

**UNION KBC ASSET MANAGEMENT COMPANY PRIVATE LIMITED**

**ANNUAL REPORT 2009 - 2010**

**Union KBC Asset Management Company Private Limited**  
**Registered Office:**

7th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013.



## **AUDITOR'S REPORT**

To

**The Members of Union KBC Asset Management Company Private Limited**

1. We have audited the attached balance sheet of **Union KBC Asset Management Company Private Limited** ('The Company), as at 30<sup>th</sup> September, 2010 and also the Profit and Loss Account and Cash Flow Statement for the period ended 30<sup>th</sup> September, 2010, 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.
2. 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.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the Company.
4. 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 purpose of our 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..



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**Branch office:- 45/BWING/205, PARIJAT APNA GHAR,  
LOKANDWALA, ANDHERI (W), MUMBAI 400053**

- 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 to the extent applicable.
- v.) On the basis of written representations received from the directors, as on 30<sup>th</sup> September, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30<sup>th</sup> September, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi.) The Govt. has not notified the rate of cess envisaged under Section 441A (i), of the Companies Act, 1956 hence, no provision /payment has been made for the same. (Refer Schedule 10 Note C 9).
- vii.) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements 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:
- in case of the Balance Sheet, of the State of the affairs of the Company as at 30<sup>th</sup> September, 2010
  - in case of the Profit and Loss Account, of the Loss for the period ended on that date and
  - in case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

**Place: Mumbai**  
**Date: March 10, 2011**

**For Bansal R. Kumar & Associates**  
**Chartered Accountants,**  
**Firm Reg. No.: 08186N**



**(CA. R.K.Gupta)**  
**Partner**  
**M. No.: 86851**

**Annexure referred to in our report of even date to the members of Union KBC Asset Management Company Private Limited, Mumbai on the accounts of the company for the period from 30<sup>th</sup> December, 2009 to 30<sup>th</sup> September, 2010**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification during the period.
- (c) No Fixed Assets have been disposed off during the period.
- (ii) In our opinion, and according to the information and explanation given to us, by the Company's nature of operation does not require it to hold inventories. Consequently, clause 4(ii) of the Companies (auditors' report) order 2003 is not applicable.
- (iii) (a) As informed to us, the Company has not granted any loans, secured or unsecured, to companies or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As informed to us, the Company has not taken any loans, secured or unsecured from 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, the internal control system for purchase of fixed assets commensurate with the size of the Company and the nature of business. The Company did not purchase inventory or sell services during the period.



- (v) In our opinion and according to the information and explanation given to us , there no transaction of purchase of goods and services and Sale of goods and services, made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the companies Act. 1956.
- (vi) According to the information and explanation given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve bank of India and the provisions section 58A and section 58AA of the Company Act, 1956 and the rules framed there under apply. Consequently, clause 4(vi) of the Companies (auditors' report) order 2003 is not applicable.
- (vii) The Company is not a listed company and it has been incorporated during the period. Consequently clause 4(vii) of The Companies (Auditors' Report) order 2003 is not applicable to the Company.
- (viii) According to the information and explanation given to us by the Company, Central Government has not prescribed the maintenance of cost record under section 209 (1)(d) of the Companies Act, 1956. Consequently, clause 4(viii) of the Companies (auditors' report) order 2003 is not applicable.
- (ix) According to the records made available and information provided to us, the company is generally regular in depositing undisputed statutory dues like Provident Fund, Income Tax and other Statutory Dues with the appropriate authorities. Further as explained to us, the provisions for Employee State Insurance, Sales Tax, Wealth Tax and Excise Duty are not applicable to the company during the year. In the absence of notification/ guidelines for levy of Cess towards rehabilitation of Sick Industries, the dues remain unascertained and not deposited. According to the information and explanation given to us there are no dues of Income Tax/ Service Tax and other Statutory Dues, which have not been deposited on account of any dispute.
- (x) As at 30<sup>th</sup> September, 2010, the Company has been registered for less than five year and consequently, clauses 4(x) of the Companies (auditors' report) order 2003 is not applicable.
- (xi) According to the information and explanation given to us, the Company has not defaulted on repayments for any outstanding debenture or any outstanding loans from any financial institution or a bank during the period.

