

INDEPENDENT AUDITORS' REPORT

To the Members of Pramerica Asset Managers Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Pramerica Asset Managers Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;



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Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), 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 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and 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 Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Sharad Vasant
Partner

Membership Number : 101119

Place: Mumbai

Date: September 11, 2013

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Pramerica Asset Managers Private Limited on the financial statements for the year ended March 31, 2013

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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) 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.
- ii. (a) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said 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 Act. Therefore, the provisions of Clause 4(iii)(b),(c) and (d) of the said Order are not applicable to the Company.
 - (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(f) and (g) of the said Order are not applicable to the Company.
- iv. 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 for the 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, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
 - (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. 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.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. 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.
- ix. (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 regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty 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 and excise duty which have not been deposited on account of any dispute.



Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Pramerica Asset Managers Private Limited on the financial statements for the year ended March 31, 2013

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- x. As the Company is registered for a period less than five years, the provisions of Clause 4(x) of the Order are not applicable to the Company.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. 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. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. The Company has not raised any loans on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.
- 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 Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Sharad Vasant
Partner
Membership Number 101119

Place: Mumbai
Date: September 11, 2013

PRAMERICA ASSET MANAGERS PRIVATE LIMITED**Balance Sheet**

(All amounts in Rupees, unless otherwise stated)

	Note	As at	
		March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	2,382,887,200	2,382,887,200
Reserves and Surplus	4	(1,561,414,155)	(889,471,301)
Non-current Liabilities			
Other Long-term Liabilities	5	7,160,270	2,649,738
Long-term Provisions	6	9,171,925	3,066,100
Current Liabilities			
Trade Payables	7	8,117,777	5,526,100
Other Current Liabilities	8	44,826,359	62,496,097
Short-term Provisions	9	2,242,284	2,094,386
TOTAL		892,991,660	1,569,248,320
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	9,307,080	19,560,398
Intangible Assets	11	2,729,723	5,489,229
Non-current Investments	12	50	-
Long-term Loans and Advances	13	36,692,946	27,344,613
Current Assets			
Current Investments	14	819,932,534	1,233,992,614
Trade Receivables	15	8,419,247	9,055,231
Cash and Cash Equivalents	16	384,611	250,957,024
Short-term Loans and Advances	17	15,525,469	20,673,665
Other Current Assets	18	-	2,175,546
TOTAL		892,991,660	1,569,248,320

The notes are an integral part of these financial statements

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

For Price WaterhouseFirm Registration Number: 301112E
Chartered Accountants**Sharad Vasant
Partner**Membership No: 101119
Place : Mumbai
Date : September 11, 2013**For and on behalf of Board of Directors of
Pramerica Asset Managers Private Limited**Vijai Mantri
Managing DirectorSuresh Kumar
Company SecretaryPlace: Mumbai
Date : September 11, 2013Ravi Kumar
Director

PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Statement of Profit and Loss

(All amounts in Rupees, unless otherwise stated)

	Note	Year ended	
		March 31, 2013	March 31, 2012
Income:			
Revenue from Operations	19	88,633,013	67,647,581
Other Income	20	120,231,587	17,427,933
Total Revenue		208,864,600	85,075,514
Expenses:			
Employee Costs	21	242,420,321	207,164,181
Depreciation and Amortisation Expenses	22	16,173,301	21,548,902
Other Expenses	23	139,505,882	127,976,711
Total Expenses		398,099,504	356,689,794
Loss before extraordinary items		(189,234,904)	(271,614,280)
Extraordinary items	24	482,707,950	-
Loss before tax		(671,942,854)	(271,614,280)
Tax Expense:	25		
- Current Tax (Income Tax)		-	-
- Current Tax (Wealth Tax)		-	968
- Deferred Tax		-	-
Loss for the year		(671,942,854)	(271,615,248)
Earnings per equity share [Nominal Value per share : Rs.10 (March 31, 2012: Rs. 10)] (Basic and Diluted)	31	(2.82)	(2.25)

The notes are an integral part of these financial statements.

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

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Smvvasant
Sharad Vasant
Partner

Membership No: 101119
Place : Mumbai
Date : September 11, 2013

**For and on behalf of Board of Directors of
Pramerica Asset Managers Private Limited**

Vijai Mantri
Vijai Mantri
Managing Director

Ravi Kumar
Ravi Kumar
Director

Sumesh Kumar
Sumesh Kumar
Company Secretary

Place: Mumbai
Date : September 11, 2013

PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rupees, unless otherwise stated)

1. General information

Pramerica Asset Managers Private Limited (the "Company") was incorporated on September 24, 2008 as a private limited company under the Companies Act, 1956 of India (the "Act").

