

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

**DIRECTORS' REPORT**

**TO THE MEMBERS**

Your Directors present the Fifth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2011:

**FINANCIAL RESULTS:**

<b>Particulars</b>	<b>For the year ended March 31, 2011 (in ₹)</b>	<b>For the year ended March 31, 2010 (in ₹)</b>
Income	125,536,380	155,772,932
Expenditure	309,196,968	282,329,115
Loss before Exceptional Items and Taxation	(183,660,588)	(126,556,183)
Exceptional items	-	-
Profit/(Loss) after Exceptional item and before Taxation	(183,660,588)	(126,556,183)
Provision for Taxation	-	-
Profit ( Loss) after Taxation	(183,660,588)	(126,556,183)
Balance carried to Balance Sheet	(1,155,576,984)	(971,916,396)

**OPERATIONS:**

**Market Outlook - Equities:**

The equity markets have been turbulent since early 2010 reflecting the uncertainty in the macro environment. Rising commodity prices resulting in high inflation, tightening of interest rates have resulted in deterioration of corporate margins. Slowdown in policy reforms and rollout of infrastructure projects has lowered the growth projections of the economy. Consequently, the equity markets have been tentative on account of the global and domestic uncertainties. Outlook in the short term may have a negative bias. However, a growing domestic consumption demand is expected to deliver a GDP growth of 7-7.5% which provides a positive outlook in medium to long term.

**Market Outlook - Fixed Income:**

The key concern of the Reserve Bank of India continues to be its ability to control inflation given galloping global and domestic commodity prices. The RBI has taken several steps to manage inflation through its monetary policy pronouncements. We expect the RBI to continue with its monetary tightening stance and will be very watchful of its impact on the industry and the financial sector. The RBI is also likely to closely monitor capital requirements of banks and NBFCs if there is deterioration in the quality of their assets. In the short term we expect further hardening of interest rates with continuing uncertainty in the medium term.

**Key highlights of the India AMC as on March 31, 2011**

- As on March 31, 2011, your Company managed 8 schemes of AIG Global Investment Group Mutual Fund viz. AIG India Equity Fund (an open ended equity scheme), AIG India Liquid Fund (an open ended liquid scheme), AIG India Treasury Fund (an open ended income scheme), AIG Infrastructure and Economic Reform Fund (an open ended equity scheme), AIG Short Term Fund (an open ended income scheme), AIG World Gold Fund (an open ended Fund of Funds scheme), AIG Quarterly Interval Fund, Series I (an interval income scheme) and AIG Quarterly Interval Fund, Series II (an interval income scheme).

- The Total Assets under Management as of March 31, 2011 were ₹ 694.49 crores (Fixed Income: ₹ 184.30 crores; Equity: ₹ 301.48 crores and Fund of Funds: ₹ 208.72 crores).
- Number of live investor folios were 107,506
- There were 58 employees of the Company across 11 cities
- Number of empanelled distributors were over 6,309
- Under Regulation 24(2) of SEBI (Mutual Funds) Regulations, 1996:
  - ❖ Your Company is currently providing non-binding advisory services, to PineBridge Investments Asia Limited, the Investment Manager for the Irish domiciled India dedicated diversified equity fund, namely the PineBridge Global Funds - PineBridge India Equity Fund.
  - ❖ Your Company is also currently providing non-binding sub-advisory services to PineBridge Investments Asia Limited, who has in-turn entered into an Investment Advisory Agreement with PineBridge Investments Management Taiwan Limited to provide investment advice with respect to the PineBridge Chindia Equity Fund.
- SEBI vide its letter no. IMD/JN/155957/2009 dated March 2, 2009 has granted the certificate of registration valid till March 1, 2012 to the Company as a Portfolio Manager. Your Company has not started providing Portfolio Management Services as on date.

## Awards

- AIG World Gold Fund, an open ended fund of funds scheme, invests in Zurich domiciled Falcon Gold Equity Fund. Falcon Gold Equity Fund has been awarded Best Fund for the 3<sup>rd</sup> consecutive year at the **Lipper Fund Awards 2011** in the category Equity Sector- Gold and Precious Metals for the 5 year performance period. The fund has also been awarded Best Fund in the same category for the 3 year performance period at the Lipper Fund Awards in 2009 and 2010
- The PineBridge India Equity Fund has a corpus of US\$ 486.91 Million as on March 31, 2011. This fund has been consistently rated **5 Star by Morningstar** since September 2008. The Fund has also won the **Thompson Reuters Lipper Award 2011** as the “Best India Equity Fund”\* over a 5 year performance period in multiple jurisdictions. The Fund has also won the Thompson Reuters Lipper Award 2011 as the “Best India Equity Fund”\* over a 3 year performance period in Italy. The fund was also awarded “Best India Equity Fund”\* at the Thompson Reuters Lipper Awards 2009 and 2010 for its 3 year performance period in multiple jurisdictions.

## PROPOSED CHANGE IN CONTROLLING INTEREST OF THE COMPANY:

On March 26, 2010, as part of its divestiture efforts, AIG announced that it had concluded the previously-announced sale of a portion of AIG Investments, its asset management business, to certain member companies of the Pacific Century Group (“PCG”), an Asia-based private investment concern. The divested portion of the AIG Investment business has been rebranded as PineBridge Investments. Prior to the consummation of the PineBridge sale, AIG and PCG entered into discussions concerning a further possible sale to PCG of AIG Capital India Private Limited (“AIGCI”) or its constituent businesses. AIGCI is the direct parent company of the Company.

Following such negotiations and a broader marketing process to identify possible alternative purchasers of AIGCI or its constituent businesses, on October 21, 2010, AIG entered into a Purchase Agreement with Bridge Partners, L.P. (“Bridge”), a member company of PCG, pursuant to which AIG agreed to sell (the “AIGCI Sale”), and Bridge agreed to purchase, all the capital stock of AIGCI that is owned by AIG and its subsidiaries. Upon the consummation of the AIGCI Sale, among other things, it is anticipated that the Company will become an indirect subsidiary of PineBridge Investments Japan Co., Ltd., a PCG member company, and will cease to be an affiliate of AIG. As of the date of this Report, the closing of the AIGCI Sale remains pending, subject to the receipt of regulatory approvals and certain conditions precedent.

