

IDFC asset management company limited

BOARD OF DIRECTORS

- Dr. Rajiv B. Lall
Chairman
- Mr. Pradip Madhavji
- Mrs. Bakul Patel

AUDITORS

- M. P. Chitale & Co
Chartered Accountants

PRINCIPAL BANKERS

- HDFC Bank Limited
Standard Chartered Bank

REGISTERED OFFICE

One India Bulls Centre,
841 Jupiter Mills Compound,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai 400 013.

TEL +91 22 66289999

FAX +91 22 24215051/52/53

TO THE MEMBERS

We are pleased to present the Tenth Annual Report to the Members, along with the audited Profit and Loss Account for the period ended March 31, 2010 and the Balance Sheet as at March 31, 2010.

FINANCIAL RESULTS

PARTICULARS	RUPEES	
	YEAR ENDED MARCH 31, 2010	YEAR ENDED MARCH 31, 2009
Gross Income	1,069,714,808	683,074,465
Profit before Interest, Depreciation & Tax	60,238,451	111,125,086
Depreciation	27,826,751	11,711,459
Profit before Tax	32,411,700	99,413,627
Provision for Tax	9,000,000	38,500,000
Deferred Tax Liability	(4,519,346)	(3,775,654)
Fringe Benefit Tax	-	4,600,000
Profit after Tax	27,931,046	60,089,281
Balance brought forward from previous year	282,863,881	222,774,600
Amount available for Appropriation	310,794,927	282,863,881
Balance carried to Balance Sheet	310,794,927	282,863,881

OPERATIONS OF IDFC MUTUAL FUND

The Company is the Investment Manager of the schemes of IDFC Mutual Fund (IDFC MF). The Assets under Management of IDFC Mutual Fund were Rs. 19,979 Crore (including AUM of Fund of Funds Schemes) as on March 31, 2010.

NEW SCHEMES LAUNCH

➤ Open ended schemes launched during the period under review: IDFC Asset Allocation Fund of Fund, an open ended Fund of Funds Scheme was launched on January 04, 2010. The investment objective of the scheme is to generate capital appreciation through investment in different mutual fund schemes primarily local funds based on a defined asset allocation model. It has 3 plans – Aggressive Plan, Conservative Plan and Moderate Plan. The Aggressive Plan collected a total of Rs. 613,484,254.26 during the New Fund Offer. The Conservative Plan collected a total of Rs 301,262,457.31 during the New Fund Offer. The Moderate Plan collected a total of Rs. 404,381,577.08 during the New Fund Offer.

IDFC Monthly Income Plan Fund of Fund, an open ended Fund of Fund scheme was launched on January 11, 2010. This scheme collected a total of Rs. 2,113,409,943.68 during the New Fund Offer. The primary objective of the Scheme is to generate regular returns through investment primarily in debt oriented Mutual Fund schemes (such as Income and Liquid funds). The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity oriented MF schemes. Monthly Income is not assumed and the same is subject to availability of distributable surplus.

➤ Close ended schemes launched during the period under review:

In addition to the above open ended schemes, Six Close-Ended income Schemes in the form of Fixed Maturity Plans (FMP's) were launched. These comprised of IDFC Fixed Maturity Plan – Thirteen Months Series I, IDFC Fixed Maturity Plan –Fifteen Months Series 3, IDFC Fixed Maturity Plan – Seventeen Months Series 1, IDFC FMP- Half Yearly Series 9 and IDFC Fixed Maturity Plan – Fourteen Months Series 1. These Fixed Maturity Plans collected approximately Rs 1027.85 crores.

AWARDS & RECOGNITION

IDFC Premier Equity Fund – Plan A has been ranked as a Seven Star Fund by ICRA in the category of 'Open Ended Equity Diversified - Defensive' schemes for its 3 years performance till December 31, 2009. The rank is an outcome of an objective and comparative analysis against various parameters, including: risk adjusted return, fund size, company concentration and liquidity. The ranking methodology did not take into account entry and exit loads imposed by the Fund. There were 81 schemes considered in 'Open Ended Equity Diversified - Defensive' category for the ranking exercise. The rank is neither a certificate of statutory compliance nor any guarantee on the future performance of IDFC Premier Equity Fund – Plan A.

IDFC Government Securities Fund – ST – Plan A has been ranked as a Five Star Fund by ICRA in the category of 'Open Ended Gilt' schemes for its 1 year performance till December 31, 2009. The rank is an outcome of an objective and comparative analysis against various parameters, including: risk adjusted return, fund size and average maturity. The ranking methodology did not take into account entry and exit loads imposed by the Fund. There were 30 schemes considered in 'Open Ended Gilt' category for the ranking exercise. The rank is neither a certificate of statutory compliance nor any guarantee on the future performance of IDFC Government Securities Fund – ST – Plan A.

IDFC Premier Equity Fund ranked as Best Fund over Past 3 Years period ending Dec. 31, 2009, India Equity by Lipper, a global ranking agency for mutual funds in Lipper Fund Awards, India, 2010.

Business Standard, a leading newspaper in India voted IDFC Mutual Fund as the "Equity Fund Managers of the Year" for the year 2009.

Business World, a leading business magazine in India voted Kenneth Andrade (Head – Investments) as the "Smartest Fund Manager of the Year" for the year 2009.

IDFC Premier Equity Fund rated as the "Best Mid-cap and Small-cap Fund" over Past 3 Years period ending Dec. 31, 2009 by Business World, a leading business magazine in India

IDFC AMC rated as the "Best Performing Fund House" by the Economic Times (ET) Quarterly Mutual Fund Tracker for Q1 and Q2 of FY 09-10.

IDFC Imperial Equity Fund and IDFC Dynamic Bond Fund ranked in the "Platinum Category" which is the highest ranking given to schemes in Q1 and Q2 2009.