The Company is a subsidiary of PGLH of Delaware, Inc.

The Company is registered as an investment manager with Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996. The principal business of the Company is to provide management advisory and administrative services to the Pramerica Mutual Fund (the "Fund") in accordance with the Investment Management Agreement dated July 30, 2009 between Pramerica Trustees Private Limited and the Company.

2. Summary of Significant Accounting Policies

a. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between the rendering of services for processing and their realisation in cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Tangible Assets:

- i) Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii) Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.
- iv) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rupees, unless otherwise stated)

- v) The depreciation on tangible assets is provided on a pro-rata basis using straight line method over the estimated useful lives of the assets or at rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher. The following economic life has been considered:

Assets	Economic life
Leasehold Improvements	Over the primary lease period
Furniture and Fixtures	3 Years
Computer	3 Years
Office Equipments	3 Years
Vehicles	5 Years

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

d. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a pro-rata basis using straight line method over their estimated useful lives. The following economic life has been considered.

Assets	Economic life
Computer Software	3 Years

e. Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

f. Investments

Investments that are readily realisable and are 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 at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually. Gain and losses on sale of investments are determined using the first in first out cost method.

g. Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rupees, unless otherwise stated)

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

h. Revenue recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection. Investment management and advisory 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.

i. Other Income

Interest income are recorded on an accrual basis.

j. Employee Benefits

Provident Fund: 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 Statement of Profit and Loss as incurred.

Gratuity: 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 recognized immediately in the Statement of Profit and Loss as income or expense.

Actuarial gains/losses are charged to the Statement of Profit and Loss in the year in which they arise.

Compensated absences: Company has policy of carry forward of 10 days un-availed leave to next calendar year. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Long Term Employee Benefits: The employees of the Company are entitled to deferred bonus as per the policy of the Company, the liability in respect for which is provided for, based on an independent actuary as at the year end. The actuarial method used by the independent actuary for measuring the liability is Projected Unit Credit Method.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rupees, unless otherwise stated)

Actuarial gains and losses comprises of effects of change in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

k. Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax assets 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.

l. Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

m. Leases

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight- line basis over the period of the lease.

n. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, current account balances with banks, demand deposits with banks, other short -term highly liquid investments with original maturities of three months or less



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rupees, unless otherwise stated)

o. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/loss for the period after deducting preference dividend and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of the potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose 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 is adjusted for the effects of all dilutive potential equity shares.

p. Preliminary expenses

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

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



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the Financial Statements

(All amounts in Rupees, unless otherwise stated)

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
3 Share Capital		
Authorised:		
250,000,000 (March 31, 2012: 250,000,000) equity shares of Rs. 10 each	2,500,000,000	2,500,000,000
	2,500,000,000	2,500,000,000
Issued:		
238,288,720 (March 31, 2012: 238,288,720) equity shares of Rs. 10 each	2,382,887,200	2,382,887,200
Total	2,382,887,200	2,382,887,200
Subscribed and Paid Up:		
238,288,720 (March 31, 2012: 238,288,720) equity shares of Rs. 10 each (fully paid-up)	2,382,887,200	2,382,887,200
Total	2,382,887,200	2,382,887,200

(a) Reconciliation of number of shares

Equity shares :

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	238,288,720	2,382,887,200	85,732,927	857,329,270
Add : Shares issued during the year	-	-	152,555,793	1,525,557,930
Balance as at the end of the year	238,288,720	2,382,887,200	238,288,720	2,382,887,200

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share . Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(c) Shares held by holding company and subsidiary of holding company

Equity shares :

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares	Amount	Number of shares	Amount
PGLH of Delaware, Inc.	238,288,719	2,382,887,190	238,288,719	2,382,887,190
Pramerica Financial Asia Limited	1	10	1	10

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares		Number of shares	
PGLH of Delaware, Inc.	238,288,719	(99.9999996%)	238,288,719	(99.9999996%)

4 Reserves and Surplus

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
Deficit in Statement of Profit and Loss		
Balance as at the beginning of the year	(889,471,301)	(617,856,053)
Loss for the year	(671,942,854)	(271,615,248)
Balance as at the end of the year	(1,561,414,155)	(889,471,301)