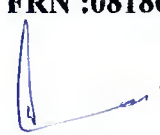


- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) According to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions.
- (xvi) According to the information and explanation given to us, the Company did not have any term loans outstanding during the period.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to Companies / firms / parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debentures during the period.
- (xx) The company has not raised any money by public issues.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Mumbai  
Date : March 10, 2011

for Bansal R. Kumar & Associates  
Chartered Accountants,  
FRN :08186N



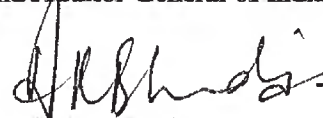
  
(CA.R.K. Gupta)  
Partner  
M. No.: 86851

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF UNION KBC ASSET MANAGEMENT CO. PVT. LIMITED FOR THE PERIOD FROM 30 DECEMBER 2009 TO 30 SEPTEMBER 2010.**

The preparation of financial statements of Union KBC Asset Management Company Pvt. Limited for the period 30 December 2009 to 30 September 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 10 March 2011.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of Union KBC Asset Management Company Pvt. Limited for the period 30 December 2009 to 30 September 2010 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956.

For and on the behalf of the  
Comptroller and Auditor General of India



(Alka R. Bhardwaj)

Principal Director of Commercial Audit and  
Ex-Officio Member, Audit Board-I, Mumbai

Place : Mumbai.

Date : 18 April 2011

**Union KBC Asset Management Company Private Limited**

**Balance Sheet as at September 30, 2010**

**As at  
September 30, 2010  
Rs.**

	Schedule	Rs.	
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	950,000,000	
Reserve and Surplus	2	250,000,000	1,200,000,000
Deferred Tax Liability (Refer Schedule 10 Note C 7)			605,130
<b>Total</b>			<b>1,200,605,130</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets :</b>			
Gross Block	3	11,795,379	
Less : Depreciation		652,568	
<b>Net Block</b>			11,142,811
<b>Current Assets, Loans and Advances :</b>			
Cash and Bank Balances	4	1,081,469,913	
Loans and Advances	5	48,172,380	
		1,129,642,293	
<b>Less : Current Liabilities and Provisions :</b>			
Current Liabilities	6	8,034,099	
Provisions	7	153,304	
		8,187,403	
<b>Net Current Assets</b>			1,121,454,890
<b>Debit Balance in Profit and Loss Account</b>			68,007,429
<b>Total</b>			<b>1,200,605,130</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	10		

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

**As per our report of even date attached  
For Bansal R.Kumar & Associates**  
Chartered Accountants  
FRN : 08186N

(CA. R.K.Gupta)  
Partner  
M.No.: 86851



Place: Mumbai  
Date:

10 MAR 2011

**For Union KBC Asset Management Company Private Limited**

*[Signature]*  
Director

*[Signature]*  
Jos Hulsbosch  
Chief Risk Officer

*[Signature]*  
Director

*[Signature]*  
Sagar Gandhi  
Company Secretary

*[Signature]*  
G. Pradeepkumar  
Chief Executive Officer



**Union KBC Asset Management Company Private Limited**

**Profit and Loss Account for the period from December 30, 2009 to September 30, 2010**

	Schedule	Rs.	For period ended September 30, 2010 Rs.
<b>INCOME</b>			
Interest on Fixed Deposit with Bank (TDS amounting to Rs. 18.81 lacs)			18,809,907
			<b>18,809,907</b>
<b>EXPENDITURE</b>			
Employee Costs	8		35,926,563
Administrative & Other Expenses	9		41,125,069
Depreciation & Amortization			652,568
Preliminary Expenses written off			8,508,006
			<b>86,212,206</b>
<b>Profit/(Loss) before tax</b>			<b>(67,402,299)</b>
Provision for Taxation - Current			-
- Deferred		605,130	
			605,130
<b>Profit/(Loss) after tax</b>			<b>(68,007,429)</b>
<b>Profit/(Loss) after tax carried to Balance Sheet</b>			<b>(68,007,429)</b>
<b>Basic/Diluted Earnings per Share (Refer Schedule 10 Note C 10)</b> (Face value Rs. 10/- per share)			<b>(0.72)</b>