NEW BUSINESSES

➤ Portfolio Management Services:

During the year under review, the Company acquired 100% of the equity share capital of IDFC Investment Advisors Limited (IDFC IA) from Infrastructure Development Finance Company Limited (IDFC). IDFC IA is a Portfolio Manager, registered with the Securities and Exchange Board of India (SEBI) to carry out Portfolio Management Services pursuant to SEBI (Portfolio Managers) Regulations, 1993.

➤ Pension Fund Management

During the year under review, the Company acquired 50.00001% of the equity share capital of IDFC Pension Fund Management Company Limited (IDFC PFM). IDFC PFM is one of the six pension fund managers selected by the Pension Fund Regulatory and Development Authority (PFRDA) to manage the New Pension System (NPS) launched by the Government of India for all citizens of India other than government employees covered under NPS. IDFC PFM was incorporated on March 31, 2009 and the Pension Fund Regulatory & Development Authority issued the Certificate of Commencement of Business on May 01, 2009. Tier I and Tier II schemes are managed by IDFC PFM.

DIVIDEND

Due to inadequacy of profits, the Board of Directors do not recommend the declaration of dividend.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Pradip Madhavji retires by rotation and is eligible for re-appointment.

Mr. R. H. Patil resigned from the directorship of the Company with effect from April 12, 2010. The Board wishes to place on record its sincere appreciation for his guidance and valuable contribution to the Company.

AUDITORS

M/s M. P. Chitale and Co., Chartered Accountants and Statutory Auditors of the Company would be retiring at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The auditors have confirmed their eligibility and willingness to accept the office if re-appointed. The Members are requested to consider their re-appointment, at a remuneration to be decided by the Board of Directors, for the financial year ending March 31, 2011 as set out in the Notice convening the Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee consists of three members, Mr. Pradip Madhavji, Chairman, Dr. R.H. Patil and Mrs. Bakul Patel. The Committee met four times during the year under review. The functions of the Committee includes reviewing the financial statements, internal control systems and significant accounting policies of the Company and discussing the audit findings and recommendations of the internal and statutory auditors of the Company.

CONVERSION INTO PUBLIC COMPANY

The Company has been converted into a Public Company. The Registrar of Companies, Maharashtra has issued a Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated June 5, 2009.

SHARE CAPITAL

No further equity or preference share capital was issued by the company during the year.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the public.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees is annexed to this Report.

STATUTORY DISCLOSURE OF PARTICULARS

The requirements of disclosure, in terms of Section 217 (1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, pertaining to steps taken regarding conservation of energy & technology absorption, do not apply to the Company.

There were no foreign exchange earnings by the Company during the period under review.

The details of expenditure in foreign currency are given in note 8 of Schedule 16.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the representation made by the management, the directors, pursuant to the provisions of Section 217 (2AA) the Directors wish to state:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board places on record its gratitude to the Government of India, Securities & Exchange Board of India, Reserve Bank of India, Association of Mutual Funds of India, other regulatory authorities and institutions, investors in the Mutual Fund schemes and to the Members for their continued guidance and support and expresses its sincere appreciation to all the employees for their commendable teamwork and enthusiastic contribution during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

RAJIV B. LALL
Chairman

Mumbai
April 20, 2010

To The Members of IDFC Asset Management Company Limited

We have audited the attached Balance Sheet of IDFC Asset Management Company Limited as at March 31, 2010 and also 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 Auditors Report Order (CARO) 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose as 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 in paragraph (1) above, we state that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Profit and Loss Account and Cash Flow Statement dealt with in this report are in agreement with the books of account;

- (d) 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 Section 211 (3C) of the Companies Act, 1956 to the extent applicable;
- (e) On the basis of written representation received by the Company from the directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with notes thereon 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:
 - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2010,
 - (ii) in so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date, and
 - (iii) in so far as it relates to the Cash Flow Statement of the Company for the year ended on that date.

FOR M. P. CHITALE & CO.

Chartered Accountants

VIDYA BARJE

Partner

M. No. 104994

Firm Registration No. 101851W

Mumbai

April 21, 2010

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of IDFC Asset Management Company Limited

- (i) (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a program of verification, which in our opinion provides for the physical verification of all the fixed assets at reasonable intervals and discrepancies observed during the verification have been properly dealt with in the books of account.
- (c) The Company has not disposed of substantial part of fixed assets during the year.
- (ii) The Company has not granted any loans to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iii) The Company has not taken any loans from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for the services rendered.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vii) Company has an internal audit system commensurate with its size and nature of business.
- (viii) Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) 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 including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service Tax, Customs duty, Excise duty, cess and any other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable 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, cess and any other statutory dues outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
- (x) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, during the year, the Company has not taken any loan and no amounts were due towards principal or interest to financial institution, bank or debenture holders during the year.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xv) According to the information and explanations given to us, the Company has not taken any term loan.
- (xvi) According to the information and explanations given to us, during the year, the Company has not raised any funds.
- (xvii) 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.
- (xviii) According to the information and explanations given to us, the Company has not issued any debentures up to 31st March 2010.
- (xix) The Company has not raised money from public issue.
- (xx) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- (xxi) Considering the nature of the business and the services rendered by the Company, clauses (ii) and (xiii) under Clause 4 of the CARO are not applicable.

FOR M. P. CHITALE & CO.