PineBridge Investments Japan Co., Ltd. filed its change of control application on October 29, 2010. The application is presently under review by the Regulator.

#### **DIRECTORS:**

There was no new appointment / resignation of any director on the Board of the Company, since last reported.

As required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the Board of Directors of the Company comprises 50% directors who are not associate of or associated in any manner with the Sponsor or any of its subsidiaries or the Trustees.

None of the directors of the Company are disqualified for being appointed as directors as specified in Section 274 of the Companies Act, 1956.

#### **BOARD MEETINGS:**

Six board meetings were held during the financial year under review i.e. on April 23, 2010; June 30, 2010; August 26, 2010; October 21, 2010; December 15, 2010 and February 23, 2011.

#### **BRANCHES:**

As at March 31, 2011, the Company had branches in 11 cities viz. Ahmedabad, Bangalore, Chandigarh, Chennai, Hyderabad, Kolkata, Lucknow, Mumbai, New Delhi, Pune and Vadodara. In an effort to improve accessibility to customers, your Company had appointed 229 Investor Service Centres of Computer Age Management Services Private Limited (CAMS – Registrar & Transfer Agents) as additional points of acceptance for transactions in the Fund and also to answer investor and distributor queries.

#### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:**

- (a) As the Company does not have any manufacturing activities, particulars required to be disclosed with respect to the conservation of energy and technology absorption in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.
- (b) Information regarding foreign exchange earnings and expenditure is contained in point “9(b)” of the Notes to the financial statements.

#### **PARTICULARS OF EMPLOYEES:**

Particulars of employees required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees) Amendment Rules, 2011 as amended from time to time are given in the Annexure forming part of this Report.

#### **AUDITORS:**

Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company holds office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointments, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibilities Statement, your directors state that:

- (i) In the preparation of the annual accounts for the period ended March 31, 2011, the applicable accounting standards had been followed.
- (ii) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of March 31, 2011 and of the profit or loss of the Company for the period ended on that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- (iv) The accounts of the Company for the financial period ended March 31, 2011 have been prepared on a 'going concern' basis.

**ACKNOWLEDGEMENT:**

The Directors wish to place on record their appreciation to the employees of the Company for their dedication and commitment. Further, the Directors acknowledge the unstinted loyalty of unit-holders who have reposed their confidence in the Company. The Directors also recognise the critical role of the personnel at the investor service centres, distributors and other service providers for their ongoing commitment.

The Directors acknowledge the valuable support and guidance given by the Securities and Exchange Board of India and Reserve Bank of India. The Directors wish to thank the Bankers for their ongoing assistance.

**For and on behalf of the Board of Directors  
For AIG Global Asset Management Company (India) Private Limited**

Place : Mumbai  
Date : June 30, 2011

Director

Director

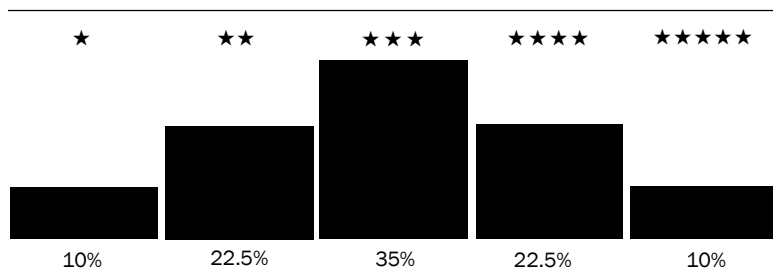
**\*RANKING METHODOLOGY**

Morningstar Rating Methodology :

PineBridge India Equity Fund has been rated **5-star** by Morningstar. The Morningstar Rating™ is a quantitative assessment of a fund's past performance - both return and risk - as measured from one to five stars. It uses focused comparison groups to better measure fund manager skill. As always, the Morningstar Rating™ is intended for use as the first step in the fund evaluation process. A high rating alone is not a sufficient basis for investment decisions.

The Morningstar Rating™ for funds methodology rates funds based on an enhanced Morningstar Risk-Adjusted Return measure, which also accounts for the effects of all sales charges, loads, or redemption fees. Funds are ranked by their Morningstar Risk-Adjusted Return scores and stars are assigned using the following scale:

- Top 10% : 5-star
- Next 22.5% : 4-star
- Next 35% : 3-star
- Next 22.5% : 2-star
- Bottom 10%: 1-star



Funds are rated for up to three periods - the trailing three, five, and 10 years.

Lipper Award Methodology:

**PineBridge India Equity Fund**

PineBridge India Equity Fund (a Dublin domiciled India dedicated offshore fund advised by AIG Investments, India) was awarded Best Fund over Five Years in the Equity India category in twelve countries - Austria, Europe, France, Germany, Hong Kong, Italy, Netherlands, Nordics, Switzerland, Spain, Taiwan, UK - at the Lipper Fund Awards 2011. The fund was also awarded Best Fund over three Years in the Equity India category in Italy.

The Lipper Awards highlights funds registered for sale in the respective country as of December 31, 2010 with at least 36 months of performance history as of the said date.

For complete details on the Award methodology, please visit <http://www.lipperweb.com>.

**Falcon Gold Equity Fund**

The Lipper Fund Award program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to peers. Lipper designates award winning funds in most individual classifications for the 3, 5 and 10 year periods. In addition, the Lipper Fund Awards program spotlights fund families with high average scores for all funds within particular asset class or overall. The Lipper Award 2011 highlights funds registered for sale in the respective country as of December 2010 with atleast 36 months of performance history as of the said date. For complete details on the Awards Methodology, please visit <http://www.lipperweb.com>.

## **Auditors' Report**

### **To the Members of AIG Global Asset Management Company (India) Private Limited**

1. We have audited the attached Balance Sheet of AIG Global Asset Management Company (India) Private Limited ("The Company"), as at March 31, 2011 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by 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 sub-section (3C) of Section 211 of the Act.
  - (e) On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011;
- (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date;
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sd/-  
**Alpa Kedia**  
Partner

Mumbai  
June 30, 2011

Membership Number : F-100681

**Annexure referred to in paragraph 4 of the Auditor's Report of even date to the Members of AIG Global Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2011**

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets of the Company have been physically verified by the Management after the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. The Company did not have any inventory during the year. Hence, the requirements of clause (ii) of paragraph 4 of the said Order are not applicable to the Company.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.  
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the 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 other material statutory dues as applicable with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax, wealth tax, custom duty, excise duty and cess as at March 31,2011 which have not been deposited on account of any dispute.