**Significant Accounting Policies and Notes to Accounts** 10

The schedules referred to above form an integral part of the Profit & Loss Account.  
*As per our report of even date attached*

**For Bansal R.Kumar & Associates**

Chartered Accountants  
FRN : 08186N

(CA. R.K.Gupta) Mumbai  
Partner  
M.No.: 86851



**For Union KBC Asset Management Company Private Limited**

Director

Jos Hulsbosch  
Chief Risk Officer

Director

Sagar Gandhi  
Company Secretary

G. Pradeepkumar  
Chief Executive Officer

Place: Mumbai  
Date:

**10 MAR 2011**

**Union KBC Asset Management Company Private Limited**

**Schedules forming part of the Balance Sheet as at September 30, 2010**

As at  
September 30, 2010  
Rs.

**SCHEDULE 1  
SHARE CAPITAL**

Authorised : 10,00,00,000 Equity Shares of Rs.10/- each	1,000,000,000
Issued Subscribed and Paid up : 95,000,000 Equity Shares of Rs 10/- each	950,000,000
<b>Total</b>	<b>950,000,000</b>

**SCHEDULE 2  
RESERVE AND SURPLUS**

Share Premium Account	250,000,000
<b>Total</b>	<b>250,000,000</b>

**Schedule 3 : Fixed Assets**

Particulars	Gross Block (At Cost)			Depreciation			Net Block
	Additions during the Period	Deductions/ Adjustments	As on 30.09.2010	For the Period	Deductions/ Adjustments	As on 30.09.2010	As on 30.09.2010
Computers	3,846,655	-	3,846,655	231,514	-	231,514	3,615,141
Office Equipment	3,168,620	-	3,168,620	261,219	-	261,219	2,907,401
Furniture & Fixtures	87,550	-	87,550	5,133	-	5,133	82,417
Softwares	4,211,653	-	4,211,653	132,565	-	132,565	4,079,088
Leasehold Improvements	480,901	-	480,901	22,137	-	22,137	458,764
	<b>11,795,379</b>	<b>-</b>	<b>11,795,379</b>	<b>652,568</b>	<b>-</b>	<b>652,568</b>	<b>11,142,811</b>



Schedules forming part of the Balance Sheet as at September 30, 2010

As at  
September 30, 2010  
Rs.

**SCHEDULE 4  
CASH AND BANK BALANCE**

Cash in hand	14,032
Balance with Scheduled Banks :	
In Current Account	1,812,714
In Fixed Deposit Account	1,079,643,167
<b>Total</b>	<b><u>1,081,469,913</u></b>

**SCHEDULE 5  
LOANS AND ADVANCES**

(Unsecured considered good unless otherwise specified)

Advances recoverable in cash or in kind or for value to be received	12,458,569
Security Deposits	33,832,820
TDS Receivable	1,880,991
<b>Total</b>	<b><u>48,172,380</u></b>

**SCHEDULE 6  
CURRENT LIABILITIES**

Sundry Creditors	
- Dues to Micro and Small Enterprises	-
- Other Creditors	1,154,417
Other Liabilities	6,879,682
<b>Total</b>	<b><u>8,034,099</u></b>

**SCHEDULE 7  
PROVISIONS**

Provision for Gratuity	153,304
<b>Total</b>	<b><u>153,304</u></b>



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**Union KBC Asset Management Company Private Limited**

**Schedules forming part of the Profit and Loss Account for the period December 30, 2009 to September 30, 2010**

**As at  
September 30, 2010  
Rs.**

**SCHEDULE 8  
EMPLOYEE COST**

Salary, Allowances and Bonus	35,196,251
Contribution to Provident and Other Funds	473,303
Staff Welfare Expenses	257,009
<b>Total</b>	<b>35,926,563</b>