Chartered Accountants

VIDYA BARJE

Partner

M. No. 104994

Firm Registration No. 101851W

Mumbai

April 21, 2010

BALANCE SHEET

AS AT MARCH 31, 2010

		RUPEES	RUPEES	RUPEES
	SCHEDULE		AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	224,025,020		224,025,020
Reserves and Surplus	2	339,144,927		311,213,881
			563,169,947	535,238,901
Total			563,169,947	535,238,901
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	3	143,886,697		85,746,190
Less: Depreciation & Amortisation		56,248,738		40,533,211
			87,637,959	45,212,979
Add: Capital Work-in-Progress			3,511,753	3,288,684
			91,149,712	48,501,663
Investments	4		659,483,882	333,735,017
Deferred Tax Asset			6,977,000	2,457,654
Current Assets, Loans and Advances				
Interest accrued on Fixed Deposit		77,376		1,050
Sundry Debtors	5	17,599,296		11,495,650
Cash and Bank Balances	6	26,536,713		6,595,056
Loans and Advances	7	253,112,279		245,084,918
			297,325,664	263,176,674
Less: Current Liabilities and Provisions				
Current Liabilities	8	488,047,611		109,150,063
Provisions	9	3,718,700		3,482,044
			491,766,311	112,632,107
Net Current Assets			(194,440,647)	150,544,567
Total			563,169,947	535,238,901
Notes to the Accounts	16			
Schedules 1 to 16 form an integral part of the Accounts				

IN TERMS OF OUR REPORT OF EVEN DATE

FOR M.P. CHITALE & CO.

Chartered Accountants

VIDYA V. BARJE

Partner

Mumbai | April 20, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BAKUL PATEL

Director

UTTARA DEKA

Company Secretary

PRADIP MADHAVJI

Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2010

	SCHEDULE ↘	RUPEES APRIL 1, 2009 TO MARCH 31, 2010	RUPEES JANUARY 1, 2008 TO MARCH 31, 2009
INCOME			
Operating and Other Income	10	1,058,850,803	683,074,465
EXPENDITURE			
Interest & Other Charges	11	1,174,816	6,172,183
Staff Expenses	12	427,457,377	213,639,474
Establishment Expenses	13	123,942,231	93,000,677
Other Expenses	14	456,901,933	251,245,347
Provisions and Contingencies	15	-	7,891,698
Depreciation & Amortisation		27,826,751	11,711,459
		1,037,303,108	583,660,838
PROFIT BEFORE TAXATION			
		21,547,695	99,413,627
Less : Provision for Taxation			
Current Tax		9,000,000	38,500,000
Less: Deferred Tax		4,519,346	3,775,654
Add: Fringe Benefit Tax		-	4,600,000
		4,480,654	39,324,346
PROFIT AFTER TAXATION			
		17,067,041	60,089,281
Add : Prior Period Income		10,864,005	-
Add : Balance as per last Balance Sheet		282,863,881	222,774,600
AVAILABLE FOR APPROPRIATION			
		310,794,927	282,863,881
Appropriations		-	-
BALANCE CARRIED FORWARD			
		310,794,927	282,863,881
Earnings per share (Face Value Rs. 10) (Basic)		10.70	23.02
Notes to the Accounts	16		

Schedules 1 to 16 form an integral part of the Accounts

IN TERMS OF OUR REPORT OF EVEN DATE

FOR M.P. CHITALE & CO.

Chartered Accountants

VIDYA V. BARJE

Partner

Mumbai | April 20, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BAKUL PATEL

Director

UTTARA DEKA

Company Secretary

PRADIP MADHAVJI

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2010

	RUPEES	RUPEES	RUPEES
		APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) Before Taxation		21,547,695	99,413,627
Adjustments for			
Add: Depreciation & Amortisation		27,826,751	11,710,317
Add: Provision for Retirement Benefits		236,656	3,482,044
Add: Provision for diminution in value of Investments		(7,891,698)	7,891,698
Add: Lease Escalation Charge		9,033,517	3,145,507
Add: Fixed Assets Writte Off		5,583,593	-
Add: Prior Period Income		10,864,005	-
Operating Profit before Working Capital Changes		67,200,519	125,643,193
(Increase)/Decrease			
- Current Assets, Loan & Advances	69,112,739		(95,985,985)
- Debtors	(6,103,646)		36,609,224
	63,009,093		(59,376,761)
Increase/(Decrease) in Current Liabilities			
- Expenses/Tax Payable		369,864,030	(72,016,817)
		432,873,123	(131,393,578)
Direct taxes Paid		(86,216,424)	(81,725,097)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)		413,857,218	(87,475,482)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investment in Subsidiaries		(160,000,010)	-
Fixed Deposit under lien		-	(1,050,000)
Purchase of Fixed Asset including Capital Work-in-Progress (Net of deletions)		(76,058,393)	(45,100,969)
NET CASH USED IN INVESTING ACTIVITIES (B)		(236,058,403)	(46,150,969)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid (including Dividend Tax)		-	(34,734,353)
NET CASH USED IN FINANCING ACTIVITIES (C)		-	(34,734,353)
NET INFLOW/(OUTFLOW) DURING THE PERIOD (A)+(B)+(C)		177,798,815	(168,360,804)
Cash and cash equivalents as at the beginning of the period as per Note below		347,171,770	515,532,574
Cash and cash equivalents as at the end of the period as per Note below		524,970,585	347,171,770
		(177,798,815)	168,360,804
Note to Cash Flow Statement :			
CASH & CASH EQUIVALENTS		END OF THE PERIOD	BEGINNING OF THE PERIOD
Cash and Bank Balance as per Schedule 6		26,536,713	6,595,056
Less: Fixed Deposit under Lien		1,050,000	1,050,000
Add: Investment at cost as per Schedule 4		499,483,872	341,626,714
		524,970,585	347,171,770

IN TERMS OF OUR REPORT OF EVEN DATE

FOR M.P. CHITALE & CO.