**Annexure referred to in paragraph 4 of the Auditor's Report of even date to the Members of AIG Global Asset Management (India) Private Limited on the financial statements for the year ended March 31, 2011 (Contd.)**

The particular of dues of income tax as at March 31, 2011 which have not been deposited on account of a dispute is as follows :

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Amount (₹)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Income Tax Act, 1961	Income tax including interest as applicable	910,720	Assessment Year 2007-2008	Income Tax Appellate Tribunal

10. As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable for the year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

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

Sd/-  
**Alpa Kedia**  
Partner

Mumbai  
June 30, 2011

Membership Number : F-100681

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2011**

	Schedules	March 31, 2011 (₹)	March 31, 2011 (₹)	March 31, 2010 (₹)
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Capital	1		419,780,000	220,680,000
Share application money			-	22,800,000
Reserves and surplus	2		882,320,000	882,320,000
<b>TOTAL</b>			<b>1,302,100,000</b>	<b>1,125,800,000</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross block	3	48,144,078		62,588,633
Less : Depreciation		42,049,913		49,395,468
Net block			6,094,165	13,193,165
<b>Investments</b>	4		209,133,164	132,076,786
<b>Current Assets, Loans and Advances</b>				
Sundry debtors	5	17,867,753		14,810,201
Cash and bank balances	6	2,515,301		2,485,503
Loans and advances	7	34,239,833		70,184,166
			54,622,887	87,479,870
Less:				
<b>Current Liabilities and Provisions</b>				
Liabilities	8	116,597,190		74,161,357
Provisions		6,730,010		4,704,860
			123,327,200	78,866,217
<b>Net Current Assets</b>			(68,704,313)	8,613,653
<b>Profit and Loss Account</b>			1,155,576,984	971,916,396
<b>TOTAL</b>			<b>1,302,100,000</b>	<b>1,125,800,000</b>

Notes to the Financial Statements 12

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

This is the Balance Sheet referred to in our report of even date For and on behalf of the Board of Directors

**Price Waterhouse**

Firm Registration Number : 301112 E

Chartered Accountants

**Alpa Kedia**

Partner

Membership Number : F100681

Place : Mumbai

Date : June 30, 2011

**Director**

**Director**

**Sunil Mehta**  
Chief Executive  
Officer

**Prateek Jain**  
Chief Financial Officer  
& Head Risk Management

**Sonal Barot**  
Head Compliance  
& Company Secretary

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

	Schedules	April 1, 2010 to March 31, 2011 (₹)	April 1, 2009 to March 31, 2010 (₹)
<b>INCOME</b>			
Management fees - Gross (Tax deducted at source ₹ 832,842 (Previous year: Nil))		63,087,190	99,428,273
Advisory fees		50,325,865	28,582,448
Other income	9	12,123,325	27,762,211
<b>TOTAL</b>		<b>125,536,380</b>	<b>155,772,932</b>
<b>EXPENDITURE</b>			
Employee costs	10	200,455,873	152,459,153
Administrative and other expenses	11	101,254,259	114,444,189
Depreciation		7,486,836	15,425,773
<b>TOTAL</b>		<b>309,196,968</b>	<b>282,329,115</b>
<b>Loss Before Taxation</b>		<b>(183,660,588)</b>	<b>(126,556,183)</b>
Less: Provision for taxation			
- Current tax (Refer Schedule 12 - Note 3)		-	-
<b>Loss After Taxation</b>		<b>(183,660,588)</b>	<b>(126,556,183)</b>
<b>Add: Balance brought forward from previous year</b>		<b>(971,916,396)</b>	<b>(845,360,213)</b>
<b>Balance carried to Balance Sheet</b>		<b>(1,155,576,984)</b>	<b>(971,916,396)</b>
<b>Earning per share on equity shares of face value of ₹ 10 each</b>			
<b>Basic and Diluted (Refer Schedule 12 - Note 10)</b>		<b>(5.92)</b>	<b>(5.74)</b>
<b>Notes to the Financial Statements</b>	12		

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

This is the Profit and Loss Account referred to in our report of even date For and on behalf of the Board of Directors

**Price Waterhouse**

Firm Registration Number : 301112 E  
Chartered Accountants

**Director**

**Director**

**Alpa Kedia**

Partner  
Membership Number : F100681  
Place : Mumbai  
Date : June 30, 2011

**Sunil Mehta**  
Chief Executive  
Officer

**Prateek Jain**  
Chief Financial Officer  
& Head Risk Management

**Sonal Barot**  
Head Compliance  
& Company Secretary

## AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2011

	April 1,2010 to March 31,2011 (₹)	April 1,2009 to March 31,2010 (₹)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss Before Taxation	(183,660,588)	(126,556,183)
Adjustments for:		
Depreciation	7,486,836	15,425,773
(Profit)/ Loss on sale of Current Investments	(7,781,646)	(6,869,279)
(Profit) / Loss on disposal of Fixed assets	2,093,075	14,613
Dividend on Current Investments	(374,732)	(72,587)
Provision no longer required written back	(3,959,951)	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(186,197,006)</b>	<b>(118,057,663)</b>
Adjustments for:		
(Increase) / Decrease in loans and advances	36,777,175	18,289,442
(Increase) / Decrease in sundry debtors	(3,057,552)	(3,291,791)
Increase / (Decrease) in current liabilities	46,395,784	14,583,871
Increase / (Decrease) in provision for gratuity	2,025,150	64,510
<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>	<b>(104,056,449)</b>	<b>(88,411,631)</b>
Direct taxes paid	(832,842)	(1,210,720)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>(104,889,291)</b>	<b>(89,622,351)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(3,349,912)	(1,740,224)
Proceed from sale of fixed assets	869,001	848,290
Purchase of investments	(1,092,091,434)	(666,174,246)
Sale of investments	1,022,816,702	658,201,658
Dividend on Current Investments	374,732	72,587
<b>NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (B)</b>	<b>(71,380,911)</b>	<b>(8,791,935)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	176,300,000	97,700,000
Interest on other financial charges	-	-
Intercompany deposits borrowed	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>176,300,000</b>	<b>97,700,000</b>
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	<b>29,798</b>	<b>(714,286)</b>
Cash And Cash Equivalents At The Beginning Of The Year	2,485,503	3,199,789
Cash And Cash Equivalents At The End Of The Year	<b>2,515,301</b>	<b>2,485,503</b>
	<b>29,798</b>	<b>(714,286)</b>

#### Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and cash equivalent at the year end includes cash balance ₹ 42,856 (Previous year ₹ 25,043) and bank balances ₹ 2,472,445 (Previous year ₹ 2,460,460).