**SCHEDULE 9  
ADMINISTRATIVE & OTHER EXPENSES**

Rent	20,460,252
Electricity Charges	1,244,160
Repairs & Maintenance	760,039
Travelling & Conveyance	3,365,018
Legal and Professional Fees	5,806,471
Payment to Statutory Auditor's (Refer Schedule 10 Note C 8)	220,600
Recruitment and Training	1,789,740
Communication Expenses	806,813
Information Technology Expenses	592,380
Subscription to Databases, Books & Periodicals	544,965
Marketing and Sales Promotion Expenses	2,566,459
Printing and Stationery	275,540
Postage & Courier Expenses	44,791
Insurance Charges	171,343
Rates and Taxes	1,359,404
Brokerage expenses for lease premises	847,071
Miscellaneous Expenses	270,023
<b>Total</b>	<b>41,125,069</b>



*[Handwritten signatures and marks]*

**Union KBC Asset Management Company Private Limited**

**Cash Flow Statement for the period ended September 30, 2010**

**September 30, 2010**  
**Rs.**

**A. CASH FLOW FROM OPERATING ACTIVITIES**

<b>Profit/(Loss) before taxation</b>	(67,402,299)
Add / (Less) : Adjustment for	
Depreciation	652,568
Interest Income	(18,809,907)
Investment Income	-
<b>Operating Profit/(Loss) before working capital changes</b>	<b>(85,559,638)</b>
(Increase) / Decrease in Loans and Advances	(48,172,380)
(Increase) / Decrease in Sundry Debtors	-
Increase / (Decrease) in Current Liabilities	8,187,403
<b>Cash generated from / (used in) operations</b>	<b>(125,544,615)</b>
Income Tax Paid	-
<b>Net cash from / (used in) operating activities</b>	<b>(125,544,615)</b>

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	(11,795,379)
Proceeds from Sale of Fixed Assets	-
Purchase of Investments	-
Proceeds from Sale of Investments	-
Dividend Received	-
Interest Income	18,809,907
Investment Income	-
<b>Net cash from / (used in) investing activities</b>	<b>7,014,528</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Shareholders Capital Subscription	1,200,000,000
Dividend Paid	-
Tax Paid on Dividend	-
<b>Net cash from / (used in) financing activities</b>	<b>1,200,000,000</b>
Net Increase / (Decrease) in cash and cash equivalents	1,081,469,913
Cash and cash equivalents at the beginning of the Year	-
<b>Cash and cash equivalents at the end of the Year</b>	<b>1,081,469,913</b>

*As per our report of even date attached*

For Bansal R.Kumar & Associates  
Chartered Accountants  
FRN: 08186N

CA. R.K.Gupta  
Partner  
M.No.: 86851



For Union KBC Asset Management Company Private Limited

*[Signature]*  
Director

*[Signature]*  
Jos Hulsbosch  
Chief Risk Officer

*[Signature]*  
Director

*[Signature]*  
Sagar Gandhi  
Company Secretary

*[Signature]*  
G. Pradeepkumar  
Chief Executive Officer

Place: Mumbai  
Date:

10 MAR 2011

# Union KBC Asset Management Company Private Limited

## Schedule 10: Significant Accounting Policy and Notes to Accounts

### A. BACKGROUND

Union KBC Asset Management Company Private Limited was incorporated as a Private Limited Company on December 30, 2009 under the Companies Act, 1956. The Company's principal activity is to carry on the business of Investment Management or to act as asset/ investment Managers and /or administrators of one or more mutual funds.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Accounting

The Financial Statements are prepared under historical costs convention on accrual basis and are in accordance with the requirements of The Companies Act, 1956 to extent applicable to the company.

#### 2. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions which affect the reported amount of assets and liabilities on the balance sheet date and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

#### 3. Revenue Recognition

Investment Management Fees are recognized net of service tax on an accrual basis as a percentage of the average daily net assets of the mutual fund schemes (excluding investments made by the Company in the schemes) such that it does not exceed the limit prescribed by the SEBI (Mutual Funds) Regulations, 1996 and any further amendments.