Chartered Accountants

VIDYA V. BARJE

Partner

Mumbai | April 20, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BAKUL PATEL

Director

UTTARA DEKA

Company Secretary

PRADIP MADHAVJI

Director

SCHEDULE 1 Share Capital

	RUPEES	RUPEES
	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
AUTHORISED:		
4,000,000 Equity shares of Rs. 10/- each	40,000,000	40,000,000
21,000,000 15% Non participating, non convertible, cumulative redeemable Preference shares of Rs. 10/- each	210,000,000	210,000,000
ISSUED, SUBSCRIBED AND PAID-UP:		
2,610,002 Equity shares of Rs. 10/- each	26,100,020	26,100,020
(Note: All the above equity shares are fully paid shares and are held by Infrastructure Development Finance Company Ltd., the holding company)		
19,792,500 15% Non participating, non convertible, cumulative redeemable Preference shares of Rs. 10/- each Redeemable on 2nd January, 2020.	197,925,000	197,925,000
(Note: All the above preference shares are fully paid shares and are held by Infrastructure Development Finance Company Ltd., the holding company)		
	224,025,020	224,025,020

SCHEDULE 2 Reserves and Surplus

	RUPEES	RUPEES
	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
General Reserve	28,350,000	28,350,000
Profit and Loss Account	310,794,927	282,863,881
	339,144,927	311,213,881

SCHEDULE 3 Fixed Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BLOCK			
	As at April 1, 2009	Additions	Deletions	As at March 31, 2010	As at April 1, 2009	Additions	Deletions	As at March 31, 2010	As at March 31, 2009	
TANGIBLE										
Computer Hardware	36,033,926	6,761,943	7,407,147	35,388,722	24,696,190	6,540,190	6,854,028	24,382,352	11,006,370	11,337,736
Furnitures and Fixtures	2,772,799	11,273,723	672,201	13,374,321	1,098,744	2,694,689	531,664	3,261,769	10,112,552	1,674,055
Office Equipments	20,122,169	8,624,201	4,166,017	24,580,353	5,278,480	3,404,258	2,583,432	6,099,306	18,481,047	14,843,689
INTANGIBLE										
Computer Software	11,762,779	11,100,095	-	22,862,874	7,736,922	4,188,627	-	11,925,549	10,937,325	4,025,857
LEASEHOLD IMPROVEMENT										
	15,054,517	38,075,362	5,449,452	47,680,427	1,722,875	10,998,988	2,142,101	10,579,762	37,100,665	13,331,642
Total	85,746,190	75,835,324	17,694,817	143,886,697	40,533,211	27,826,752	12,111,225	56,248,738	87,637,959	45,212,979
Previous Period	43,933,905	41,837,275	24,990	85,746,190	28,822,894	11,711,459	1,142	40,533,211	45,212,979	

SCHEDULE 4 Investments

			RUPEES	RUPEES
			AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
I. LONG TERM				
A.	Equity Shares (Fully paid, Unquoted)	Number of Shares	Face Value Rupees	
Subsidiaries				
	IDFC Investment Advisors Limited	10,000,000	10	100,000,000
	IDFC Pension Fund Management Company Limited	6,000,001	10	60,000,010
TOTAL LONG TERM INVESTMENTS (A)			160,000,010	-
II. CURRENT				
A.	Mutual Funds (Unquoted)	Number of Units	Face Value Rupees	
	IDFC-SSIF-ST - Plan C-Monthly Dividend	-	-	53,542,195
	IDFC Money Manager Fund- Treasury Plan C-Daily Dividend	-	-	113,084,519
	IDFC SSIF IP - Plan B Dividend	-	-	100,000,000
	IDFC Money Manager Fund- Treasury Plan B-Daily Dividend	49,940,896	10	499,483,872
TOTAL CURRENT INVESTMENTS (A)			499,483,872	341,626,714
GRAND TOTAL (I + II)			659,483,882	341,626,714
Less : Provision for Diminution in Value of Investments			-	7,891,697
			659,483,882	333,735,017
Aggregate amount of Unquoted Investments				
Cost			659,483,882	341,626,714
Market Value			659,483,882	333,735,017

SCHEDULE 5 Sundry Debtors (Unsecured, Considered Good)

		RUPEES	RUPEES
		AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
Debtors		17,599,296	11,495,650
		17,599,296	11,495,650

SCHEDULE 6 Cash and Bank Balances

		RUPEES	RUPEES
		AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
Cash (including Cheques on hand)		894,805	120,669
Balances with Scheduled Banks			
- in Current Accounts		24,591,908	5,424,387
- in Deposit Accounts		1,050,000	1,050,000
		25,641,908	6,474,387
		26,536,713	6,595,056

SCHEDULE 7 Loans and Advances (Unsecured, Considered Good)

		RUPEES	RUPEES
		AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
Advances recoverable in cash or in kind or for value to be received		15,419,835	55,590,838
Advances to IDFC Group Companies (Refer Note 13)			
- Advances to Subsidiaries		974,799	3,354,790
- Others		-	568,360
Other Deposits		87,337,735	113,407,444
Advance payment of Income Tax (Net of provision)		149,379,910	72,163,486
		253,112,279	245,084,918

SCHEDULE 8 Current Liabilities

	RUPEES	RUPEES
	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
Sundry Creditors - Other than Micro, Small and Medium Enterprises	481,086,884	107,818,062
Other Liabilities	6,960,727	1,332,001
	488,047,611	109,150,063

SCHEDULE 9 Provisions

	RUPEES	RUPEES
	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
Provision for Retirement Benefits	3,718,700	3,482,044
	3,718,700	3,482,044

SCHEDULE 10 Operating and Other Income

	RUPEES	RUPEES
	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
Operating Income		
Management Fees	1,042,167,512	637,045,996
	1,042,167,512	637,045,996
Other Income		
Dividend on Investments	11,772,561	32,759,053
Profit/(Loss) on sale of Investments	(5,524,366)	9,086,534
Provision for Diminution in Value of Investment written back	7,891,698	-
Interest on Income Tax Refund	2,265,473	-
Miscellaneous Income	277,925	4,182,882
	16,683,291	46,028,469
	1,058,850,803	683,074,465

SCHEDULE 11 Interest & Other Charges

	RUPEES	RUPEES
	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
On Security Deposit	17,742	4,510,375
Other Charges	1,157,074	1,661,808
	1,174,816	6,172,183

