

**Edelweiss Asset Management Limited**

**Financial Statements  
together with Auditors' Report  
for the year ended 31 March 2009**

# Edelweiss Asset Management Limited

Financial Statements together with Auditors' Report  
*for the year ended 31 March 2009*

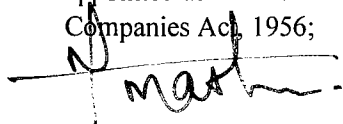
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**Auditors' Report****To the Members of  
Edelweiss Asset Management Limited**

We have audited the attached balance sheet of Edelweiss Asset Management Limited ('the Company') as at 31 March 2009, the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003 and amendments thereto (together referred to as 'the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of the written representations received from the directors of the Company as at 31 March 2009, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March 2009 from being appointed as director in terms of clause (g) of sub section (1) of section 274 to the Companies Act, 1956;

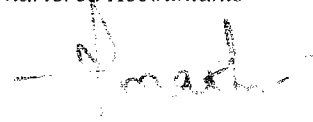


**Auditors' Report (*Continued*)**

**Edelweiss Asset Management Limited**

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2009;
  - (b) in the case of the profit and loss account, of the loss for the year ended on that date; and
  - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **B S R & Associates**  
*Chartered Accountants*



**Akeel Master**  
*Partner*

Membership No: 046768

Mumbai  
20 May 2009

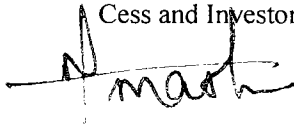
## Edelweiss Asset Management Limited

### Annexure to Auditors' Report - 31 March 2009

(Referred to in our report of even date)

We report the following:

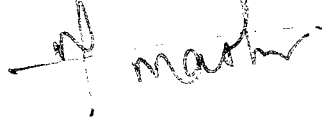
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
- (ii) The Company is a service company primarily rendering asset management services. Accordingly, paragraph 4(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the Order is not applicable.
- (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 with regard to purchase of fixed assets and with regards to sale of services. In our opinion and according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit. The Company does not hold physical inventories.
- (v) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public.
- (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 has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, Cess and Investor Education and Protection fund.



## Edelweiss Asset Management Limited

### Annexure to Auditors' Report - 31 March 2009 (Continued)

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Service tax and other material statutory dues were in arrears as at 31 March 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income tax, Service tax and material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (d) There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government.
- (x) The Company was incorporated on 23 August 2007 and has not completed five years since registration. Consequently, paragraph 4(x) of the order related to accumulated losses is not applicable to the Company.
- (xi) The Company did not have any outstanding dues to any financial institution, bank or debenture holder during the year.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures, and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investments.
- (xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.



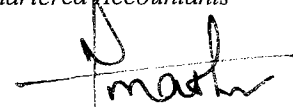
## Edelweiss Asset Management Limited

### Annexure to Auditors' Report - 31 March 2009 (*Continued*)

- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Mumbai  
20 May 2009

For **B S R & Associates**  
*Chartered Accountants*



**Akeel Master**  
*Partner*

Membership No: 046768

# Edelweiss Asset Management Limited

## Balance sheet

as at 31 March 2009

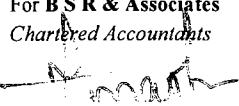
(Currency : Indian rupees)

|   | Schedule | 31 March 2009        | 31 March 2008      |
|---|----------|----------------------|--------------------|
| <b>SOURCES OF FUNDS</b>                         |          |                      |                    |
| <b>Shareholders' funds</b>                      |          |                      |                    |
| Share capital                                   | 3        | 600,000,000          | 120,000,000        |
| Reserves and surplus                            | 4        | 400,000,000          | -                  |
| <b>TOTAL</b>                                    |          | <b>1,000,000,000</b> | <b>120,000,000</b> |
| <b>APPLICATION OF FUNDS</b>                     |          |                      |                    |
| <b>Fixed assets</b>                             |          |                      |                    |
| Gross block                                     | 5        | 2,982,170            | 854,610            |
| Less: Accumulated depreciation                  |          | 770,498              | 44,022             |
| Net block                                       |          | 2,211,672            | 810,588            |
| <b>Investments</b>                              | 6        | <b>102,395,510</b>   | <b>107,243,003</b> |
| <b>Current assets, loans and advances</b>       |          |                      |                    |
| Sundry debtors                                  | 7        | 67,785               | -                  |
| Cash and bank balances                          | 8        | 24,899,208           | 537,634            |
| Other current assets                            | 9        | -                    | 112,500            |
| Loans and advances                              | 10       | 843,928,568          | 3,274,488          |
|   |          | 868,895,561          | 3,924,622          |
| <b>Less: Current liabilities and provisions</b> |          |                      |                    |
| Current liabilities                             | 11       | 10,613,486           | 4,677,603          |
| Provisions                                      | 12       | 745,456              | 945,289            |
|   |          | 11,358,942           | 5,622,892          |
| <b>Net current assets</b>                       |          | <b>857,536,619</b>   | <b>(1,698,270)</b> |
| Debit balance in profit and loss account        |          | 37,856,199           | 13,644,679         |
| <b>TOTAL</b>                                    |          | <b>1,000,000,000</b> | <b>120,000,000</b> |
| Significant accounting policies                 | 2        |                      |                    |
| Notes to the accounts                           | 16       |                      |                    |

The schedules referred to above form an integral part of the balance sheet.

As per our report attached.