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the Financial Statements

(All amounts in Rupees, unless otherwise stated)

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
5 Other Long-term Liabilities		
Employee benefits payable	6,492,266	1,216,576
Rent equalisation liability	668,004	1,433,162
Total	7,160,270	2,649,738

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
6 Long-term Provisions		
Provision for employee benefits:		
Provision for gratuity (Refer Note 21)	7,180,371	3,066,100
Provision for compensated absences (Refer Note 21)	1,991,554	-
Total	9,171,925	3,066,100

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
7 Trade Payables		
Trade payables	8,117,777	5,526,100
Total	8,117,777	5,526,100

There are no dues to micro, small and medium enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been 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.

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
8 Other Current Liabilities		
Employee benefits payable	27,933,858	47,887,721
Statutory dues including tax deducted at source and provident fund	5,725,127	7,196,031
Payable to Pramerica Mutual Fund	10,573,141	6,097,339
Current portion of rent equalisation liability	594,233	1,315,006
Total	44,826,359	62,496,097

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
9 Short-term Provisions		
Provision for Employee benefits:		
Provision for gratuity (Refer Note 21)	338,375	-
Provision for compensated absences (Refer Note 21)	1,903,909	2,093,516
Others:		
Provision for wealth tax [net of advance tax of Rs. 23,388 (March 31, 2012 Rs. 22,430)]	-	870
Total	2,242,284	2,094,386



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the Financial Statements

Note 10 - Tangible Assets

(All amounts in Rupees, unless otherwise stated)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	April 1, 2011	Additions	Disposals	March 31, 2012	April 1, 2011	For the Year	Disposals/ Adjustments	March 31, 2012	March 31, 2012	March 31, 2011
	Leasehold Improvements	24,734,161	134,647	-	24,868,808	8,818,319	8,381,114	-	17,199,433	7,669,375
Furniture and Fixtures	5,507,859	32,800	-	5,540,659	2,015,246	1,819,814	-	3,835,060	1,705,599	3,492,613
Office Equipments	5,810,040	272,643	108,980	5,973,703	2,258,366	1,959,938	75,398	4,142,906	1,830,797	3,551,674
Computer	14,506,511	2,118,178	-	16,624,689	5,306,472	5,291,367	-	10,597,839	6,026,850	9,200,039
Vehicles	5,032,331	-	-	5,032,331	1,698,088	1,006,466	-	2,704,554	2,327,777	3,334,243
TOTAL	55,590,902	2,558,268	108,980	58,040,190	20,096,491	18,458,699	75,398	38,479,792	19,560,398	35,494,411
March 31, 2011	35,866,191	19,807,668	82,957	55,590,902	3,087,452	17,056,246	47,207	20,096,491	35,494,411	32,778,739

Note 11 - Intangible Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	April 1, 2011	Additions	Disposals	March 31, 2012	April 1, 2011	For the Year	Disposals/ Adjustments	March 31, 2012	March 31, 2012	March 31, 2011
	Software	6,898,230	4,066,937	-	10,965,167	2,385,735	3,090,203	-	5,475,938	5,489,229
March 31, 2011	5,414,480	1,483,750	-	6,898,230	283,651	2,102,084	-	2,385,735	4,512,495	5,130,829
March 31, 2011	41,280,671	21,291,418	82,957	62,489,132	3,371,103	19,158,330	47,207	22,482,226	40,006,906	37,909,568



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PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the Financial Statements

(All amounts in Rupees, unless otherwise stated)

12 Non-current Investments (Long-term investments)

Other investments (valued at cost unless stated otherwise)

Unquoted

Investments in commercial papers (Refer Note 24)

Deccan Chronicle Holdings Ltd - 90 Days (matured on June 25, 2012)

(500 (March 31, 2012 : Nil) units)

[Net of provision for other than temporary diminution Rs. 249,999,975 (March 31, 2012: Nil)]

25

-

Deccan Chronicle Holdings Ltd - 364 Days (matured on March 14, 2013)

(500 (March 31, 2012 : Nil) units)

[Net of provision for other than temporary diminution Rs. 232,707,975 (March 31, 2012: Nil)]