SCHEDULE 12 Staff Expenses

	RUPEES	RUPEES
	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
Salaries	409,144,508	203,664,247
Contribution to Provident and Other Funds	7,453,856	5,243,889
Staff Welfare Expenses	10,859,013	4,731,338
	427,457,377	213,639,474

SCHEDULE 13 Establishment Expenses

	RUPEES	RUPEES
	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
Rent	89,922,321	66,237,187
Rates & Taxes	4,672,010	-
Electricity	10,159,701	-
Repairs and Maintenance		
Buildings	795,555	3,461,473
Equipments	730,576	1,735,367
Others	15,792,807	20,364,192
	17,318,938	25,561,032
Insurance Charges	1,869,261	1,202,458
	123,942,231	93,000,677

SCHEDULE 14 Other Expenses

	RUPEES	RUPEES
	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
Travelling and Conveyance	22,982,042	12,823,539
Printing and Stationery	12,523,043	11,011,590
Postage, Telephone and Fax	16,169,485	18,090,039
Advertising and Publicity (Refer Note 5)	61,024,742	30,005,041
Brokerage expenses	106,591,967	46,454,033
Scheme Issue Expenses (Refer Note 4)	125,566,732	45,743,329
Operational Costs (Refer Note 6)	22,940,387	8,025,046
Professional Fees	62,438,737	59,842,620
Directors' Fees	210,000	320,000
Internet Expenses	11,096,058	10,407,555
Filing Fees	3,111,328	-
Fixed Assets Write Off	5,575,293	-
Miscellaneous Expenses	5,742,299	7,670,445
Auditors' Remuneration (Refer Note 3)	929,820	852,110
	456,901,933	251,245,347

SCHEDULE 15 Provisions and Contingencies

	RUPEES	RUPEES
	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
Provision for Diminution in Value of Investments	-	7,891,698
	-	7,891,698

SCHEDULE 16 Notes Forming part of the Accounts

1 Significant Accounting Policies

A. System of Accounting

The Company adopts the accrual concept in the preparation of the accounts.

The preparation of financial statements as per this policy requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

B. Inflation

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

C. Investments

Long Term Investments' are carried at acquisition cost. A provision is made for diminution, other than temporary, on an individual basis.

Current Investments' are carried at the lower of cost or fair value on an individual basis.

D. Fixed Assets

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

Leasehold Improvements are shown at historical cost less accumulated amortisation.

E. Intangible Assets

Intangible Assets comprising of system software and licenses purchased, are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

Any expenses on such software for support and maintenance payable annually are charged to revenue account.

F. Depreciation & Amortisation

▷ DEPRECIATION ON FIXED ASSETS

Depreciation is charged at the rates prescribed in Schedule XIV of the Companies Act, 1956 as per WDV Method. Any asset costing Rs.5,000/- or less is written off in the year of its purchase.

Depreciation on additions during the year is provided on a pro-rata basis.

▷ DEPRECIATION ON INTANGIBLE ASSETS

Intangible assets consisting of computer software are depreciated at 33.33% per annum on SLM basis.

▷ AMORTISATION OF LEASEHOLD IMPROVEMENTS

Leasehold Improvements are amortised over the balance period of extended lease term or five years whichever is earlier.

G. Foreign Currency Transactions

The transactions in Foreign exchange are accounted at exchange rate prevailing on the date of transactions. Any exchange gains or losses arising from the settlement of such transactions are recognised in the Profit and Loss Account. Receivables/Payables in foreign currency at the year end are translated at the year end exchange rate.

H. Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Rental charges over the term of such leases, after taking in to account the escalation clause, are charged to the Profit and Loss Account on a straight line basis over the extended lease term.

I. Retirement Benefits

- ▷ The net present value of the Company's obligation towards Gratuity to employees is actuarially determined as at the Balance Sheet date and actuarial gains and losses are recognised in the Profit and Loss Account.
- ▷ The Company has taken a superannuation policy, for future payment of superannuation and the Company's contribution paid/payable during the year is charged to Profit and Loss Account.
- ▷ The Company's contribution to Provident Fund is deposited with Regional Provident Fund Commissioner and is charged to Profit and Loss Account every year.

J. Income-Tax

The accounting treatment for income-tax in respect of the Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The provision made for income-tax in the accounts comprises both, the current tax and deferred tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognised in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

K. Revenue Recognition

Revenue is recognised when no significant uncertainty as regards to its measurement and collection exists.

L. Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2 Managerial Remuneration:

	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO OCTOBER 20, 2008
	RUPEES	RUPEES
(i) Salary	1,633,600	25,418,307
(ii) Contribution to Provident and Other Funds	81,600	387,809
(iii) Perquisites	56,568	523,339
	1,771,768	26,329,455

3 Auditors' Remuneration :

	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
	RUPEES	RUPEES
Audit Fees	450,000	450,000
Tax Audit Fees	200,000	300,000
Other Services	265,000	95,370
Out of Pocket Expenses	14,820	6,740
	929,820	852,110

4 Scheme Issue Expenses are the expenses incurred by the Company towards launching schemes and plans of the Mutual Fund during the year.

5 Advertising and Publicity Expenses includes cost of advertising, publicity, marketing of various schemes of IDFC Mutual Fund.

6 Operational Costs include interest charged by bank to the Mutual Fund on account of temporary borrowings or overdrafts and payments made to investors of Mutual Fund on account of delay in payment of redemption proceeds which are borne by the Company.

7 Service Tax Credit of **Rs. 2,219,857/-** (Previous Year – Rs. 7,028,650/-), would be claimed against future Service Tax Liability.