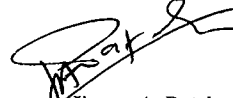
For **B S R & Associates**  
Chartered Accountants


  
**Akcel Master**  
Partner  
Membership No: 046768

Mumbai  
Date : 20 May 2009

For and on behalf of the Board of Directors

  
**Rujan Panjwani**  
Director

  
**Jimmy A. Patel**  
Chief Executive Officer

  
**Kanu H. Doshi**  
Director

  
**Punam Sharma**  
Company Secretary



# Edelweiss Asset Management Limited

## Profit and loss account

for the year ended 31 March 2009

(Currency : Indian rupees)

|  | Schedule | 31 March 2009       | For the period<br>23 August 2007 to<br>31 March 2008 |
|--|----------|---------------------|--|
| <b>INCOME</b>  |          |                     |  |
| Management fees<br>(Tax deducted at source Rs. 174,860; Previous Year Rs. NIL) |          | 1,510,358           | -  |
| Interest income  | 13       | 51,054,869          | 4,122,958  |
| Dividend on mutual fund units  |          | 2,814,755           | 84,180   |
| Profit on sale of mutual fund units  |          | 3,186,738           | -  |
|  |          | <u>58,566,720</u>   | <u>4,207,138</u>                                     |
| <b>EXPENDITURE</b>   |          |                     |  |
| Employee costs   | 14       | 48,032,522          | 10,892,024   |
| Operating and other expenses   | 15       | 33,593,820          | 5,380,771  |
| Depreciation   |          | 731,898             | 44,022   |
|  |          | <u>82,358,240</u>   | <u>16,316,817</u>                                    |
| <b>Loss before taxation</b>  |          | <b>(23,791,520)</b> | <b>(12,109,679)</b>                                  |
| Provision for taxation   |          |                     |  |
| - Income tax   |          | -                   | 1,460,000  |
| - Deferred tax charge  |          | -                   | -  |
| - Fringe benefit tax   |          | 420,000             | 75,000   |
| <b>Loss after tax</b>  |          | <b>(24,211,520)</b> | <b>(13,644,679)</b>                                  |
| <b>Balance in profit and loss account brought forward</b>                      |          | <b>(13,644,679)</b> | <b>-</b>   |
| <b>Profit and loss account balance carried forward to balance sheet</b>        |          | <b>(37,856,199)</b> | <b>(13,644,679)</b>                                  |
| Basic and diluted earnings per share (Face value Rs. 10 each)                  | 16.6     | (0.55)              | (1.24)   |
| Significant accounting policies  | 2        |                     |  |
| Notes to the accounts  | 16       |                     |  |

The schedules referred to above form an integral part of the profit and loss account.  
As per our report attached.

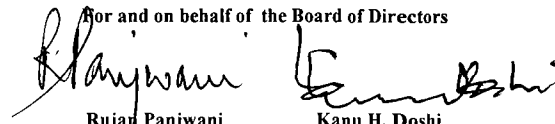
For **BSR & Associates**  
Chartered Accountants



**Akeel Master**  
Partner  
Membership No: 046768

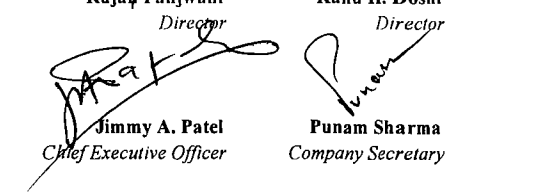
Mumbai  
Date : 20 May 2009

For and on behalf of the Board of Directors



**Rujan Panjwani**  
Director

**Kanu H. Doshi**  
Director



**Jimmy A. Patel**  
Chief Executive Officer

**Punam Sharma**  
Company Secretary

# Edelweiss Asset Management Limited

## Cash Flow Statement

for the year ended 31 March 2009

(Currency : Indian rupees)

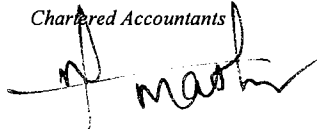
|   | 31 March 2009        | For the period<br>23 August 2007 to<br>31 March 2008 |
|---|----------------------|--|
| <b>A Cash flow from operating activities</b>                              |                      |  |
| Loss before taxation  | (23,791,520)         | (12,109,679)   |
| <i>Adjustments for</i>  |                      |  |
| Depreciation  | 731,898              | 44,022   |
| Loss on sale of fixed asset (net)   | 2,607                | -  |
| Profit on sale of mutual fund units                                       | (3,186,738)          | -  |
| Interest income on commercial paper                                       | (225,000)            | (112,500)  |
| Interest income on others   | (50,829,869)         | (4,010,458)  |
| Dividend income on mutual fund units                                      | (2,814,755)          | (84,180)   |
| <b>Operating cash flow before working capital changes</b>                 | <u>(80,113,377)</u>  | <u>(16,272,795)</u>                                  |
| <i>Adjustments for</i>  |                      |  |
| (Increase) / Decrease in sundry debtors                                   | (67,785)             | -  |
| Decrease/ (Increase) in loans and advances                                | 528,276              | (3,274,488)  |
| Increase in current liabilities and provisions                            | 6,294,933            | 5,064,009  |
| <b>Cash used in operations</b>  | <u>(73,357,953)</u>  | <u>(14,483,274)</u>                                  |
| Income taxes paid   | (6,511,239)          | (976,117)  |
| <b>Net cash used in operating activities</b>                              | <u>(79,869,192)</u>  | <u>(15,459,391)</u>                                  |
| <b>B Cash flow from investing activities</b>                              |                      |  |
| Inter corporate deposits placed   | (1,500,000,000)      | -  |
| Inter corporate deposits redeemed   | 664,350,000          | -  |
| Purchase of fixed assets  | (2,160,337)          | (854,610)  |
| Proceeds from sale of fixed assets  | 24,748               | -  |
| Purchase of current investments   | (794,280,116)        | (114,743,003)  |
| Sale/Redemption of current investments                                    | 802,651,847          | 7,500,000  |
| Interest received   | 50,829,869           | 4,010,458  |
| Dividend received   | 2,814,755            | 84,180   |
| <b>Net cash used in investing activities</b>                              | <u>(775,769,234)</u> | <u>(104,002,975)</u>                                 |
| <b>C Cash flow from financing activities</b>                              |                      |  |
| Proceeds from issue of share capital including securities premium account | 880,000,000          | 120,000,000  |
| <b>Net cash generated from financing activities</b>                       | <u>880,000,000</u>   | <u>120,000,000</u>                                   |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                  | <u>24,361,574</u>    | <u>537,634</u>                                       |
| Cash and cash equivalent as at the beginning of the year/ period          | 537,634              | -  |
| Cash and cash equivalent as at the end of the year/ period                | 24,899,208           | 537,634  |