25

-

Total

50

-

Aggregate amount of unquoted investments

482,708,000

-

Aggregate provision for diminution in value of investments

482,707,950

-

13 Long-term Loans and Advances

Secured, considered good:

Loans to employees against hypothecation of vehicles

833,708

1,118,259

Unsecured, considered good:

Deposits

15,761,764

15,751,564

Recoverable from Pramerica Mutual Fund

898,197

1,437,115

Excess of investments over employee benefit payable (deferred bonus liability Rs. 4,395,593) (Refer Note 13.1)

1,715,485

-

Advance tax and tax deducted at source (net of provision for income tax Rs. 2,261,149, (March 31, 2012: Rs. 2,261,149))

17,483,792

8,891,474

Prepaid expenses

-

146,201

Total

36,692,946

27,344,613

13.1 The company has launched a deferred bonus scheme wherein certain bonus is payable to employees on a deferred basis in future. Amount payable within twelve months from the balance sheet date is classified as current liability and payable beyond twelve months is classified as a long-term liability which is actuarially valued in accordance with Accounting Standard - 15 'Employee Benefits'. As per the scheme, this deferred bonus is invested in schemes of Pramerica Mutual Fund. Since beneficial ownership and economic risk of investments is with employees (subject to certain terms & conditions as laid down in the special deferred bonus letter issued to employees), the investment is disclosed net of liability amount under loans and advances.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the Financial Statements

(All amounts in Rupees, unless otherwise stated)

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
14 Current Investments		
(At Cost or Market Value / Fair Value whichever is lower)		
Mutual Funds (Unquoted)		
Pramerica Mutual Fund -Pramerica Equity Fund-Direct Plan -Growth Option (1418.666 (March 31, 2012: NIL) units)	13,007	-
Pramerica Mutual Fund -Pramerica Short Term Floating Rate Fund-Direct Plan- Growth Option (212,786.997 (March 31, 2012: NIL) units)	232,791,060	-
Pramerica Mutual Fund -Pramerica Ultra Short Term Bond Fund-Direct Plan -Growth Option (403,009.131 (March 31, 2012: NIL) units)	496,917,936	-
Pramerica Mutual Fund -Pramerica Treasury Advantage Fund-Direct Plan- Growth Option (76,215.606 (March 31, 2012: NIL) units)	88,163,233	-
Pramerica Mutual Fund -Pramerica Liquid Fund-Direct Plan -Growth Option (1,573.210 (March 31, 2012 : NIL) units)	1,944,662	-
Pramerica Mutual Fund -Pramerica Dynamic Monthly Income Fund-Direct Plan -Growth Option (8,894.401 (March 31, 2012 : NIL) units)	102,636	-
Pramerica Mutual Fund -Pramerica Dynamic Monthly Income Fund-Growth Option (NIL (March 31, 2012 : 100,147,444.105) units)	-	100,156,000
Pramerica Mutual Fund -Pramerica Credit Opportunities Fund-Growth Option NIL (March 31, 2012: 150,347.480) units)	-	150,363,180
Pramerica Mutual Fund -Pramerica Equity Fund-Growth Option (NIL (March 31, 2012: 460,407.117) units)	-	3,752,318
Pramerica Mutual Fund -Pramerica Short Term Floating Rate Fund-Growth Option NIL (March 31, 2012: 101,285.883) units)	-	101,302,378
Pramerica Mutual Fund -Pramerica Dynamic Fund-Growth Option (NIL (March 31, 2012: 208,254.757) units)	-	1,882,623
Pramerica Mutual Fund -Pramerica Ultra Short Term Bond Fund-Growth Option (NIL (March 31, 2012: 3,135.868) units)	-	3,581,978
Pramerica Mutual Fund -Pramerica Dynamic Bond Fund-Growth Option (NIL (March 31, 2012:220.419) units)	-	223,897
Pramerica Mutual Fund -Pramerica Short Term Income Fund-Growth Option (NIL (March 31, 2012: 24,551.732) units)	-	25,115,139
Pramerica Mutual Fund -Pramerica Treasury Advantage Fund-Growth Option (NIL (March 31, 2012:193,615.845) units)	-	199,000,000
Pramerica Mutual Fund -Pramerica Liquid Fund-Growth Option (NIL (March 31, 2012 : 571,974.418) units)	-	648,615,101
Total	819,932,534	1,233,992,614
Aggregate amount of unquoted investments	819,932,534	1,233,992,614