8 Expenditure in foreign currencies:

	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
	RUPEES	RUPEES
Advertising Media	51,694	-
Filing Fees	678,984	-
Foreign Travel	170,260	113,724
Hotel Accommodation	20,418	255,848
Staff Training Expenses	145,286	-
Staff welfare	-	43,761
Road shows & Events	-	91,745
Telephone- Cellular	-	10,377

9 Earnings in foreign currencies: NIL (Previous Year Nil)

10 The Company is planning to expand its operations for which it anticipates significant working capital requirements. With the aim to conserve cash resources, the Company has not proposed any dividend for the period April 1, 2009 to March 31, 2010 on 15% cumulative redeemable preference shares allotted during 1999-00 amounting to Rs. 29,688,750/-. The consent letter for waiver of dividend has been received from IDFC Limited, sole shareholder of the preference shares.

11 As per Accounting Standard 15 on 'Employee Benefits' as notified by the Companies (Accounting Standards) Rules, 2006, the following disclosures are made as required :

i. The Company has recognised the following amounts in the Profit and Loss Account towards defined contribution plans which are included in Personnel Costs for the period 1st April, 2009 to 31st March, 2010:

PARTICULARS	CURRENT PERIOD	PREVIOUS PERIOD
	RUPEES	RUPEES
Provident Fund	7,453,856	5,243,889
Superannuation	519,131	1,481,326

ii. The details of the Company's post – retirement benefit plans for gratuity for its employees are given below which is certified by the actuary and relied upon by the auditors:

PARTICULARS	CURRENT PERIOD	PREVIOUS PERIOD
	RUPEES	RUPEES
CHANGE IN THE DEFINED BENEFIT OBLIGATIONS:		
Liability at the beginning of the year	2,000,718	-
Current Service Cost	2,143,480	2,000,718
Interest Cost	275,309	-
Benefits Paid	-	-
Actuarial Loss	(700,807)	-
Liability as at the end of the year	3,718,700	2,000,718
FAIR VALUE OF PLAN ASSETS :		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial Loss on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	-	-
Total Actuarial Loss to be recognised	-	-
ACTUAL RETURN ON PLAN ASSETS :		
Expected Return on Plan Assets	-	-
Actuarial Loss on Plan Assets	-	-
Actuarial Return on Plan Assets	-	-
AMOUNT RECOGNISED IN THE BALANCE SHEET :		
Liability at the end of the year	3,718,700	2,000,718
Fair Value of Plan Assets at the end of the year	-	-
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	3,718,700	2,000,718
EXPENSE RECOGNISED IN THE PROFIT AND LOSS ACCOUNT :		
Current Service Cost	2,143,480	2,000,718
Interest Cost	275,309	-
Expected Return on Plan Assets	-	-
Net Actuarial Loss to be recognised	(700,807)	-
Expense recognised in the Profit and Loss Account under Personnel Costs	1,717,982	2,000,718
RECONCILIATION OF THE LIABILITY RECOGNISED IN THE BALANCE SHEET :		
Opening Net Liability	2,000,718	-
Expense recognised	1,717,982	2,000,718
Contribution by the Company	-	-
Amount recognised in the Balance Sheet under "Provision for Retirement Benefit"	3,718,700	2,000,718
PRINCIPAL ASSUMPTIONS :		
Discount Rate	8.10%	6.65%
Expected Rate of Return on Assets	-	-
Salary Escalation Rate	8.00%	7.00%

12 The Company is an Asset Management Company to IDFC Mutual Fund business. During the year ended 31st March, 2010, the Company was engaged in only one business segment and as such there are no separate reportable segments, as required by Accounting Standard 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

13 As per the Accounting Standard 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

I. HOLDING COMPANY:

Infrastructure Development Finance Company Limited

II. SUBSIDIARIES:

IDFC Investment Advisors Limited

IDFC Pension Fund Management Company Limited

III. FELLOW SUBSIDIARIES:

IDFC AMC Trustee Company Limited

IDFC Private Equity Company Limited

IV. KEY MANAGEMENT PERSONNEL:

Mr. Naval Bir Kumar – President & CEO

Mrs. Jyothi Krishnan – Compliance Officer & Manager

The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows:

NAME OF RELATED PARTY AND NATURE OF RELATIONSHIP	PARTICULARS	CURRENT PERIOD	PREVIOUS PERIOD
I. HOLDING COMPANY			
Infrastructure Development Finance Company Limited	Advances taken and repaid (Net of advances given)	921,424	14,486,458
	Purchase of Shares of IDFC Investment Advisors Limited	80,000,000	-
	Purchase of Fixed Assets	-	2,759,128
	Transfer of Fixed Assets	-	439,795
	Deputation Charges paid	-	5,430,657
	Advances given	-	256,999
	Advances Recoverable – Balance outstanding	-	528,359
II. SUBSIDIARIES			
IDFC Investment Advisors Limited	Advances Given and recovered	4,222,728	-
	Purchase of Shares	20,000,000	-
	Advances Recoverable – Balance outstanding	-	2,407,975
IDFC Pension Fund Management Company Limited	Advances Given and recovered	2,469,162	-
	Purchase of Shares	60,000,010	-
	Advances Recoverable – Balance outstanding	974,799	946,815
III. FELLOW SUBSIDIARIES			
IDFC AMC Trustee Company Limited	Advances given and recovered	152,032	351,217
	Advances Recoverable – Balance outstanding	-	40,000
IDFC Private Equity Company Limited	Transfer of Fixed Asset	-	55,250
IV. KEY MANAGEMENT PERSONNEL:			
Mr. Naval Bir Kumar	Remuneration paid	11,354,555	29,576,536
	Reimbursement of Business Expenses	761,843	670,912
	Rent paid	250,000	375,000
	Security Deposit paid	-	30,000,000
	Payment to relatives	720,444	3,262,881
Mrs. Jyothi Krishnan	Remuneration paid	1,771,768	-

14 In accordance with the Accounting Standard 19 on 'Leases' issued by the Institute of Chartered Accountants of India, the following disclosure in respect of Operating Leases is made:

→ The Company has taken a copier machine under irrevocable rental agreement (expiring on 31st May, 2011) from En Em Business Solutions. The committed rentals in the future are :

PARTICULARS	RUPEES
Not later than one year	49,000/-
Later than one year and not later than five years	-

→ The Company has taken vehicles for three employees under Cancellable Operating Leases from LeasePlan India Limited, which expire between October 2012 to December 2013. Staff Expenses include rental expenses of **Rs.1,368,949** (Previous Year Rs. 488,489) paid to LeasePlan India Limited.