**Note:**

1 Cash and cash equivalents comprise cash in hand, cheques in hand and bank balances in current accounts (refer schedule 8 to financial statements)

As per our report attached.

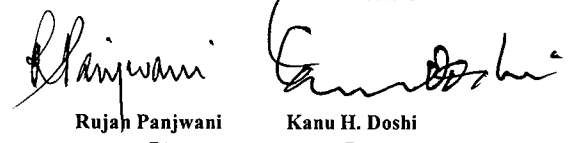
For BSR & Associates  
Chartered Accountants



**Akeel Master**  
Partner  
Membership No: 046768

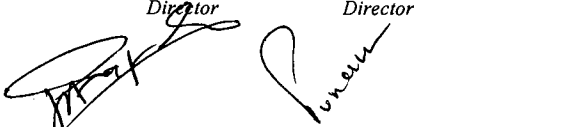
Mumbai  
Date: 20 May 2009

For and on behalf of the Board of Directors



**Rujan Panjwani**  
Director

**Kanu H. Doshi**  
Director



**Jimmy A. Patel**  
Chief Executive Officer

**Punam Sharma**  
Company Secretary

# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

for the year ended 31 March 2009

(Currency: Indian rupees)

### 1 Background

Edelweiss Asset Management Limited ('the Company') was incorporated on 23 August 2007 as a private limited company. With effect from 18 January 2008, the Company converted itself into public limited company.

The Company is a 100% subsidiary of Edelweiss Capital Limited and is incorporated as an asset management company. The Company is registered with the Securities & Exchange Board of India ('SEBI') to act as an investment manager to the Edelweiss Mutual Fund ('the fund').

### 2. Significant accounting policies

#### 2.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable. The financial statements are presented in Indian rupees.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is prospectively made in current or future periods.

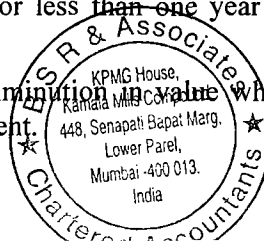
#### 2.3 Revenue recognition

- Investment management Fees are recognised net of service tax on an accrual basis in accordance with the Investment Management Agreement with the fund and complies with The Securities and Exchange Board of India (Mutual Funds) Regulations based on average assets under management (AUM) confirmed by the Fund.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Profit/loss earned on sale of investment is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.

#### 2.4 Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.



# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

for the year ended 31 March 2009

(Currency: Indian rupees)

### 2. Significant accounting policies (Continued)

#### 2.4 Investments (continued)

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investment in mutual funds, the net asset value of units declared by the mutual fund is considered as the fair value.

#### 2.5 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on written down value basis from the date the asset is put to use or ready to use whichever is earlier. In respect of asset sold, depreciation is provided upto the date of disposal.

Depreciation is charged at the rates prescribed in the Schedule XIV to the Companies Act, 1956 as given below:

| Class of asset         | Rate of depreciation |
|------------------------|----------------------|
| Computers              | 40.00%               |
| Office equipments      | 13.91%               |
| Furniture and fixtures | 18.10%               |
| Electrical fittings    | 13.91%               |

All fixed assets individually costing less than Rs. 5,000 are fully depreciated in the year of installation.

Software expense includes expenditure on licenses for various office applications which are written off in the year of purchase on a prudent basis.

#### 2.6 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.



# Edelweiss Asset Management Limited

## Schedules to the financial statements (*Continued*) for the year ended 31 March 2009

(Currency: Indian rupees)

### 2. Significant accounting policies (*Continued*)

#### 2.7 Retirement benefits

##### *Provident fund*

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the profit and loss account.

##### *Gratuity*

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the profit and loss account.

#### 2.8 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

##### *Current tax*

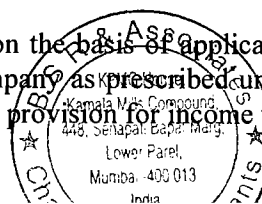
Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

##### *Deferred taxation*

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

##### *Fringe benefit tax*

Provision for Fringe Benefit Tax ('FBT') is made on the basis of applicable FBT on the taxable value of chargeable expenditure of the Company as prescribed under the Income Tax Act, 1961 and the same has been included in the provision for income tax.



# Edelweiss Asset Management Limited

## Schedules to the financial statements *(Continued)*

for the year ended 31 March 2009

(Currency: Indian rupees)

### 2. Significant accounting policies *(Continued)*

#### 2.9 Fund expenses

Expenses incurred on behalf of schemes of Edelweiss Mutual Fund are recognised to the profit and loss unless considered recoverable from schemes of the fund in accordance with provisions of The Securities and Exchange Board of India (Mutual Funds) Regulations.