Investment advisory fees are recognized on accrual basis in accordance with the terms of contract with the customer.

Interest income is recognized using the time proportion method, based on the rates implicit in the transaction.

Dividend income is recognized when right to receive is established.



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#### 4. Fixed Assets and Depreciation/Amortization

Fixed Assets are stated at historical cost less accumulated depreciation and impairment loss. Cost comprises of the purchase price and any attributable cost of bringing the asset to the working condition for its intended case. Depreciation on fixed assets (including Leasehold Improvement and related equipment rented) is provided on straight line method, at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956, or based on the estimated useful lives of assets whichever is higher, as applicable. The useful lives as estimated by the management are as follows:

Computers (including Software)	3 years
Office equipments	4 years
Mobile Phones	2 years
Furniture and fixtures	5 years
Intangible Assets	5 years
Motor cars	4 years
Leasehold Improvements	Over the period of lease agreement

Depreciation on addition / deletion during the year is provided for on pro-rata basis.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of capitalization.

#### 5. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset 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 if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### 6. Investments

Long-term investments are valued at cost, less provision for diminution other than temporary, in value, if any. Current investments are valued at the lower of cost and fair/market/redeemable value. The diminution in the value of investments is recognized in the Profit & Loss Account.

#### 7. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the dates of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.



*[Handwritten signatures and initials]*

## 8. Employment Benefits

- i. Contribution to the recognized Provident Fund, which is a defined contribution scheme is charged to Profit & Loss A/c.
- ii. The Companies policy does not allow employees to encash leave and accordingly no provision for the same is made.
- iii. Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation as per AS 15 (Revised) made at the end of each financial year based on the projected unit cost method as done by an independent actuary. Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

## 9. Preliminary and Pre-operative expenditure

Preliminary expenditure is written off in the same year in which they are incurred.

## 10. Taxes on Income

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

## 11. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Contingent liabilities where outflow is possible but not probable to the extent not provided are disclosed by the way of note.

Contingent assets are neither recognized nor disclosed in the financial statements.



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C. **NOTES TO ACCOUNTS**

1. Contingent Liabilities as at September 30, 2010 is Nil.
2. Earnings in foreign Exchange for period ended September 30, 2010 is Nil.
3. **Expenditure in foreign currency:**

Particulars	September 30, 2010 (Amount in Rs.)
Traveling Expenses	1,92,975
Training Expenses	49,652
<b>Total</b>	<b>2,42,627</b>

4. There are no dues to Micro, Small and Medium Enterprises as at the year end. This has been determined on the basis of information available with the Company and relied upon by auditors. The Company has not received any intimation from their vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosure under the said Act is considered necessary.

5. **Related Party Disclosures:**

Disclosure as required by Accounting Standard (AS) - 18 "Related Party Disclosures" notified under the Companies (Accounting Standards) Rules, 2006.

a. **List of related parties with whom transactions have taken place and relationships:**

Name of the related party	Relationship
Union Bank of India	Holding Company
Key Managerial Personnel	G. Pradeepkumar, CEO

b. **Transactions during the year with related parties (excluding reimbursement of expenses):**

Name of the related party and nature of transaction	September 30, 2010 (Amount in Rs.)
<b>Union Bank of India</b>	
Fixed Deposits	109,06,55,567
Interest Income	1,88,09,907
<b>Payment to Key Managerial Personnel</b>	
G. Pradeepkumar, CEO (Salary and Allowances inclusive of Provident fund and Bonus)	1,45,38,288
<b>Directors Sitting Fees</b>	40,000

6. **Gratuity**

The Company has provided for Rs. 153,304 as provision for Gratuity based on actuarial valuation of present gratuity liability. The Company has obtained actuarial valuation report as per the Accounting Standard 15 – Employee Benefits.