→ The Company has entered in to Lease agreements for Office Premises and Residential Premises as per detailed below :

SR. NO.	LOCATION	NAME OF THE LESSOR	ESCALATION CLAUSE
OFFICE PREMISES			
1	Ahmedabad	Pranav Multitech Pvt. Ltd.	Increase by 15% after every 3 Years. Total Lease 9 Years.
2	Amritsar	Ajit Singh	Increase by 8% after every 1 Year. Total Lease 3 Years.
3	Bangalore	S. M. Kamal Pasha	Increase by 10% after every 3 Years. Total Lease 9 Years.
4	Baroda	West Coast Contractors Pvt Ltd	Increase by 15% after 3 Years. Total Lease 9 Years.
5	Bhopal	D. G. Enterprise	No Escalation.
6	Bhubaneshwar	Manisha Surekha	Increase by 15% after 3 Years. Total Lease 6 Years.
7	Chandigarh	Rahul Mahajan - 25% Praveen Mahajan - 25% Sandeep Mahajan - 25% Sahil Mahajan - 12.5% Siddharth Mahajan - 12.5%	Increase by 7.5% after 1 Year. Total Lease 6 Years.
8	Chennai	Maalavika Hotels Private Limited	Increase by 15% after every 3 Years. Total Lease 9 Years. Lease terminated w.e.f April 5, 2010.
9	Cochin	Fathima Zackeria	Increase by 15% after 3 Years. Total Lease 6 Years.
10	Coimbatore	R. Malaiyappan, R. Rajarathnam & R. Balashanmugam	Increase by 22.5% after every 3 Years. Total Lease 9 Years.
11	Dehradun	EBD Business Centre	Increase by 10% after 11 Months. Total Lease 22 Months.
12	Goa	Suzette Indresh Advani	No Escalation.
13	Guwahati	Aakash Jhunjhunwala Bimla Devi Jhunjhunwala Srinarayan Jhunjhunwala	Increase by 15% after 3 Years. Total Lease 6 Years.
14	Hyderabad	Anand Yemul – 50% Sai Suman Yemul – 50%	Increase by 5.5% after every 1 Year. Total Lease 7 Years.
15	Indore	Priya Baj	Increase by 15% after 3 Years. Total Lease 9 Years.
16	Jaipur	Surjit Kaur – 50% Gurpreet Singh – 50%	Increase by 15% after every 3 Years. Total Lease 9 Years.
17	Jalandar	Surjit Singh Arora	Increase by 10% after 1 Year. Total Lease 3 Years.
18	Jamshedpur	Corporate Inn	Increase by 15% after 3 Years. Total Lease 9 Years.
19	Kanpur	Deep Management & Eco Consultants P. Ltd. – 50% Rachit Prakash – 25% Tripti Srivastava – 25%	Increase by 15% after every 3 Years. Total Lease 9 Years.
20	Kolkata	Oswal Holdings	Increase by 15% after every 3 Years. Total Lease 14 Years.
21	Lucknow	Sahej Promoters Pvt. Ltd.	Increase by 15% after 3 Years. Total Lease 6 Years.
22	Ludhiana	Manjit Kaur Deol - 29.25% Mohinder Singh Deol - 27.75% Surjit Kaur Sekhon - 17.50% Jatinder Pal Singh Sekhon - 11.50% Gauravjit Singh Deol - 5% Gurbir Singh Deol - 5% Gurdial Singh Sekhon - 4%	Increase by 20% after 3 Years. Total Lease 6 Years.

SR. NO.	LOCATION	NAME OF THE LESSOR	ESCALATION CLAUSE
OFFICE PREMISES			
23	Mangalore	Raj Business Centre	No Escalation.
24	Mumbai-Eplhinstone	IndiaBulls Properties Pvt. Ltd.	Increase by 15% after 3 Years. Total Lease 5 Years.
25	Mumbai-Churchgate	Ashu Engineers & Plastics Pvt. Ltd.	Increase by 15% after 3 Years. Total Lease 5 Years.
26	Nagpur	Fortune Business Centre	No Escalation.
27	Nasik	Madan's Services	No Escalation.
28	New Delhi	Deepa Kiran Kaur & Others	Increase by 15% after every 3 Years. Total Lease 9 Years.
29	Patna	Sushma Khemka	Increase by 15% after 3 Years. Total Lease 6 Years.
30	Pune	Prashant Kumar Kapse	Increase by 20% after 5 Years. Total Lease 10 Years.
31	Raipur	Amritpal Kaur	Increase by 5% after 1 Year. Total Lease 6 Years.
32	Rajkot	Anil Dhulia (HUF) - 50% Usha Dhulia - 50%	Increase by 15% after 1 Year. Total Lease 6 Years.
33	Surat	Kirti Kumar K. Shroff – 50% Pratik Kirtikummar Shroff – 25% Samir K. Shroff – 25%	Increase by 15% after 3 Years. Total Lease 5 Years.
34	Varanasi	Satya Narain Agrawal	No Escalation.
35	Vishakhapatnam	Vastav Consultancy Services	No Escalation.
RESIDENTIAL PREMISES			
1	Delhi	Rishi Gupta	No Escalation.
2	Mumbai	C.K. Mirchandani	No Escalation.
3	Mumbai	Nilima A. Kamani	No Escalation.
4	Mumbai	Ram Swaroop Sodhani	No Escalation.
5	Mumbai	Sumit Banerjee	No Escalation.
6	Mumbai	Sapna Rajgarhia & Satish Rajgarhia	No Escalation.