This is the Cash Flow Statement referred to in our report of even date For and on behalf of the Board of Directors

#### Price Waterhouse

Firm Registration Number : 301112 E

Chartered Accountants

Director

Director

#### Alpa Kedia

Partner

Membership Number : F100681

Place : Mumbai

Date : June 30, 2011

**Sunil Mehta**  
Chief Executive  
Officer

**Prateek Jain**  
Chief Financial Officer  
& Head Risk Management

**Sonal Barot**  
Head Compliance  
& Company Secretary

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

	<b>March 31, 2011</b> (₹)	<b>March 31, 2010</b> (₹)
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
45,000,000 (Previous year: 25,000,000) Equity shares of ₹ 10 each	450,000,000	250,000,000
<b>Note :</b>		
(i) The authorised capital of the company has been increased from ₹ 250,000,000 to ₹ 450,000,000 by creation of 20,000,000 equity shares of ₹ 10 each pursuant to ordinary resolution passed at the extra ordinary general meeting of the company held on June 4, 2010 and October 6, 2010.		
(ii) Subsequent to year end, the authorised capital of the company has been increased from ₹ 450,000,000 to ₹ 480,000,000 by creation of 3,000,000 equity shares of ₹ 10 each pursuant to ordinary resolution passed at the extra ordinary general meeting of the company held on May 13,2011		
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
41,978,000 (Previous year: 22,068,000) equity shares of ₹ 10 each fully paid up.	419,780,000	220,680,000
<b>Notes :</b>		
(i) All the above shares are held by the holding company, AIG Capital India Private Limited and its nominee.		
(ii) During the year:		
Pursuant to resolutions passed in the extraordinary general meetings (EGM) and annual general meeting (AGM) as stated below, held during the year, 19,910,000 shares of ₹ 10 each have been allotted for cash to AIG Capital India Private Limited, the holding company, at par.		
Date of Meetings Numbers of Shares allotted		
June 4, 2010 (EGM)	2,280,000	
June 28,2010 (EGM)	2,349,000	
July 20,2010 (AGM)	2,306,000	
October 29,2010 (EGM)	8,200,000	
February 24,2011 (EGM)	2,275,000	
March 30,2011 (EGM)	2,500,000	
<b>TOTAL</b>	<b>419,780,000</b>	<b>220,680,000</b>
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
As per last balance sheet	882,320,000	822,400,000
Added during the year	-	59,920,000
<b>TOTAL</b>	<b>882,320,000</b>	<b>882,320,000</b>

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

**SCHEDULE 3 - FIXED ASSETS (at cost)**

Particulars	COST/BOOK VALUE			DEPRECIATION /AMORTISATION			NET BLOCK	
	As at April 1, 2010	Additions during the year	Deductions during the year	As at March 31, 2011	For the year	Deletions during the year	As at March 31, 2011	As at March 31, 2010
Leasehold improvements	28,253,256	2,833,298	(16,191,382)	14,895,172	4,537,025	(13,574,519)	11,456,855	7,758,907
Furniture and fixtures	503,208	6,884	-	510,092	122,184	-	417,839	207,553
Computers	23,445,845	400,981	-	23,846,826	632,572	-	23,019,037	1,059,380
Software	3,251,500	28,000	-	3,279,500	862,081	-	2,990,604	1,122,977
Office equipments	7,134,824	80,749	(1,603,085)	5,612,488	1,332,974	(1,257,872)	4,165,578	3,044,348
<b>TOTAL</b>	<b>62,588,633</b>	<b>3,349,912</b>	<b>(17,794,467)</b>	<b>48,144,078</b>	<b>7,486,836</b>	<b>(14,832,391)</b>	<b>42,049,913</b>	<b>13,193,165</b>
<b>PREVIOUS YEAR</b>	<b>63,250,028</b>	<b>1,740,224</b>	<b>(2,401,619)</b>	<b>62,588,633</b>	<b>15,425,773</b>	<b>(1,538,716)</b>	<b>49,395,468</b>	<b>13,193,165</b>

(₹)