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the Financial Statements

(All amounts in Rupees, unless otherwise stated)

15 Trade Receivables

Unsecured, considered good

Outstanding for a period exceeding 6 months from the date they are due for payment

Others

Total

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
	-	-
	8,419,247	9,055,231
Total	8,419,247	9,055,231

16 Cash and Cash Equivalents

Bank balances

- In current account

- In fixed deposit account

Total

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
	384,611	957,024
	-	250,000,000
Total	384,611	250,957,024

17 Short-term Loans and Advances

Secured, considered good:

Current portion of Loans to employees against hypothecation of vehicles

Unsecured and considered good:

Deposits

Prepaid expenses

Recoverable from Prudential Financial Inc.

Recoverable from Pramerica Mutual Fund

Excess of investments over employee benefit payable (deferred bonus liability Rs. 15,840,906)

(Refer Note 13.1)

Service tax input credit

Total

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
	284,554	260,151
	10,800	10,800
	5,731,025	8,473,995
	-	2,170,408
	1,852,754	1,769,974
	680,332	-
	6,966,004	7,988,337
Total	15,525,469	20,673,665

18 Other current assets

Interest accrued but not due on fixed deposit

Total

	As at	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
	-	2,175,546
Total	-	2,175,546



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financials statements

(All amounts in Rupees, unless otherwise stated)

	Year ended	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
19 Revenue from operations		
Investment management and advisory fees -Gross	99,588,053	74,615,292
Less: Service tax	10,955,040	6,967,711
Total	88,633,013	67,647,581

	Year ended	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
20 Other Income		
Profit on sale of current investments (net)	119,914,277	15,187,149
Interest on fixed deposit with bank	84,837	2,175,546
Interest on loan to employees	114,995	65,238
Interest on income tax refund	114,618	-
Dividend Income	2,860	-
Total	120,231,587	17,427,933

	Year ended	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
21 Employee Costs		
Salaries and bonus (Refer note 26)	225,292,795	197,115,004
Contribution to provident and other funds ((Refer note (a) below)	9,023,986	7,754,943
Gratuity (Refer note (b) below)	4,452,646	961,258
Compensated absences (Refer note (b) below)	1,801,947	(721,193)
Staff welfare expenses	1,848,947	2,054,169
Total	242,420,321	207,164,181

(a) Defined Contribution Plan

Particulars	Year ended	
	March 31, 2013	March 31, 2012
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund paid to the authorities	7,675,239	6,591,510
(ii) Pension fund paid to the authorities*	632,750	546,934
(iii) EDLI & Others*	715,997	616,499
	9,023,986	7,754,943

* Included in Contribution to provident and other funds (Refer Note 21)

(b) Defined Benefit Plan

Gratuity

Every employee is entitled to a benefit equivalent to thirty days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement whichever is earlier. The benefits vest after five years of continuous service.

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.

Compensated absences

Every employee is entitled to a carry forward of 10 days un-availed leave to next calendar year.

Compensated absences is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for compensated absences based on an actuarial valuation.



Notes to the financial statements

(All amounts in Rupees, unless otherwise stated)

(i) Present value of Defined Benefit Obligation	Year ended			
	31-Mar-13		31-Mar-12	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Balance at the beginning of the year	3,066,100	2,093,516	2,104,842	2,814,709
Current Service Cost	2,202,271	623,274	1,502,318	1,144,798
Interest Cost	245,288	167,481	168,387	225,117
Actuarial Loss/ (Gain)	2,005,087	1,011,192	(709,447)	(2,091,168)
Benefits Paid	-	-	-	-
Past Service Costs	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Balance at the end of the year	7,518,746	3,895,463	3,066,100	2,093,516

(ii) Fair Value of Plan Assets	Year ended			
	31-Mar-13		31-Mar-12	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Balance at the beginning of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial (Gains) / Losses	-	-	-	-
Contribution by the Company	-	-	-	-
Contribution by plan participants	-	-	-	-
Benefits paid	-	-	-	-
Settlements	-	-	-	-

(iii) Assets and Liabilities recognised in the Balance Sheet	Year ended			
	31-Mar-13		31-Mar-12	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Present Value of Defined Benefit Obligation	7,518,746	3,895,463	3,066,100	2,093,516
Less: Fair value of Plan Assets	-	-	-	-
Less: Unrecognised Past Service Cost	-	-	-	-
Amount recognised as liability	7,518,746	3,895,463	3,066,100	2,093,516