#### 2.10 Earnings per share

The Company reports basic and diluted earning per share in accordance with Accounting Standard 20 – Earnings per share prescribed by Companies (Accounting Standards) Rules, 2006. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the reporting period. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at the end of the reporting period.

#### 2.11 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

#### 2.12 Provisions and contingences

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

as at 31 March 2009

(Currency : Indian rupees)

|  | 31 March 2009      | 31 March 2008      |
|--|--------------------|--------------------|
| <b>3 Share capital</b>   |                    |                    |
| <b>Authorised</b>  |                    |                    |
| 70,000,000 (Previous year - 25,000,000) equity shares of Rs. 10 each                                     | 700,000,000        | 250,000,000        |
|  | <u>700,000,000</u> | <u>250,000,000</u> |
| <b>Issued, subscribed and paid up</b>  |                    |                    |
| 60,000,000 equity shares (Previous year - 12,000,000) of Rs. 10 each, fully paid-up                      | 600,000,000        | 120,000,000        |
| (The entire paid up capital is held by Edelweiss Capital Limited, the holding company and its nominees). |                    |                    |
|  | <u>600,000,000</u> | <u>120,000,000</u> |
| <b>4 Reserves and surplus</b>  |                    |                    |
| Securities Premium Account   |                    |                    |
| As per last Balance Sheet  | -                  | -                  |
| Add : Additions during the year  | <u>400,000,000</u> | -                  |
|  | 400,000,000        | -                  |
|  | <u>400,000,000</u> | <u>-</u>           |



# Edelweiss Asset Management Limited

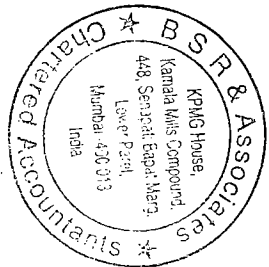
## Schedules to the financial statements (Continued)

as at 31 March 2009

(Currency : Indian rupees)

### 5 Fixed assets

| Particulars            | Gross Block            |                  |               |                        | Depreciation           |                |              |                        | Net Block              |                        |
|------------------------|------------------------|------------------|---------------|------------------------|------------------------|----------------|--------------|------------------------|------------------------|------------------------|
|                        | As at<br>01 April 2008 | Additions        | Deductions    | As at<br>31 March 2009 | As at<br>01 April 2008 | For the year   | Deductions   | As at<br>31 March 2009 | As at<br>31 March 2009 | As at<br>31 March 2008 |
| Computers              | 816,610                | 942,481          | 26,800        | 1,732,291              | 43,312                 | 547,671        | 5,052        | 585,931                | 1,146,360              | 773,298                |
| Office equipments      | 38,000                 | 1,091,232        | -             | 1,129,232              | 710                    | 169,751        | -            | 170,461                | 958,771                | 37,290                 |
| Furniture and fixtures | -                      | 118,620          | 5,977         | 112,643                | -                      | 14,000         | 370          | 13,630                 | 99,013                 | -                      |
| Electrical fittings    | -                      | 8,004            | -             | 8,004                  | -                      | 476            | -            | 476                    | 7,528                  | -                      |
| <b>Total</b>           | <b>854,610</b>         | <b>2,160,337</b> | <b>32,777</b> | <b>2,982,170</b>       | <b>44,022</b>          | <b>731,898</b> | <b>5,422</b> | <b>770,498</b>         | <b>2,211,672</b>       | <b>810,588</b>         |
| Previous year          | -                      | 854,610          | -             | 854,610                | -                      | 44,022         | -            | 44,022                 | 810,588                | -                      |





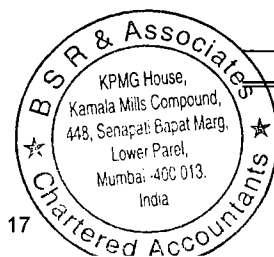
# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

as at 31 March 2009

(Currency : Indian rupees)

|   | 31 March 2009      | 31 March 2008      |
|---|--------------------|--------------------|
| <b>6 Investments</b>  |                    |                    |
| Current investments - unquoted  |                    |                    |
| Units of mutual fund  | 102,395,510        | 7,580,503          |
| Commercial paper  | -                  | 99,662,500         |
|   | <u>102,395,510</u> | <u>107,243,003</u> |
| Aggregate value of unquoted investment  |                    |                    |
| - At book value   | 102,395,510        | 107,243,003        |
| <b>7 Sundry debtors</b><br>(Unsecured and considered good)  |                    |                    |
| Debtors outstanding for a period exceeding six months   |                    |                    |
| (a) Considered good   | -                  | -                  |
| (b) Considered doubtful   | -                  | -                  |
| Other debts   |                    |                    |
| (a) Considered good   | 67,785             | -                  |
| (b) Considered doubtful   | -                  | -                  |
|   | <u>67,785</u>      | <u>-</u>           |
| <b>8 Cash and bank balances</b>   |                    |                    |
| Cash in hand  | 963                | 5,252              |
| Cheques in hand   | 24,505,808         | -                  |
| Balances with scheduled banks   |                    |                    |
| - in current accounts   | 392,437            | 532,382            |
|   | <u>24,899,208</u>  | <u>537,634</u>     |
| <b>9 Other current assets</b><br>(Unsecured and considered good, unless otherwise stated)                 |                    |                    |
| Accrued interest on commercial paper  | -                  | 112,500            |
|   | <u>-</u>           | <u>112,500</u>     |
| <b>10 Loans and advances</b><br>(Unsecured and considered good, unless otherwise stated)                  |                    |                    |
| Advances recoverable in cash or in kind or for value to be received                                       | 2,746,212          | 3,274,488          |
| Intercompany Deposits Placed  | 835,650,000        | -                  |
| Advance tax and tax deducted at source (net of provision for tax of Rs. 1,955,000; previous year Rs. Nil) | 5,532,356          | -                  |
|   | <u>843,928,568</u> | <u>3,274,488</u>   |



# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

as at 31 March 2009

(Currency : Indian rupees)

|  | 31 March 2009     | 31 March 2008    |
|--|-------------------|------------------|
| <b>11 Current liabilities</b>  |                   |                  |
| Sundry creditors<br>(Refer Schedule 16.11)   | 9,472,280         | 3,214,682        |
| Other liabilities  | 1,141,206         | 1,462,921        |
|  | <u>10,613,486</u> | <u>4,677,603</u> |
| <b>12 Provisions</b>   |                   |                  |
| Gratuity   | 745,456           | 386,406          |
| Taxation (Net of advance taxes and tax deducted at source<br>of Rs. Nil ; previous year Rs. 976,117) | -                 | 558,883          |
|  | <u>745,456</u>    | <u>945,289</u>   |



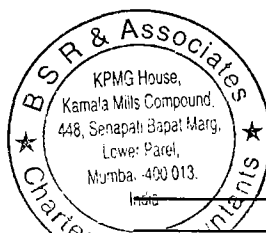
# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

for the year ended 31 March 2009

(Currency : Indian rupees)

|   | 31 March 2009     | For the period<br>23 August 2007 to<br>31 March 2008 |
|---|-------------------|--|
| <b>13 Interest income</b>   |                   |  |
| On intercorporate deposits<br>(Tax deducted at source Rs. 5,916,379; Previous Year Rs. 901,117) | 50,687,496        | 3,976,644  |
| On loan   | 142,373           | 33,814   |
| On commercial paper   | 225,000           | 112,500  |
|   | <u>51,054,869</u> | <u>4,122,958</u>                                     |
| <b>14 Employee costs</b>  |                   |  |
| Salaries and bonus  | 47,408,750        | 10,395,539   |
| Contribution to provident fund  | 56,776            | -  |
| Gratuity  | 359,050           | 386,406  |
| Staff welfare   | 207,946           | 110,079  |
|   | <u>48,032,522</u> | <u>10,892,024</u>                                    |
| <b>15 Operating and other expenses</b>  |                   |  |
| Advertisement and business promotion  | 112,267           | -  |
| Auditors' remuneration (Refer Schedule 16.5)  | 102,700           | 168,540  |
| Communication   | 2,117,394         | 248,612  |
| Computer software   | 2,475,968         | 113,048  |
| Directors' sitting fees   | 220,000           | 80,000   |
| Insurance   | 1,148,769         | 280,307  |
| Electricity charges   | 88,268            | -  |
| Legal and professional fees   | 1,251,775         | 758,920  |
| Membership and subscription   | 1,569,841         | 223,208  |
| Loss on sale of fixed assets (net)  | 2,607             | -  |
| Custodian Fees  | 20,000            | -  |
| Preliminary expenses  | -                 | 1,168,440  |
| Rent (#)  | 1,154,418         | 1,011,240  |
| Repairs and maintenance - others  | 155,104           | 12,800   |
| Printing and stationery   | 1,060,467         | -  |
| Stamp duty  | 4,077,610         | 823,822  |
| Rates and taxes   | 24,970            | -  |
| Postage and courier   | 204,542           | -  |
| Bank charges  | 1,015             | -  |
| OD Filing Fees - SEBI   | 2,151,356         | -  |
| EMF - NFO Expenses  | 440,404           | -  |
| Mutual Fund Expenses  | 7,210,696         | -  |
| Travelling and conveyance   | 3,167,120         | 377,359  |
| Market Data Services  | 1,651,527         | -  |
| Website, Email, Internet, SMS & Call Centre Charges   | 2,201,332         | -  |
| Trusteeship Fees  | 583,333           | -  |
| Miscellaneous expenses  | 400,337           | 114,475  |
|   | <u>33,593,820</u> | <u>5,380,771</u>                                     |



(#) Previous period rent expense includes cost sharing with holding company

# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

for the year ended 31 March 2009

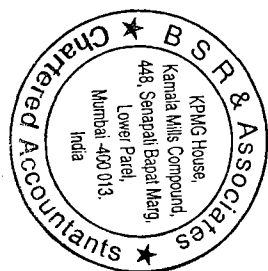
(Currency: Indian rupees)