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

	<u>March 31, 2011</u> (₹)	<u>March 31, 2010</u> (₹)
<b>SCHEDULE 4</b>		
<b>INVESTMENTS</b>		
<b>(Refer Schedule 12 - Note 4)</b>		
<b>CURRENT INVESTMENTS (Non-Trade)</b>		
<b>(at cost or market/fair value whichever is lower)</b>		
<b>Unquoted, fully paid up</b>		
54,610.443 (Previous Year: 3,816.131) units of ₹ 1,000 each of AIG India Liquid Fund Super -Institutional Growth Fund	68,185,842	4,498,905
100.933 (Previous Year : 292.713) units of ₹ 1,000 each of AIG India Liquid Fund - Institutional - Weekly Dividend Option	101,032	292,996
199.193 (Previous Year : 190.008) units of ₹ 1,000 each of AIG India Liquid Fund Super Institutional Weekly Dividend Option	199,442	190,242
171.207 (Previous Year : 163.245) units of ₹ 1,000 each of AIG India Liquid Fund Super Institutional Daily Dividend - Dividend payout option	171,215	163,243
113.509 (Previous Year : 108.315) units of ₹ 1,000 each of AIG India Liquid Fund Institutional Daily Dividend - Dividend payout option	113,608	108,407
103.676 (Previous Year : 928.640) units of ₹1,000 each of AIG India Liquid Fund Institutional Growth Option	115,414	1,033,775
12,893.503 (Previous Year : 12,265.187) units of ₹ 10 each of AIG India Treasury Fund Institutional Daily Dividend Option	129,076	122,786
3,878,118.322 (Previous Year : 10,386,445.251) units of ₹ 10 each of AIG India Treasury Fund Super Institutional Growth Option	48,746,471	124,340,823
7,111,041.035 (Previous Year : 12,602.788) units of ₹ 10 each of AIG India Treasury Fund Institutional Growth Option	90,372,616	149,884
2,810.545 (Previous Year : 12,611.111) units of ₹ 10 each of AIG India Treasury Fund Institutional Monthly Dividend Option	28,135	126,249
12,885.777 (Previous Year : 12,262.496) units of ₹ 10 each of AIG India Treasury Fund Institutional Weekly Dividend Option	129,000	122,760
13,968.562 (Previous Year : 13,283.707) units of ₹ 10 each of AIG India Treasury Fund Super Institutional Monthly Dividend Option	139,866	133,010
10,099.056 (Previous Year : 22,038.948) units of ₹ 10 each of AIG India Treasury Fund Super Institutional Weekly Dividend Option	101,003	220,406
19,290.565 (Previous Year : 18,335.505) units of ₹ 10 each of AIG India Treasury Fund Super Institutional Daily Dividend Option	193,118	183,557
13.053 (Previous Year : 13.053) units of ₹ 1,000 each of AIG Short Term Fund Institutional Growth Option	13,053	13,052
87.036 (Previous Year : 83.035) units of ₹ 1,000 each of AIG Short Term Fund Institutional Monthly Dividend Option	87,123	83,117
70.100 (Previous Year : 66.855) units of ₹ 1,000 each of AIG Short Term Fund Institutional Weekly Dividend Option	70,169	66,920
236.958 (Previous Year : 226.655) units of ₹ 1,000 each of AIG Quarterly Interval Fund Series II Institutional Dividend Option	236,981	226,654
<b>TOTAL</b>	<b><u>209,133,164</u></b>	<b><u>132,076,786</u></b>
Aggregate value of Unquoted Investments : At net asset value	<b>2 09,133,164</b>	<b>132,076,786</b>

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

	<u>March 31, 2011</u> (₹)	<u>March 31, 2010</u> (₹)
<b>SCHEDULE 5</b>		
<b>SUNDRY DEBTORS</b>		
Unsecured, considered good		
Outstanding		
- for more than six months	-	-
- for less than six months	17,867,753	14,810,201
<b>TOTAL</b>	<b><u>17,867,753</u></b>	<b><u>14,810,201</u></b>
<b>SCHEDULE 6</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	42,856	25,043
Balances with scheduled bank on - current account	2,472,445	2,460,460
<b>TOTAL</b>	<b><u>2,515,301</u></b>	<b><u>2,485,503</u></b>
<b>SCHEDULE 7</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Advances recoverable in cash or in kind or for value to be received	11,076,215	7,119,979
Deposits	4,675,784	45,409,195
Advance Tax including tax deducted at source and other tax payments	18,487,834	17,654,992
<b>TOTAL</b>	<b><u>34,239,833</u></b>	<b><u>70,184,166</u></b>
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry creditors *(other than small scale industrial undertakings/Companies registered under Micro, Small and Medium Enterprise Development Act, 2006#)	113,250,190	70,422,173
Other liabilities	3,347,000	3,739,184
<b>TOTAL</b>	<b><u>116,597,190</u></b>	<b><u>74,161,357</u></b>
<b>PROVISIONS</b>		
Gratuity	6,730,010	4,704,860
<b>TOTAL</b>	<b><u>6,730,010</u></b>	<b><u>4,704,860</u></b>

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

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



**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

	April 1, 2010 to March 31, 2011 (₹)	April 1, 2009 to March 31, 2010 (₹)
<b>SCHEDULE 11 (Contd.)</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
<b>(Refer Schedule 12 - Note 7)</b>		
Brokerage and commission	7,880,904	15,115,302
Memberships, subscriptions and registration fees	5,981,297	5,598,144
Auditor's remuneration		
Audit fees	675,000	600,000
Other services	12,600	-
Director's sitting fees	220,000	180,000
Insurance	1,750,632	2,402,433
Rates and taxes (including ₹ 599,100 (Previous year ₹ 74,900) stamp duty on allotment of share capital)	2,173,598	785,365
Loss on sale of fixed asset	2,093,075	14,613
Exchange loss (Net)	-	370,067
Miscellaneous	210,369	435,510
<b>TOTAL</b>	<b>101,254,259</b>	<b>114,444,189</b>

## AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED

### SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

#### Schedule 12 : Notes to the Financial Statements

##### 1. Background

AIG Global Asset Management Company (India) Private Limited (the "Company") was incorporated on October 30, 2006 as a private limited company under the Companies Act, 1956 of India.

The Company's principal activity is to act as an investment manager to AIG Global Investment Group Mutual Fund ('the Fund'). The Company is registered as an investment manager with Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996. The principal business of the Company is to provide management advisory and administrative services to the Fund in accordance with the Investment Management Agreement dated December 15, 2006 between AIG Trustee Company (India) Private Limited and the Company.

##### 2. Significant Accounting Policies:

###### (a) Basis for Preparation of Financial Statements:

The financial statements are prepared to comply in all material aspects with all the accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

###### (b) Revenue Recognition:

- (i) Investment management fees are accounted on an accrual basis in accordance with the Investment Management Agreement and are dependent on the net asset value as recorded by the schemes of AIG Global Investment Group Mutual Fund.
- (ii) Advisory Income are accounted on accrual basis in accordance with agreement with PineBridge Investment Corporation (Asia) Limited (Formerly know as AIG Global Investments Corporation (Asia) Limited)
- (iii) Dividend and interest income are recorded on an accrual basis.

###### (c) Fixed Assets and Depreciation:

- (i) Fixed assets are stated at cost inclusive of incidental expenses less accumulated depreciation.
- (ii) The depreciation on fixed assets is provided using straight line method on a pro-rata basis over the useful life of the asset or at rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher. The following economic life has been considered:

Leasehold Improvements	Over the unexpired period of lease
Furniture and Fixtures	4 Years
Motor Car	4 Years
Computer	3 Years
Software	3 Years
Office Equipments	5 Years

- (iii) Fixed assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED****SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011*****(d) Investments :***

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year 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 accounted at cost and any decline in the carrying value other than temporary in nature is provided for. Current investments are valued at cost or market / net asset value, whichever is lower.