Recognised under :				
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Long-term provision (Refer Note 6)	7,180,371	1,991,554	3,066,100	-
Short-term provision (Refer Note 9)	338,375	1,903,909	-	2,093,516

(iv) Expenses recognised in the Statement of Profit and Loss	Year ended			
	31-Mar-13		31-Mar-12	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current Service Cost	2,202,271	623,274	1,502,318	1,144,798
Interest Cost	245,288	167,481	168,387	225,117
Expected return on plan assets	-	-	-	-
Actuarial (Gain) / Loss	2,005,087	1,011,192	(709,447)	(2,091,168)
Past Service Costs	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Net Loss (Gain) to be provided as expense in statement of Profit and Loss	4,452,646	1,801,947	961,258	(721,193)



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financials statements

(All amounts in Rupees, unless otherwise stated)

(v) Actuarial Assumptions

Particulars	Year ended			
	31-Mar-13		31-Mar-12	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Discount Rate	8.00%	8.00%	8.00%	8.00%
Expected Return on Plan Assets	0.00%	0.00%	0.00%	0.00%
Salary Growth Rate	5.00%	5.00%	5.00%	5.00%
Attrition Rate	10.00%	10.00%	10.00%	10.00%
Mortality Table	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate	L.I.C (1994-96) Ultimate	L.I.C (1994-96) Ultimate
Retirement Age	60 yrs	60 yrs	58 yrs	58 yrs

The estimates of future salary increases, considered in the actuarial valuation take account of inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

(vi) Amounts recognised in current year and previous years as applicable

Particulars	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Gratuity				
Defined Benefit Obligation	4,452,646	3,066,100	2,104,842	665,061
Plan Assets	-	-	-	-
Surplus / Deficit	4,452,646	3,066,100	2,104,842	665,061
Experience Adjustments in Plan Liabilities	-	-	-	-
Experience Adjustments in Plan Assets	-	-	-	-
Compensated Absences				
Defined Benefit Obligation	1,801,947	2,093,516	2,814,709	1,343,019
Plan Assets	-	-	-	-
Surplus / Deficit	1,801,947	2,093,516	2,814,709	1,343,019
Experience Adjustments in Plan Liabilities	-	-	-	-
Experience Adjustments in Plan Assets	-	-	-	-

22 Depreciation and Amortisation Expenses

Depreciation on tangible assets
Depreciation on intangible assets

	Year ended	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
	12,746,274	18,458,699
	3,427,027	3,090,203
Total	16,173,301	21,548,902

23 Other Expenses

Rent and other expenses
Electricity
Rates and taxes
Travelling and conveyance
Business promotion
Advertising and marketing
Brokerage and scheme related expenses (Refer note 32 below)
Legal and professional fees
Membership and subscription
Payment to auditors:
- As auditor
- Audit fees
- Tax audit fee
- Out of pocket expenses
Communication
Computer consumables
Printing and stationery
Books and periodicals
Insurance
Directors' sitting fees
Foreign exchange fluctuation (net)
Other administration charges
Loss on write off of tangible fixed assets
Miscellaneous expenses

	Year ended	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
	26,030,394	29,033,397
	2,573,208	2,149,317
	4,023,548	9,863,596
	12,326,832	12,589,301
	12,450,089	9,390,273
	18,929,442	8,326,074
	17,207,322	22,664,165
	17,079,636	10,265,066
	4,731,104	4,191,762
	-	-
	500,000	500,000
	75,000	75,000
	11,500	8,888
	14,692,193	11,326,012
	898,424	32,431
	1,183,619	1,071,725
	57,636	45,007
	183,376	92,720
	355,800	420,000
	1,778,654	1,730,994
	4,214,440	3,994,325
	-	33,582
	203,665	173,076
Total	139,505,882	127,976,711

24 Extraordinary items

Provision for diminution in value of non-current investments in commercial papers

	Year ended	
	March 31, 2013 (Amount)	March 31, 2012 (Amount)
	482,707,950	-
Total	482,707,950	-

During the year, on June 28, 2012, the Board of Directors approved the purchase of the Commercial Papers Issued by Deccan Chronicle Holdings Limited ('Deccan Chronicle') from various schemes of Pramerica Mutual Fund aggregating to Rs. 482,708,000 (March 31, 2012: Nil) at existing book value to protect the interest of investors. These investments matured on June 25, 2012 and March 14, 2013 (face value of Rs. 250,000,000 each) respectively. Deccan Chronicle has failed to repay the maturity proceeds on both the maturity dates.

