

**SAHARA ASSET MANAGEMENT COMPANY PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2006**

<b>SOURCES OF FUNDS</b>		<b>As at 31.3.2006 RS.</b>	<b>As at 31.03.2005 RS.</b>
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	328,000,000	258,000,000
Reserves & Surplus			
Share Premium Account		22,000,000	22,000,000
<b>TOTAL FUNDS</b>		<b><u>350,000,000</u></b>	<b><u>280,000,000</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	B	19,285,085	14,283,818
Less: Depreciation Reserve		<u>12,744,939</u>	<u>10,201,409</u>
		6,540,146	4,082,409
<b>INVESTMENTS</b>			
	C	108,186,421	124,498,964
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Sundry Debtors	D	13,678,155	11,322,414
Cash and Bank Balances	E	4,785,667	166,569
Loans and Advances	F	21,960,177	28,977,009
		<u>40,424,000</u>	<u>40,465,992</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	G	<u>31,337,181</u>	<u>22,997,217</u>
<b>NET CURRENT ASSETS</b>		9,086,819	17,468,775
<b>MISCELLANEOUS EXPENDITURE</b>			
	H	-	-
<b>PROFIT AND LOSS ACCOUNT</b>			
		226,186,614	133,949,852
<b>TOTAL ASSETS (NET)</b>		<b><u>350,000,000</u></b>	<b><u>280,000,000</u></b>

Significant Accounting Policies and  
Notes to Accounts

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Per our report attached to the Accounts  
**For CHATURVEDI & CO.**  
**CHARTERED ACCOUNTANTS**

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

**S.N. CHATURVEDI**  
Partner

R Balakrishnan  
**DIRECTOR**

C Kamdar  
**DIRECTOR**

Date : 26th September, 2006

**SAHARA ASSET MANAGEMENT COMPANY PRIVATE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH 2006**

		For the Year ended 31.03.2006 Rs.	For the Year ended 31.03.2005 Rs.
<b>INCOME</b>			
Advisory Income	I	7,363,845	13,149,358
Other Income	J	13,067,573	10,882,137
		20,431,418	24,031,495
<b>EXPENDITURE</b>			
Operating and other expenses	K	108,210,250	82,162,418
		108,210,250	82,162,418
LOSS BEFORE DEPRECIATION		(87,778,832)	(58,130,923)
Depreciation		2,543,531	2,212,613
LOSS BEFORE TAXATION AND PRIOR PERIOD EXPENSES		(90,322,363)	(60,343,536)
Prior Period Expenses		1,055,365	-
LOSS BEFORE TAXATION		(91,377,728)	(60,343,536)
Provision for taxation		-	-
Fringe Benefit Tax		859,034.00	-
		859,034.00	-
<b>NET LOSS FOR THE YEAR</b>		(92,236,762)	(60,343,536)
Balance brought forward from previous year		(133,949,852)	(73,606,316)
		(226,186,614)	(133,949,852)
BALANCE CARRIED TO BALANCE SHEET			
<b>Significant Accounting Policies and Notes to Accounts</b>	L		
<b>EARNINGS PER SHARE (See Note - 2e)</b>			
Basic Earnings Per Share		(3.58)	(2.34)
Diluted Earnings Per Share		-	-
Face Value Per Share		10	10

Per our report attached to the Accounts  
**For CHATURVEDI & CO.**  
**CHARTERED ACCOUNTANTS**

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

**S.N. CHATURVEDI**  
Partner

R Balakrishnan  
**DIRECTOR**

C Kamdar  
**DIRECTOR**

**Date : 26th September, 2006**