***(e) Foreign Currency Transactions:***

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction date. Realized gains and losses on settlement of foreign currency transactions are recognized in the Profit and Loss Account. Foreign currency assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange difference is recognized in the Profit and Loss Account.

***(f) Taxes on Income:***

Current tax is determined as the amount payable in respect of taxable income for the year.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is not recognized unless there is virtual certainty that sufficient future taxable income will be available against which the deferred tax asset can be realized.

***(g) Employee Benefits:***

Long Term Employee Benefits

***(i) Defined Contribution Plan***

The Company has defined contribution plan for post employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of employees. The Company has no further obligation beyond making the contributions.

The Company's contribution to the above Plan is charged to the Profit and Loss Account as incurred.

***(ii) Defined Benefit Plan***

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

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

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

## AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED

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

**(h) Preliminary expenses:**

Preliminary expenses are charged to the Profit and Loss Account in the year in which they are incurred.

**(i) Provisions and Contingencies:**

A provision is created when there is a 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.

Contingent liability is disclosed when there is a possible or present obligation that may but probably will not, require an outflow of resources. When there is a possible or present obligation where the likelihood of outflow of resources is remote, provision or disclosure is not made.

### 3. Taxation

(a) Pursuant to an order passed under section 143(3) of the Income tax Act, 1961 for assessment year 2007-08, the Company has received a demand notice from the Income Tax Department aggregating ₹1,821,440 which is not provided in the books. The Company had filed an appeal against the said order to the Commissioner of Income Tax (Appeals) who also upheld the order passed by the Assessing officer. The Company has filed an appeal with the Income Tax Tribunal against the order of the Commissioner of Income Tax (Appeals). The Company has paid 50% (i.e. ₹ 910,720) of the demand raised and balance 50% of demand is kept in abeyance till the final ruling of the appeal by the appellate authorities.

(b) No provision for current tax has been made in view of taxable loss for the period.

(c) Deferred Tax:

The Company has not recognized deferred tax asset as in the opinion of the management there is no virtual certainty supported by convincing evidence that sufficient taxable income will be available in future years against which such deferred tax asset can be realised.

### 4. The following investments have been purchased and sold during the year:

Particulars	March 31, 2011		March 31, 2010	
	Purchase	Sale	Purchase	Sale
Units of ₹ 1,000 each of AIG India Liquid Fund - Super Institutional Growth Option	66,155.154	15,360.842	104,904.890	102,845.989
Units of ₹ 1,000 each of AIG India Liquid Fund - Institutional-Weekly Dividend Option	13.914	205.694	9.274	-
Units of ₹ 1,000 each of AIG India Liquid Fund - Super Institutional Weekly Dividend	9.185	-	6.162	-
Units of ₹ 1,000 each of AIG India Liquid Fund - Institutional-Daily Dividend- Dividend payout Option	5.194	-	3.269	-
Units of ₹ 1,000 each of AIG India Liquid Fund - Super Institutional Daily Dividend- Dividend payout Option	7.962	-	5.299	-
Units of ₹ 1,000 each of AIG India Liquid Fund - Institutional Growth Option	-	824.964	-	-
Units of ₹ 10 each of AIG India Treasury Fund - Institutional Weekly Dividend	623.281	-	478.718	-
Units of ₹ 10 each of AIG India Treasury Fund - Institutional Growth Option	37,158,165.532	30,059,727.285	15,634,933.099	15,631,430.652

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

**4. The following Investments have been purchased and sold during the year : (Contd.)**

Particulars	March 31, 2011		March 31, 2010	
	Purchase	Sale	Purchase	Sale
Units of ₹ 10 each of AIG India Treasury Fund - Super Institutional Growth Option	43,116,480.225	49,624,807.154	30,573,186.673	24,329,315.043
Units of ₹10 each of AIG India Treasury Fund - Institutional Daily Dividend - Dividend payout Option	628.316	-	479.758	-
Units of ₹ 10 each of AIG India Treasury Fund - Institutional Monthly Dividend	167.536	9,968.102	496.517	-
Units of ₹ 10 each of AIG India Treasury Fund - Super Institutional Monthly Dividend	684.855	-	533.397	6,533,994.701
Units of ₹ 10 each of AIG India Treasury Fund - Super Institutional Weekly Dividend	1,139.050	13,078.942	877.577	-
Units of ₹ 10 each of AIG India Treasury Fund - Super Institutional Daily Dividend	955.060	-	731.554	-
Units of ₹ 1,000 each of AIG Short Term Fund - Institutional Monthly Dividend	4.001	-	3.933	-
Units of ₹ 1,000 each of AIG Short Term Fund - Institutional Weekly Dividend	3.245	-	3.097	-
Units of ₹ 1,000 each of AIG Quarterly Interval Fund Series II - Institutional Dividend	10.303	-	6.937	100.000
Units of ₹ 1,000 each of AIG Quarterly Interval Fund Series II - Retail Dividend	16734.472	16,734.472	-	-

**5. Employee Benefits :**

The Company has classified the various benefits provided to employees as follows :-

(i) Defined Contribution Plan - Provident Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Provident Fund	₹ 4,521,297 *(Previous year ₹ 5,326,675)
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\* Included in Contribution to provident and other funds (Refer Schedule 10)

(ii) Defined Benefit Plan - Contribution to Gratuity Fund

Disclosures for defined benefit plan for gratuity based on actuarial reports as of March 31, 2011:

	Amount in ₹	
	March 31, 2011	March 31, 2010
<b>(i) Change in defined benefit obligations</b>		
Opening defined benefit obligation	4,704,860	4,640,350
Current service cost	1,593,410	2,156,770
Interest cost	404,620	389,790
Actuarial (gain) / loss	27,120	(2,482,050)
Liability transferred to Group Companies	-	-
Benefits paid	-	-
<b>Closing defined benefit obligation</b>	<b>6,730,010</b>	<b>4,704,860</b>