### 16. Notes to the accounts

#### 16.1 Quantitative details of current investment – units of mutual fund

|   | Opening             |                  | Purchases (*)        |                    | Redemptions/ Sold    |                    | Closing             |                    |
|---|---------------------|------------------|----------------------|--------------------|----------------------|--------------------|---------------------|--------------------|
|   | Quantity<br>(Units) | Amount           | Quantity<br>(Units)  | Amount             | Quantity<br>(Units)  | Amount             | Quantity<br>(Units) | Amount             |
| Lotus India Liquid Plus Fund – Retail Daily Dividend              | 756,899.84          | 7,580,503        | 1,689,608.43         | 16,921,767         | 2,446,508.27         | 24,502,270         | -                   | -                  |
| Lotus India Liquid Fund – Retail Weekly Dividend                  | -                   | -                | 249,757.74           | 2,500,000          | 249,757.74           | 2,501,623          | -                   | -                  |
| Edelweiss Liquid Fund – Institutional Daily Dividend              | -                   | -                | 1,503,694.49         | 15,036,945         | 1,503,694.49         | 15,036,945         | -                   | -                  |
| Edelweiss Liquid Fund – Retail Daily Dividend                     | -                   | -                | 1,025,303.34         | 10,253,033         | 180,000.00           | 1,800,000          | 845,303.34          | 8,453,033          |
| Edelweiss Short Term Bond Fund – Institutional Daily Dividend     | -                   | -                | 52,743,846.04        | 527,438,460        | 50,507,940.19        | 505,079,402        | 2,235,905.85        | 22,359,059         |
| Edelweiss Short Term Bond Fund – Institutional Growth             | -                   | -                | 9,676,805.53         | 100,039,402        | 9,676,805.53         | 101,643,607        | -                   | -                  |
| Edelweiss Monthly Interval Fund – Series I                        | -                   | -                | 1,003,235.13         | 10,032,351         | 903,391.43           | 9,238,000          | 99,843.70           | 998,437            |
| Edelweiss Quarterly Interval Fund – Series I                      | -                   | -                | 4,200,000.00         | 42,000,000         | 4,147,317.66         | 42,850,000         | 52,682.34           | 526,823            |
| Reliance Money Manager Fund - Institutional Plan - Daily Dividend | -                   | -                | 69,978.63            | 70,058,158         | -                    | -                  | 69,978.63           | 70,058,158         |
| <b>Total</b>  | <b>756,899.84</b>   | <b>7,580,503</b> | <b>72,162,229.33</b> | <b>794,280,116</b> | <b>69,615,415.31</b> | <b>702,651,847</b> | <b>3,303,713.86</b> | <b>102,395,510</b> |

\* Purchases include reinvestment of dividend income.





# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

for the period ended 31 March 2009

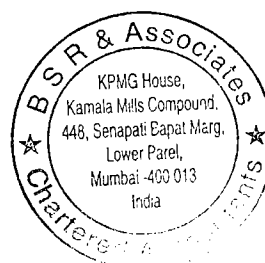
(Currency : Indian rupees)

### 16 Notes to the accounts (Continued)

#### 16.3 Related parties (continued)

#### (C) Transactions with related parties during the reporting period

| Particulars                             | Holding Company              | Fellow Subsidiaries          |
|---|------------------------------|------------------------------|
| <b>Capital account transactions</b>     |                              |                              |
| <b>Equity Share capital issued</b>      |                              |                              |
| Edelweiss Capital Limited               | 480,000,000<br>(120,000,000) |                              |
| <b>Share premium</b>                    |                              |                              |
| Edelweiss Capital Limited               | 400,000,000<br>-             |                              |
| <b>Loans given</b>                      |                              |                              |
| <b>Inter-corporate deposit placed</b>   |                              |                              |
| Edelweiss Securities Limited            |                              | 430,000,000<br>(110,000,000) |
| ECL Finance Limited                     |                              | 170,000,000<br>-             |
| Crossborder Investments Private Limited |                              | 235,000,000<br>-             |
| Edelweiss Commodities Limited           |                              | 665,000,000<br>-             |
| <b>Inter-corporate deposit redeemed</b> |                              |                              |
| Edelweiss Securities Limited            |                              | 14,350,000<br>(110,000,000)  |
| ECL Finance Limited                     |                              | 170,000,000<br>-             |
| Crossborder Investments Private Limited |                              | 235,000,000<br>-             |
| Edelweiss Commodities Limited           |                              | 245,000,000<br>-             |
| <b>Current account transactions</b>     |                              |                              |
| <b>Amounts taken</b>                    |                              |                              |
| Edelweiss Capital Limited               | -<br>(1,190,323)             |                              |
| <b>Amounts given</b>                    |                              |                              |
| Edelweiss Capital Limited               | 10,183,218<br>(2,358,763)    |                              |



# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

for the period ended 31 March 2009

(Currency : Indian rupees)

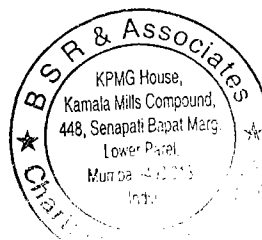
### 16 Notes to the accounts (Continued)

#### 16.3 Related parties (continued)

#### (C) Transactions with related parties during the reporting period

| Particulars  | Holding Company      | Fellow Subsidiaries       |
|--|----------------------|---------------------------|
| <b>Interest income</b>   |                      |                           |
| <b>Interest income on inter-corporate deposit</b>                          |                      |                           |
| Edelweiss Securities Limited   |                      | 18,544,339<br>(3,976,644) |
| ECL Finance Limited  |                      | 5,980,274<br>-            |
| Crossborder Investments Private Limited                                    |                      | 6,941,644<br>-            |
| Edelweiss Commodities Limited  |                      | 19,221,239<br>-           |
| <b>Reimbursements paid</b>   |                      |                           |
| <b>Rent paid</b>   |                      |                           |
| Edelweiss Capital Limited  | -<br>(1,011,240)     |                           |
| <b>Preliminary Expenses</b>  |                      |                           |
| Edelweiss Capital Limited  | -<br>(1,168,440)     |                           |
| <b>Reimbursements collected</b>  |                      |                           |
| <b>ROC Expenses collected</b>  |                      |                           |
| Edelweiss Trusteeship Company Limited                                      |                      | -<br>(2,110)              |
| <b>Printing and Stationery collected</b>                                   |                      |                           |
| Edelweiss Trusteeship Company Limited                                      |                      | 1,456<br>-                |
| <b>Balances with related parties</b>                                       |                      |                           |
| <b>Inter-corporate deposit</b>   |                      |                           |
| Edelweiss Securities Limited   |                      | 415,650,000<br>-          |
| Edelweiss Commodities Limited  |                      | 420,000,000<br>-          |
| <b>Advances Recoverable in Cash or in Kind or for Value to be Received</b> |                      |                           |
| <b>Sundry creditors</b>  |                      |                           |
| Edelweiss Capital Limited  | 162,280<br>(782,093) |                           |
| Edelweiss Securities Limited   |                      | 19,326<br>-               |

Note: Figures in brackets represents previous year numbers.