The Company has initiated legal proceedings against Deccan Chronicle and is advised by the legal advisors.

Based on the management's assessment of recovery of dues on these investments, necessary provision has been made towards other than temporary diminution in value of these investments.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rupees, unless otherwise stated)

25. Current and Deferred Tax

No provision for current income tax has been made in view of taxable loss for the year.

26. Stock Incentive Plan

The Company's ultimate holding company, Prudential Financial Inc. sponsors a stock incentive plan, The Prudential Financial Inc. Long Term Incentive Plan (as amended from time to time) which provides for grants of restrictive stock units ('RSU') to eligible employees. Eligible employees are given shares of ultimate holding company on the vesting date (at the end of 3 years from the grant date). Effective November 2008 amortization and other related costs of such RSU pertaining to the Company's employees are being recharged to the Company by the ultimate parent company over the period of vesting as outlined in the applicable RSU plan agreement.

Employees cost for the year includes Rs. Nil (March 31, 2012: Rs. 3,645,618) being recharges towards RSU Plans.

Restricted Stock Units (RSU):

The activity related to restricted stock units, net of the effect of employee transfers, is set forth below:-

Particulars	As at March 31, 2013		As at March 31, 2012	
	Shares	Value (US\$)	Shares	Value (US\$)
Outstanding at the beginning of the year	2,723	172,610.97	4,477	275,693.66
Granted	-	-	978	58,102.98
Forfeited	-	-	-	-
Delivered	-	-	-	-
Vested	-	-	(2,732)	(151,452.56)
Transfers/Reversal	(2,723)	(172,610.97)	-	-
Outstanding at the end of year / carrying amount	-	-	2,723	172,610.97

For stock granted during the year, the fair value of the stock at the grant date is USD Nil (March 31, 2012: USD 59.41). This price is based on the market value of the stock quoted on the stock exchange on the grant date.

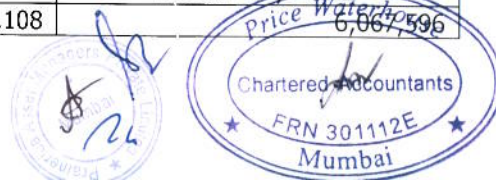
27. Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure are as under:

Particulars	As at March 31, 2013		As at March 31, 2012	
	In Rupees	Transaction Value in US\$	In Rupees	Transaction Value in US\$
Employee benefits payable	8,980,778	165,239.70	18,741,338	367,873.94
Recoverable from Prudential Financial Inc.	-	-	2,170,408	42,602.97

28. Expenditure in foreign Currency

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Salaries and Bonus	6,164,108	6,067,596



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rupees, unless otherwise stated)

29. Related Party Transactions

Refer Annexure I for disclosure

30. Operating Lease

Operating leases:

- a) The Company has taken various offices and residential premises under operating lease or leave and license agreements. These are generally cancellable or renewable at the option of the Company and range between 11 months to 60 months.

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
With respect to all operating leases: Lease payment recognised in Statement of Profit and Loss	26,030,394	29,033,397

- b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Not later than one year	13,950,000	2,928,750
Later than one year and not later than five years	2,325,000	-
Later than five years	-	-

31. Earnings per Share (EPS)

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Loss after tax	671,942,854	271,615,248
Less: Dividend on Preference Shares	-	-
Adjusted net loss for the year (A)	671,942,854	271,615,248
Weighted average number of equity shares outstanding (B)	238,288,720	120,636,668
Basic and Diluted EPS (A/B)	(2.82)	(2.25)
Face value per share (Rs.)	10	10

32. Brokerage and Scheme related expenses

Brokerage and Scheme related expenses includes Rs. 7,388,169 (March 31, 2012: Rs. 4,107,767) 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. 170,000 (March 31, 2012: 9,500,000)

33. Transfer Pricing

The Company has initiated a study on the transfer pricing rules for the year ended March 31, 2013. Adjustment to provision for taxation, if any, on completion of transfer pricing study is not currently ascertainable.



PRAMERICA ASSET MANAGERS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rupees, unless otherwise stated)

34. Previous Years Figures

Previous year figures have been reclassified to conform to this year's classification.