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

**5. Employee Benefits : (Contd.)**

	Amount in ₹	
	March 31, 2011	March 31, 2010
<b>(ii) Change in fair value of plan assets</b>		
Opening fair value of assets	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Contributions by employer	-	-
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>
<b>(iii) Amount recognised in the balance sheet</b>		
Present value of obligation as at year end	6,730,010	4,704,860
Fair value of plan assets as at year end	-	-
<b>Net (asset) / liability recognised in the balance sheet</b>	<b>6,730,010</b>	<b>4,704,860</b>
<b>(iv) Expenses recognised in the profit and loss account</b>		
Current service cost	1,593,410	2,156,770
Interest on defined benefit obligation	404,620	389,790
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the current year	27,120	(2,482,050)
Gains on transfer of liability to Group Companies	-	-
<b>Total expense/(gain) recognised in the profit and loss account</b>	<b>2,025,150</b>	<b>64,510</b>
<b>(v) Principal actuarial assumptions</b>		
Interest rate (per annum)		
Discount rate (per annum)	8.40%	8.60%
Expected rate of return on assets (per annum)	0.00%	0.00%
Salary Escalation Rate	8.00%	8.00%
Attrition rate (per annum)		
Retirement age	58	58
Actuarial gain/loss is recognised immediately		

The estimates of future salary increases, considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

## AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED

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

#### 5. Employee Benefits : (Contd.)

##### (vi) Experience adjustments

	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	(6,730,010)	(4,704,860)	(4,640,350)	(2,769,560)
Plan assets	-	-	-	-
Surplus / (deficit)	-	-	-	-
Experience adjustments on plan liabilities	158,980	2,141,590	491,240	205,320
Experience adjustments in plan assets	-	-	-	-

#### 6. Operating Leases

- (a) The Company has taken various offices and residential premises under operating lease or leave and license agreements. These are generally cancellable or renewable at the option of the Company and range between 11 months to 72 months.
- (b) ₹ 36,482,274 (previous year ₹ 31,192,403 ) being lease rentals are recognized in the Profit and Loss Account under the heads 'Rent' under Schedule '11'.
- (c) The future minimum lease payments under non cancellable operating lease – not later than one year is ₹ Nil (previous year: ₹14,329,778) and later than one year but not later than five years is ₹ Nil (previous year ₹ Nil).

#### 7. Scheme Expenses

- Administrative and Other Expenses include ₹ 8,437,169 (previous year ₹ 18,513,988) incurred towards the ongoing promotion and distribution of the Schemes of AIG Global Investment Group Mutual Fund during the year as under :

Particulars	From April 1, 2010 to March 31, 2011 (₹)	From April 1, 2009 to March 31, 2010 (₹)
Printing and stationery	118,656	14,62,398
Advertising and publicity	437,609	1,936,288
Brokerage and commission	7,880,904	15,115,302
<b>Total</b>	<b>8,437,169</b>	<b>18,513,988</b>

#### 8. Related Party Disclosures

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :-

##### (I) Relationships (During the year)

##### A. Related Parties where control exists:

Nature of relationship	Related Party
Holding Company	AIG Capital India Private Limited (Holds 100% of the equity share capital)

## AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED

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

#### 8. Related Party Disclosures (Contd.)

##### B. Other Related Parties:

1. Fellow subsidiaries:
  - AIG Trustee Company (India) Private Limited
  - AIG Home Finance (India) Limited (Upto October 20, 2010)
  - AIG Consumer Financial Services (India) Limited  
(formerly Vivek Hire Purchase and Leasing Limited)  
(Upto October 20, 2010 )
2. Mutual fund managed by the Company:
  - AIG Global Investment Group Mutual Fund
3. Key management personnel:
  - Lochlan McNew (w.e.f. June 22, 2010)
  - Sunil Mehta - Chief Executive Officer (w.e.f. May 10, 2010)
  - Ravi Mehrotra - Chief Executive officer (Upto May 8, 2010)
4. Enterprises over which Director has significant influence:
  - PineBridge Investment (Asia) Limited, Hong Kong. (Upto May 8, 2010)

(II) The following transactions were carried out with related parties in the ordinary course of business

Nature of Transaction	Holding Company	Mutual Fund Managed by Company	Enterprises over which key management personnel have significant influence	Key Management Personnel	Total
Allotment of Equity Shares	199,100,000	-	-	-	199,100,000
<i>Previous year</i>	<i>(14,980,000)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>	<i>(14,980,000)</i>
Securities Premium received	-	-	-	-	-
<i>Previous year</i>	<i>(59,920,000)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>	<i>(59,920,000)</i>
Share Application Money	-	-	-	-	-
<i>Previous year</i>	<i>(22,800,000)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>	<i>(22,800,000)</i>
<i>Investments in Mutual Fund</i>					
Purchase of Units of Schemes	-	1,092,091,434	-	-	1,092,091,434
<i>Previous year</i>	<i>(-)</i>	<i>(6,661,00,000)</i>	<i>(-)</i>	<i>(-)</i>	<i>(6,661,00,000)</i>
Sale / Redemption of Units of Schemes	-	1,022,816,702	-	-	1,022,816,702
<i>Previous year</i>	<i>(-)</i>	<i>(651,332,379)</i>	<i>(-)</i>	<i>(-)</i>	<i>(651,332,379)</i>
Dividend Received	-	374,732	-	-	374,732
	<i>(-)</i>	<i>(74,235)</i>	<i>(-)</i>	<i>(-)</i>	<i>(74,235)</i>

## AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED

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

#### 8. Related Party Disclosures (Contd.)

(II) The following transactions were carried out with related parties in the ordinary course of business

Nature of Transaction	Holding Company	Mutual Fund Managed by Company	Enterprises over which key management personnel have significant influence	Key Management Personnel	Total
Management Fees Received	-	63,087,190	-	-	63,087,190
<i>Previous year</i>	<i>(-)</i>	<i>(99,428,273)</i>	<i>(-)</i>	<i>(-)</i>	<i>(99,428,273)</i>
Advisory Fees Received	-	-	4,394,874	-	4,394,874
<i>Previous year</i>	<i>(-)</i>	<i>(-)</i>	<i>(28,582,448)</i>	<i>(-)</i>	<i>(28,582,448)</i>
Remuneration to Key Management Personnel*	-	-	-	-	-
<i>Previous year</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>	<i>(16,277,631)</i>	<i>(16,277,631)</i>
Receivables	-	4,906,796	-	-	4,906,796
<i>Previous year</i>	<i>(-)</i>	<i>(8,460,139)</i>	<i>(2,467,714)</i>	<i>(-)</i>	<i>(10,927,853)</i>

\*Excludes contribution to gratuity fund, which is based on actuarial valuation.