# Edelweiss Asset Management Limited

## Schedules to the financial statements (*Continued*)

for the year ended 31 March 2009

(Currency: Indian rupees)

### 16. Notes to the accounts (*Continued*)

#### 16.4 Capital commitments and contingent liabilities

The Company has no capital commitment and contingent liabilities as at balance sheet date (Previous year NIL).

#### 16.5 Auditors' Remuneration

|                        | 2009           | 2008           |
|------------------------|----------------|----------------|
| As Auditors            | 100,000        | 168,540        |
| Out-of-pocket expenses | 2,700          | -              |
| <b>Total</b>           | <b>102,700</b> | <b>168,540</b> |

#### 16.6 Earnings per share

In accordance with Accounting Standard 20 on Earnings per Share prescribed by Companies (Accounting Standards) Rules, 2006, the computation of earnings per share is set out below:

|   | 2009         | 2008         |
|---|--------------|--------------|
| a) <b>Shareholders earnings</b> (as per profit and loss account)  | (24,211,520) | (13,644,679) |
| b) <i>Calculation of weighted average number of Equity Shares of Rs 10 each:</i>                            |              |              |
| – Number of shares at the beginning of the year   | 12,000,000   | Nil          |
| – Shares issued during the year (number of shares issued)   | 48,000,000   | 12,000,000   |
| Total number of equity shares outstanding at the end of the year  | 60,000,000   | 12,000,000   |
| Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) | 43,986,301   | 11,033,175   |
| c) Basic and diluted earnings per share (in rupees) (a/b)   | (0.55)       | (1.24)       |

The basic and diluted earnings per share are the same as there is no dilutive/ potential equity shares issued.





# Edelweiss Asset Management Limited

## Schedules to the financial statements (*Continued*)

for the year ended 31 March 2009

(Currency: Indian rupees)

### 16. Notes to the accounts (*Continued*)

#### 16.7 Foreign currency

The Company has undertaken the following transactions in foreign currency:

|  | 2009          | 2008     |
|--|---------------|----------|
| <b>Expenditure incurred in foreign currency (on accrual basis)</b> |               |          |
| Subscription charges   | 21,990        | -        |
| <b>Total</b>   | <b>21,990</b> | <b>-</b> |

#### 16.8 Deferred taxes

In view of the losses incurred by the Company, there is no virtual certainty that deferred tax assets will be realized and accordingly, no deferred tax assets have been recognized. The same will be reassessed at subsequent balance sheet date.

#### 16.9 Operating leases

The Company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 2009 aggregated to Rs. 1,154,418 (Previous year Rs. 1,011,240) which has been included under the head Operating expenses – Rent in the profit and loss account. These lease agreements were cancellable and all the agreements have been terminated during the year ended 31 March 2009.

#### 16.10 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

##### A) Defined contribution plan (Provident fund):

Amount of Rs. 56,776 (Previous year: Rs. Nil) is recognised as expenses and included in “Employee Costs” – Schedule 14 in the profit and loss account.

##### B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity benefit plan.



# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

for the year ended 31 March 2009

(Currency: Indian rupees)

### 16. Notes to the accounts (Continued)

#### 16.10 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

*Profit and loss account*

Net employee benefit expenses (recognized in employee cost)

|   | 31 March 2009  | 31 March 2008  |
|---|----------------|----------------|
| Current service cost                                | 546,153        | -              |
| Interest on defined benefit obligation              | 74,605         | -              |
| Expected return on plan assets                      | -              | -              |
| Net actuarial losses/(gains) recognized in the year | -              | -              |
| Past service cost                                   | -              | -              |
| Actuarial (gain) or losses                          | (261,708)      | 386,406        |
| <b>Expense recognised in P&amp;L</b>                | <b>359,050</b> | <b>386,406</b> |

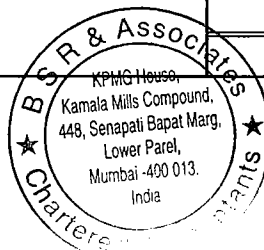
*Balance Sheet*

Details of provision for gratuity

|  | 31 March 2009    | 31 March 2008    |
|--|------------------|------------------|
| Liability at the end of the year                 | 745,456          | 386,406          |
| Fair value of plan assets at the end of the year | -                | -                |
| Difference                                       | (745,456)        | (386,406)        |
| Unrecognized past service cost                   | -                | -                |
| Unrecognized transition liability                | -                | -                |
| <b>Amount in Balance Sheet</b>                   | <b>(745,456)</b> | <b>(386,406)</b> |

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

|  | 31 March 2009 | 31 March 2008 |
|--|---------------|---------------|
| Liability at the beginning of the year | 386,406       | -             |
| Interest cost                          | 74,605        | -             |
| Current service cost                   | 546,153       | -             |
| Past service cost (non vested benefit) | -             | -             |
| Past service cost (vested benefit)     | -             | -             |
| Benefits Paid                          | -             | -             |
| Actuarial (gain)/loss                  | (261,708)     | 386,406       |
| Liability at the end of the year       | 745,456       | 386,406       |



# Edelweiss Asset Management Limited

## Schedules to the financial statements (Continued)

for the year ended 31 March 2009

(Currency: Indian rupees)

### 16. Notes to the accounts (Continued)

#### 16.10 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

Principal actuarial assumptions at the balance sheet date:

|                         | 31-Mar-09   | 31-Mar-08 |
|-------------------------|-------------|-----------|
| Discount rate           | 7.00%       | 8.00%     |
| Salary escalation       | 8.00%       | 8.00%     |
| Employee attrition rate | 2.00-15.00% | 2.00%     |

