 31, 2010
Salaries, Bonus and allowances	18,499,021	23,675,335

- c) Information with regard to other matters specified in paragraph 4A and 4C of Part II of Schedule VI of the Companies Act, 1956 is not applicable to the Company for the year ended March 31, 2011.

8. Related Party Transactions

Refer Annexure I for disclosure



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 10 - NOTES TO THE FINANCIAL STATEMENTS

9. Accounting for Lease

Operating leases:

The Company has taken office premises under lease and license agreement for the period of 60 months (non-cancellable 36 months).

Rent payments aggregating Rs. 27,957,042 (Previous Year: Rs. 17,130,781) are recognized in the Profit and Loss Account in Schedule 9 - Administrative and other expenses under 'Rent and other expenses'.

10. Brokerage and Scheme related expenses

Brokerage and Scheme related expenses includes Rs. 1,764,927 (Previous Year: Rs. Nil) towards such excess expenses relating to the schemes of Pramerica Mutual Fund which are in excess over the internal expenses limit and the brokerage incurred on the mobilisation for the various schemes during New Fund Offer Rs. 54,762,597 (Previous Year: Nil)

11. The financial statements have not been authenticated by a whole time company secretary, as required by section 383A of the Companies Act, 1956 of India, as a whole time company secretary is in the process of being appointed.

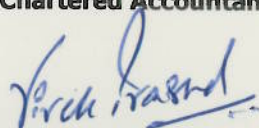
12. Prior Period Comparatives

Prior year's numbers have been regrouped/reclassified wherever necessary.

Signatures to the Schedules 1 to 10 form an integral part of the financial statements.

For and on behalf of the Board of Directors

**For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants**



**Vivek Prasad
Partner
Membership No: F 104941
Place: Mumbai
Date:**

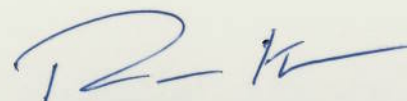
26 AUG 2011



**Vijai Mantri
Director**

Place: Mumbai
Date:

26 AUG 2011



**Ravi Kumar
Director**

PRAMERICA ASSET MANAGERS PRIVATE LIMITED
(Formerly DLF Pramerica Asset Managers Private Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2011

Annexure I - Related Party Disclosures (Refer Note 8 of Schedule 10)

Relationships

Related parties where control exists:

Nature of relationship	Related Party
Ultimate Holding Company	Prudential Financial Inc.
Holding Company	PLGH of Delaware, Inc. (Holds 99.99% of equity share capital)
Intermediate Parent Company	Prudential International Investment Corporation
Key Management Personnel	Vijai Mantri - Director Ravi Kumar - Director C. P. Philip - Director G. Parthasarthy - Director Vijay Ranchan - Director
Enterprises having significant influence over the Company	Kairav Real Estate Private Limited (Holds 39% of the share capital upto March 08, 2010)
Fellow Subsidiary	Pramerica Trustees Private Limited
Mutual Fund managed by Fellow Subsidiary	Pramerica Mutual Fund (PMF), managed by Pramerica Asset Managers Private Limited

Nature of Transactions	Name of Related Party	Holding Company	Intermediate Parent Company	Key Management Personnel	Enterprises having significant influence over the company	Fellow Subsidiary	Mutual Fund Managed by Fellow Subsidiary
FINANCE							
Subscription to Equity Share Capital	PLGH of Delaware, Inc.	448,749,270 (188,233,800)	-	-	-	-	-
	Kairav Real Estate Private Limited	-	-	-	(120,346,200)	-	-
INVESTMENTS							
Purchase/Subscription of Units	Pramerica Mutual Fund	-	-	-	-	-	487,749,645
Sale/Redemption of Units	Pramerica Mutual Fund	-	-	-	-	-	395,400,000
INCOME AND EXPENSES							
Management Fees	Pramerica Mutual Fund	-	-	-	-	-	12,964,080
Remuneration**		-	-	-	-	-	-
Salaries, Bonus, Allowances	Vijai Mantri	-	-	27,352,983 (22,534,333)	-	-	-
Contribution to Provident and Other Fund	Vijai Mantri	-	-	659,000 (648,000)	-	-	-
Salaries, Bonus, Allowances	Ravi Kumar	-	-	24,395,326 (30,063,674)	-	-	-
Contribution to Provident and Other Fund	Ravi Kumar	-	-	1,485,134 (1,110,024)	-	-	-
Directors' Sitting Fees	G Parthasarthy	-	-	60,000 (60,000)	-	-	-
	C. P. Philip	-	-	120,000 (60,000)	-	-	-
	Vijay Ranchan	-	-	80,000 (60,000)	-	-	-
Reimbursement of Director's Sitting Fees and Pre-Incorporation expenses	Pramerica Trustees Private Limited	-	-	-	-	(130,200)	-
Reimbursement of insurance premium for Directors and Officers Liability Insurance Policy	Pramerica Trustees Private Limited	-	-	-	-	347,445	-
Reimbursement of Employee Cost	Prudential Asia Fund Management Limited	-	-	-	-	-	-
	Prudential International Investment LLC	-	3,109,856 (4,099,263)	-	-	(3,799,000)	-
RECEIVABLES AND PAYABLES							
Management Fee Receivable	Pramerica Mutual Fund	-	-	-	-	-	2,815,785
Sundry Creditors (Payable for Restricted Stock Units)	Prudential Financial Inc.	6,612,598 (1,256,438)	-	-	-	-	-
Sundry Creditors (Payable for Restricted Stock Units)	Prudential International Investment LLC	-	1,403,146 (583,536)	-	-	-	-
Sundry Creditors (Bonus Payable)	Vijai Mantri	-	-	4,715,753 (3,082,192)	-	-	-
Sundry Creditors (Salary and Bonus Payable)	Ravi Kumar	-	-	3,057,519 (1,829,900)	-	-	-
Sundry Creditors (Expenses Payable)	Prudential International Investment LLC	-	618,200 (34,794)	-	-	-	-
Advances Receivables (Receivable for pre-incorporation expenses)	Pramerica Trustees Private Limited	-	-	-	-	(30,200)	-
Sundry Creditors (Share Application Money)	PGLH of Delaware, Inc.	-	230	-	-	-	-
Share Application Money	PGLH of Delaware, Inc.	-	(230)	-	-	-	-

* Figures in brackets related to previous period

* Excludes provision for gratuity based on actuarial valuation since this is done on an overall Company basis