## 7. Deferred Tax:

The major components of deferred tax assets and liabilities arising on account of timing differences as at September 30, 2010 are as under: -

	September 30, 2010
On depreciation on fixed assets(Liability)	(6,52,501)
On Gratuity Provision (Assets)	47,371
<b>Net Deferred Tax Assets / (Liability)</b>	<b>(6,05,130)</b>

## 8. Payment to Statutory Auditor's

As Statutory Auditor's (Including Service Tax)	Rs. 2,20,600
Others	Rs. Nil
<b>Total</b>	<b>Rs. 2,20,600</b>

9. In the absence of government notification the company has not provided for the cess envisaged in the Section 441A (1) of The Company Act, 1956.

## 10. Earnings per Share

Basic and Diluted Earnings per Share has been calculated by dividing net Profit/(Loss) after tax for the year by 9,50,00,000 Equity Shares of nominal value of Rs.10 each, being the number of equity share outstanding during the year.

## 11. Segment Reporting

As per Accounting Standard – 17 "Segment Reporting", the Company's primary business segment is the administering of Mutual Fund Schemes. As the Company has a single primary business segment, the disclosure requirements of AS – 17 in this regard are not applicable. The company's operations being confined to India only, there is no reportable secondary segment.

## 12. Operating Leases

The company has taken office premises under operating lease. The lease payments recognized in the profit & loss account for the period December 30, 2009 to September 30, 2010 of Rs. 20,460,252.

13. As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 issued by the Institute of Chartered Accountants of India, in respect of any present obligation as a result of a passed event that could lead to a probable outflow of resources, which would be required to settle the obligation.



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14. This is the first year of accounts of the Company for period December 30, 2009 to September 30, 2010 (Incorporation date December 30, 2009) and the previous year figures are not applicable.

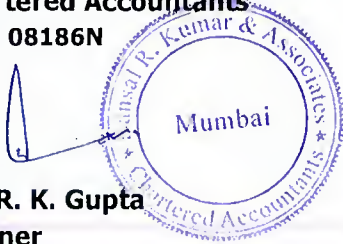
15. Balance Sheet abstract and Company's business profile are as per annexure attached.

**As per our report of even date attached**

For Bansal R. Kumar & Associates

**Chartered Accountants**

FRN: 08186N




CA. R. K. Gupta  
Partner


M. No: 86851


10 MAR 2011

For Union KBC Asset Management Company Private Limited

  
Director

  
Director

  
G. Pradeepkumar  
Chief Executive Officer

  
Jos Hulsbosch  
Chief Risk Officer

  
Sagar Gandhi  
Company Secretary

# Union KBC Asset Management Company Private Limited

Additional information as required under Part IV of Schedule VI to Companies Act, 1956

## Balance Sheet Abstract and Company's General Business Profile (Part IV)

### I. Registration Details :

Registration No.  State Code   
 Balance Sheet Date     
 Date Month Year

### II. Capital raised during the year (in Rs.'000) :

Public Issue  Rights Issue  Bonus Issue  Private Placement

### III. Position of Mobilisation and Deployment of Funds (in Rs.'000) :

Total Liabilities  Total Assets

#### Sources of Funds :

Paid Up Capital  Reserves & Surplus  Secured Loans  Unsecured Loans

#### Application of Funds :

Net Fixed Assets  Investment  Net Current Assets  Misc. Expenditure

### IV Performance of Company :

Total Income  Total Expenditure  Profit Before Tax  Profit After Tax

Earning per share (in Rs.)

Dividend Rate %

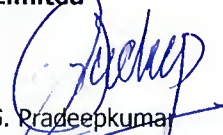
### V Generic Names of Three Principal Products/Services of the Company (as per monetary terms):

Item Code Number (ITC Code): Not Applicable  
 Product Description : Asset Management Company


For Union KBC Asset Management Company Private Limited

  
 Director

  
 Director

  
 G. Pradeepkumar  
 Chief Executive Officer



  
 Jos Hulsbosch  
 Chief Risk Officer

  
 Sagat Gandhi  
 Company Secretary

10 MAR 2011