#### 16.11 Details of dues to micro small and medium enterprises

The Company has requested its creditors to confirm the applicability to them under the Micro Small and Medium Enterprises Development Act, 2006. Based on the responses received by the Company, the details of dues to macro enterprises and small enterprises:

| Sr. No. | Particulars   | 2009 | 2008 |
|---------|---|------|------|
| 1.      | the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting period  | Nil  | Nil  |
| 2.      | the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting period  | Nil  | Nil  |
| 3.      | the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.   | Nil  | Nil  |
| 4.      | the amount of interest accrued and remaining unpaid at the end of accounting period   | Nil  | Nil  |
| 5.      | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | Nil  | Nil  |



# Edelweiss Asset Management Limited

## Schedules to the financial statements (*Continued*)

for the year ended 31 March 2009

(Currency: Indian rupees)

### 16. Notes to the accounts (*Continued*)

#### 16.12 *Managerial remuneration*

| Particulars        | 2009           | 2008     |
|--------------------|----------------|----------|
| Salaries and bonus | 743,231        | -        |
| <b>Total</b>       | <b>743,231</b> | <b>-</b> |

Provision for gratuity based on actuarial valuation done on an overall Company basis is excluded above.

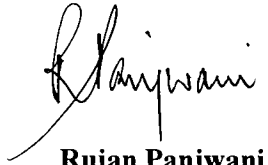
#### 16.13 *Disclosure under Part II of Schedule VI of the Companies Act*

Disclosure under Part II of Schedule VI of the Companies Act, 1956 has been made to the extent applicable to the Company.

#### 16.14 *Prior period comparatives*

Previous year figures which are for the period from 23 August 2007 (date of incorporation) to March 31, 2008 have been regrouped and rearranged wherever necessary and are not comparable with the current year's figures.

### For and on behalf of the Board of Directors



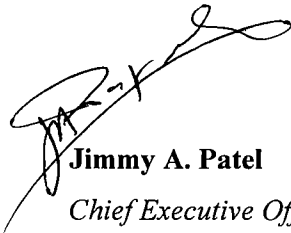
**Rujan Panjwani**

*Director*



**Kanu H. Doshi**

*Director*



**Jimmy A. Patel**

*Chief Executive Officer*



**Punam Sharma**

*Company Secretary*

Mumbai

Date: 20 May 2009

# Edelweiss Asset Management Limited

(Currency: Indian rupees)

## Balance sheet abstract and Company's general business profile

### I Registration details

Registration No  State code

Balance sheet date

### II Capital raised during the year (Amount in Rupees thousands)

|              |                                |                   |                                      |
|--------------|--------------------------------|-------------------|--------------------------------------|
| Public issue | <input type="text" value="-"/> | Rights issue      | <input type="text" value="880,000"/> |
| Bonus issue  | <input type="text" value="-"/> | Private placement | <input type="text" value="-"/>       |

### III Position of mobilisation and deployment of funds (Amount in Rupees thousands)

|                   |  |              |  |
|-------------------|--|--------------|--|
| Total liabilities | <input type="text" value="1,000,000"/> | Total assets | <input type="text" value="1,000,000"/> |
|-------------------|--|--------------|--|

#### *Source of funds*

|   |                                      |                        |                                      |
|---|--------------------------------------|------------------------|--------------------------------------|
| Paid-up capital                           | <input type="text" value="600,000"/> | Reserves and surplus   | <input type="text" value="400,000"/> |
| Share application money pending allotment | <input type="text" value="-"/>       | Deferred tax liability | <input type="text" value="-"/>       |
| Secured loans                             | <input type="text" value="-"/>       | Unsecured loans        | <input type="text" value="-"/>       |

#### *Application of funds*

|                    |                                      |                           |                                      |
|--------------------|--------------------------------------|---------------------------|--------------------------------------|
| Net fixed assets   | <input type="text" value="2,211"/>   | Investments               | <input type="text" value="102,396"/> |
| Net current assets | <input type="text" value="857,537"/> | Miscellaneous expenditure | <input type="text" value="-"/>       |
| Deferred Tax Asset | <input type="text" value="-"/>       | Profit and loss account   | <input type="text" value="37,856"/>  |

# Edelweiss Asset Management Limited

(Currency: Indian rupees)

## Balance sheet abstract and Company's general business profile (Continued)

### IV Performance of the Company (Amount in Rupees thousands)

|                           |          |                          |          |
|---------------------------|----------|--------------------------|----------|
| Turnover                  | 58,567   | Total expenditure        | 82,358   |
| Profit/ (loss) before tax | (23,792) | Profit/ (loss) after tax | (24,212) |
| Earnings per share        | (0.55)   | Dividend rate            | -        |

### V Generic names of three principal products/ Services of the Company (as per monetary terms)

Item code No

NIL

(ITC Code)

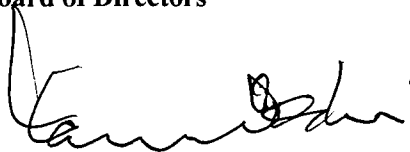
Product Description

Asset Management Services

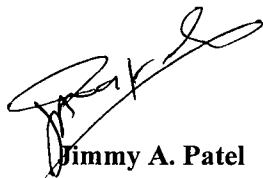
For and on behalf of the Board of Directors



**Rujan Panjwani**  
Director



**Kanu H. Doshi**  
Director



**Jimmy A. Patel**  
Chief Executive Officer



**Punam Sharma**  
Company Secretary

Mumbai  
Date: 20 May 2009