Signature to notes 1 to 34 forms part of the financial statements and to the above notes

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants


Sharad Vasant
Partner

Membership No: 101119
Place: Mumbai
Date: September 11, 2013

**For and on behalf of the Board of Directors of
Pramerica Asset Managers Private Limited**



Vijai Mantri
Managing Director



Sumesh Kumar
Company Secretary

Place: Mumbai
Date: September 11, 2013



Ravi Kumar
Director



Notes to the financial statements for the year ended March 31, 2013

Annexure I - Related Party Disclosures (Refer Note 29)

(i) Relationships (during the year)

A Related parties where control exists:

	Nature of relationship	Related Party
	Ultimate Holding Company	Prudential Financial Inc.
	Holding Company	PGLH of Delaware, Inc. (Holds 99.99% of equity share capital)
	Intermediate Parent Company	Prudential International Investment LLC
B	Key Management Personnel	Vijai Mantri - Director Ravi Kumar - Director C. P. Philip - Director G. Parthasarthy - Director Vijay Ranchan - Director *Richard D'Dio - Director (w.e.f. December 03, 2012)
C	Fellow Subsidiary	Pramerica Trustees Private Limited
D	Mutual Fund managed by Fellow Subsidiary	Pramerica Mutual Fund (PMF), managed by Pramerica Asset Managers Private Limited

* No transactions during the year

	Nature of Transactions	Name of Related Party	Holding Company	Intermediate Parent Company	Key Management Personnel	Fellow Subsidiary	Mutual Fund Managed by Fellow Subsidiary
a	FINANCE						
	Subscription to Equity Share Capital	PLGH of Delaware, Inc.					
			(1,525,557,930)				
b	INVESTMENTS						
	Purchase/Subscription of Units	Pramerica Mutual Fund					3,030,929,417
	Sale/Redemption of Units	Pramerica Mutual Fund					(2,012,320,304)
	Purchase of Commercial Paper	Pramerica Mutual Fund					3,542,274,314
							(1,058,819,013)
							482,708,000
c	INCOME AND EXPENSES						
	Investment Management and Advisory Fees	Pramerica Mutual Fund					88,633,013
	Remuneration**						(67,647,581)
	Salaries and Bonus	Vijai Mantri			33,016,106		
					(29,362,079)		
	Contribution to Provident and Other Fund	Vijai Mantri			868,520		
					(786,820)		
	Salaries and Bonus	Ravi Kumar			36,764,727		
					(29,485,154)		
	Contribution to Provident and Other Fund	Ravi Kumar			1,890,896		
					(1,583,927)		
	Directors' Sitting Fees	G Parthasarthy			73,400		
		C. P. Philip			(120,000)		
		Vijay Ranchan			169,000		
					(200,000)		
					113,400		
					(100,000)		
	Reimbursement of insurance premium for Directors and Officers Liability Insurance Policy	Pramerica Trustees Private Limited				398,980	
						(433,755)	
	Reimbursement of Employee Cost	Prudential International Investment LLC		10,821,726			
				(3,768,209)			
	Reimbursement of Employee Cost	Prudential Financial Inc.					
			(3,645,615)				
c	RECEIVABLES AND PAYABLES						
	Investment Management and Advisory Fees Receivable	Pramerica Mutual Fund					8,419,247
							(9,055,231)
	Reimbursement of Expenses Receivable	Pramerica Mutual Fund					2,750,951
							(3,207,089)
	Trade Payables (Scheme Expenses)	Pramerica Mutual Fund					10,573,141
	Employee benefits payable (Restricted Stock Units)	Prudential Financial Inc.					(6,097,339)
			(10,918,998)				
	Receivable (for TDS on Restricted Stock Units)		(2,170,408)				
	Employee benefits payable (Restricted Stock Units)	Prudential International Investment LLC					
				(1,602,944)			
	Employee benefits payable (Bonus)	Vijai Mantri			4,610,959		
					(4,813,811)		
	Employee benefits payable (Salaries and Bonus)	Ravi Kumar			2,608,800		
					(3,799,354)		
	Employee benefits payable	Prudential International Investment LLC		6,371,978			
				(4,639,073)			
	Other Current Liabilities (Share Application Money)	PGLH of Delaware, Inc.	242				
			(242)				

Figures in brackets related to previous period

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