15 In compliance with the Accounting Standard 22 relating to 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the Company has taken credit in the Profit and Loss Account towards deferred tax asset (net) on account of timing differences. The major components of deferred tax assets and liabilities arising on account of timing differences are:

	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
	RUPEES	RUPEES	RUPEES	RUPEES
	Assets		Liabilities	
(a) Depreciation	1,573,000	-	-	1,973,936
(b) Provisions	1,264,000	3,362,432	-	-
(c) Others	4,140,000	1,069,158	-	-
	6,977,000	4,431,590	-	1,973,936
Net Deferred Tax Asset/(Liability)	6,977,000	2,457,654		

16 The earning per share in accordance with the Accounting Standard 20 on 'Earning Per Share' issued by the Institute of Chartered Accountants of India is as under:

PARTICULARS	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
Profit/(Loss) after Tax and prior period items (Rs.)	27,931,045	60,089,281
Less: Proposed dividend on Preference Shares(Rs.)	-	-
Less: Tax on dividend on Preference Shares (Rs.)	-	-
Profit attributable to Equity shareholders (Rs.)	27,931,045	60,089,281
No. of Shares	2,610,002	2,610,002
Earnings per share in (Rs.)	10.70	23.02

17 Details of Movement in Provisions, in terms of Accounting Standard 29 issued by the Institute of Chartered Accountants of India, is as under:

NATURE OF PROVISION	OPENING BALANCE AS ON 01/04/2009	PROVISIONS MADE DURING THE YEAR	PROVISIONS REVERSED / ADJUSTED	CLOSING BAL- ANCE AS ON 31/03/2010
	RUPEES	RUPEES	RUPEES	RUPEES
Provision for Diminution in Value of Investments	7,891,698	-	7,891,698	-
Provision for Income Tax	276,925,601	9,000,000	-	285,925,601
Provision for Deferred Tax (Asset)/ Liability	(2,457,654)	(7,201,734)	2,682,388	(6,977,000)
Provision for Fringe Benefit Tax	12,072,000	-	-	12,072,000

18 Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs.2,763,000/-**
(Previous Year 23,743,564/-)

19 Contingent liabilities not provided for in respect of :

	APRIL 1, 2009 TO MARCH 31, 2010	JANUARY 1, 2008 TO MARCH 31, 2009
	RUPEES	RUPEES
(a) Claims not acknowledged as debts in respect of		
Income-tax demand, disputed by the Company in respect of A.Y. 2005-06. The matters in dispute are under appeal. Amount of Rs. 1,500,000 has been paid against the demand.	3,037,298	3,037,298
(b) Bank guarantees issued on behalf of the Company	1,000,000	1,000,000

20 No interest has been paid/payable by the Company during the year to the "suppliers" covered under the Micro, Small and Medium Enterprises Development Act, 2006. The above information is based on the records available with the Company.

21 Previous year's figures have been regrouped wherever necessary. Since the current period is for 12 months from April 1, 2009 to March 31, 2010, the figures for current period are not comparable with previous period viz., 15 months from January 1, 2008 to March 31, 2009.

IN TERMS OF OUR REPORT OF EVEN DATE

FOR M.P. CHITALE & CO.

Chartered Accountants

VIDYA V. BARJE

Partner

Mumbai | April 20, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BAKUL PATEL

Director

UTTARA DEKA

Company Secretary

PRADIP MADHAVJI

Director

I. REGISTRATION DETAILS

Registration No. U 6 5 9 9 3 M H 1 9 9 9 P T C 1 2 3 1 9 1
 State Code 1 1
 Balance Sheet Date 3 1 0 3 2 0 1 0

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. '000)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. '000)

SOURCES OF FUNDS

Total Liabilities

1 0 5 4 9 3 6

Paid-up Capital

2 2 4 0 2 5

Secured Loans

N I L

APPLICATION OF FUNDS

Net Fixed Assets

9 1 1 5 0

Net Current Assets

(1 9 4 4 4 1)

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RS. '000)

Turnover / Income

1 0 6 9 7 1 5

Profit Before Tax

3 2 4 1 2

Earnings per Share (in Rs.)

1 0 . 7 0

Total Assets

1 0 5 4 9 3 6

Reserves and Surplus

3 3 9 1 4 5

Unsecured Loans

N I L

Investments

6 5 9 4 8 4

Deferred Tax Asset

6 9 7 7

Total Expenditure

1 0 3 7 3 0 3

Profit After Tax

2 7 9 3 1

Dividend %

N I L

V. GENERIC NAMES OF PRINCIPAL SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)

N I L

Product Description

A S S E T M A N A G E M E N T

NAME OF SUBSIDIARY COMPANIES	IDFC INVESTMENT ADVISORS LIMITED	IDFC PENSION FUND MANAGEMENT COMPANY LIMITED
	RUPEES	RUPEES
The financial year of the Subsidiary Companies ended on	March 31, 2010	March 31, 2010
Number of shares in the Subsidiary Companies held by IDFC Asset Management Company Limited at the above date.	10,000,000 shares of Rs. 10 each	6,000,001 shares of Rs. 10 each
Holding Company's interest in percentage	100.00%	50.01%
The net aggregate of profits of the Subsidiary Companies so far as these concern the members of IDFC Asset Management Company Limited.		
(i) dealt with in the accounts of IDFC Asset Management Company Limited amounted to:		
(a) for subsidiaries' financial year ended on March 31, 2010	-	-
(b) for previous financial years of the subsidiaries since these became subsidiaries of IDFC Asset Management Company Limited	-	-
(ii) not dealt with in the accounts of IDFC Asset Management Company Limited amounted to:		
(a) for subsidiaries' financial year ended on March 31, 2010	69,469,803	(638,164)
(b) for previous financial years of the subsidiaries since these became subsidiaries of IDFC Asset Management Company Limited.	-	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BAKUL PATEL
Director

PRADIP MADHAVJI
Director