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

(a) Directors Remuneration:

	April 1, 2010 to March 31, 2011 (₹)	April 1, 2009 to March 31, 2010 (₹)
Salary, allowances, bonus etc	-	14,684,968
Perquisites	-	1,113,668
Contribution to provident and other funds	-	478,995
<b>Total</b>	<b>-</b>	<b>16,277,631*</b>

\* As Alternate Director

- (i) The above remuneration excludes provision for gratuity based on actuarial valuation since this is done on an overall Company basis.
- (ii) Computation of net profit in accordance with Section 309(5) of the Companies Act, 1956 has not been made as no commission is payable to the Directors.

## AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED

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

9. Additional information pursuant to paragraphs 4 and 4D of Part II of Schedule VI of the Companies Act, 1956, as applicable, is given below : (Contd.)

(b) (i) Earnings in Foreign Currency :

	April 1, 2010 to March 31, 2011 (₹)	April 1, 2009 to March 31, 2010 (₹)
Advisory Fees	50,325,865	28,582,448
Amount received pursuant to fees and cost sharing arrangement	-	20,820,345
<b>Total</b>	<b>50,325,865</b>	<b>49,402,793</b>

(ii) Expenditure in Foreign Currency :

	April 1, 2010 to March 31, 2011 (₹)	April 1, 2009 to March 31, 2010 (₹)
Traveling and Conveyance	62,005	471,065
Subscription	54,744	-
Communication	12,44,229	742,069
<b>Total</b>	<b>1,360,978</b>	<b>1,213,134</b>

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

### 10. Earning Per Share

The numerators and denominators used to calculate Basic and Diluted Earnings Per Share :

	April 1, 2010 to March 31, 2011 (₹)	April 1, 2009 to March 31, 2010 (₹)
(Loss) attributable to equity shareholders (₹)	(183,660,588)	(126,556,183)
Weighted average number of equity shares outstanding during the year	31,020,249	22,039,271
Nominal value per share (₹)	10	10
Earning per share		
- Basic and Diluted (Rs.)	(5.92)	(5.74)

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

**11. Segmental Information**

In accordance with Accounting Standard -17, "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's Business Segment is providing Asset Management Services to AIG Global Investment Group Mutual fund and Advisory Services to Pinebridge Investments Asia Limited and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the financial statement as of and for the year ended March 31, 2011. The Company caters to the needs of the domestic market and hence there are no reportable geographic segments.

**12. Proposed change in controlling interest of the company**

On March 26, 2010, as part of its divestiture efforts, AIG Inc ('AIG') announced that it had concluded the previously-announced sale of a portion of AIG Investments, its asset management business, to certain member companies of the Pacific Century Group ("PCG"), an Asia-based private investment concern. The divested portion of the AIG Investment business has been rebranded as PineBridge Investments (PineBridge). Prior to the consummation of the PineBridge sale, AIG and PCG entered into discussions concerning a further possible sale to PCG of AIG Capital India Private Limited ("AIGCI") or its constituent businesses. AIGCI is the direct parent company of the Company.

Following such negotiations and a broader marketing process to identify possible alternative purchasers of AIGCI or its constituent businesses, on October 21, 2010, AIG entered into a Purchase Agreement with Bridge Partners, L.P. ("Bridge"), a member company of PCG, pursuant to which AIG agreed to sell (the "AIGCI Sale"), and Bridge agreed to purchase, all the capital stock of AIGCI that is owned by AIG and its subsidiaries. Upon the consummation of the AIGCI Sale, among other things, it is anticipated that the Company will become an indirect subsidiary of PineBridge Investments Japan Limited, a PCG member company, and will cease to be an affiliate of AIG. The closing of the AIGCI Sale remains pending, subject to the receipt of regulatory approvals from Securities Exchange Board of India (SEBI) and certain conditions precedent.

The Company remains adequately capitalized. The management of the Company has assessed the impact of these events and believes that the above events does not affect the Company's ability to continue as a going concern and accordingly does not require any adjustments to the carrying value of the assets and liabilities of the company as of the closing balance sheet date.

**13. Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classification.**

Signature to Schedules 1 to 12 forms part of the financial statements and to the above notes.

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

**Price Waterhouse**

Firm Registration Number : 301112 E  
Chartered Accountants

**Director**

**Director**

**Alpa Kedia**

Partner  
Membership Number : F100681  
Place : Mumbai  
Date : June 30, 2011

**Sunil Mehta**  
**Chief Executive**  
**Officer**

**Prateek Jain**  
**Chief Financial Officer**  
**& Head Risk Management**

**Sonal Barot**  
**Head Compliance**  
**& Company Secretary**

**AIG GLOBAL ASSET MANAGEMENT COMPANY (INDIA) PRIVATE LIMITED**

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

Balance Sheet abstract and Company's general business profile:

**(a) Registration Details**

Registration Number	U74140MH2006PTC165284
State code	11
Balance Sheet Date	March 31, 2011

**(b) Capital raised during the period (Amount in ₹ '000)**

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**(c) Position of Mobilisation and Deployment of Funds (Amount in ₹ '000)**

Total Liabilities	123,327
Total Assets	269,850

**Source of Funds**

Paid-up Capital	419,780
Reserves and Surplus	882,320
Secured Loans	Nil
Unsecured Loans	Nil

**Application of Funds**

Net Fixed Assets	6,094
Investments	209,133
Deferred Tax Assets (Net)	Nil
Net Current Assets	(68,704)
Miscellaneous Expenditure	Nil
Accumulated Losses	(1,155,577)

**(d) Performance of the Company (Amount in ₹ '000)**

Income	125,536
Total Expenditure	309,197
Loss Before tax	(183,661)
Loss After tax	(183,661)
Earnings Per Share	(5.92)
Dividend Rate (%)	Nil

**(e) Generic Names of Principal Products/Services of Company**

Item Code No. (ITC Code)	NA
Product Description	Asset Management Company

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

Place : Mumbai  
Date : June 30, 2011

**Director**

**Director**