

NINTH ANNUAL REPORT 2007 - 08

## HDFC Asset Management Company Limited

*A Subsidiary of Housing Development Finance Corporation Limited*



## Board of Directors

Mr. Deepak S. Parekh  
Chairman

### Directors

Mr. Norman Keith Skeoch  
Mr. Mark Connolly  
Mr. Hoshang Billimoria  
Mr. P. M. Thampi  
Dr. Deepak B. Phatak  
Mr. Humayun Dhanrajgir  
Ms. Renu Sud Karnad  
Mr. Rajeshwar R. Bajaj  
Mr. Keki M. Mistry  
Mr. Vijay Merchant

Mr. Milind Barve  
Managing Director

### Auditors

Haribhakti & Co.  
Chartered Accountants

### Bankers

HDFC Bank Ltd.

### Registered Office

Ramon House,  
H.T. Parekh Marg,  
169, Backbay Reclamation,  
Churchgate, Mumbai-400 020.  
Tel. Nos. : 22-6631 6333  
Fax : 22-2204 4304

## Directors' Report

### TO THE MEMBERS

Your Directors have the pleasure in presenting the Ninth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2008.

### Financial Results

	For the year ended March 31, 2008 (Rs. in crore)	For the year ended March 31, 2007 (Rs. in crore)
Profit before Tax	176.86	101.89
Provision for Tax (Net Deferred Tax)	58.51	33.97
Provision for Fringe Benefit Tax	0.62	0.38
Profit after Tax	117.74	67.54
Balance brought forward from previous year	52.40	23.27
Profit available for appropriation	170.14	90.81
Excess provision of Income Tax for earlier years (net)	—	(0.18)
General Reserve	11.77	6.75
Capital Redemption Reserve	25.00	—
Preference Dividend	2.06	2.50
Tax on Preference Dividend	0.35	0.35
Interim Equity Dividend Paid	—	15.10
Tax on Interim Equity Dividend Paid	—	2.12
Proposed Equity Dividend	37.74	10.06
Tax on Proposed Equity Dividend	6.41	1.71
Balance carried to Balance Sheet	86.80	52.40

For the year ended March 31, 2008, the Company posted a net profit of Rs. 117.74 crores as against Rs. 67.54 crores in the previous year, representing a growth of 74.33%. Appropriations from the net profit have been effected as per the table given above.

### Dividend

Your Directors recommend payment of dividend of Rs. 15/- per equity share for the financial year ended March 31, 2008, as against total dividend of Rs. 10/- per equity share for the previous year.

During the year under review, your Directors approved redemption of all the outstanding 10% Non Convertible Redeemable Cumulative

Preference Shares of Rs.10/- each fully paid up (Preference Shares) of the Company in two tranches. On May 30, 2007, your Company redeemed 50,00,000 Preference Shares along with dividend till the date of redemption and Rs. 5,00,00,000 (Rupees Five Crores only), being the nominal value of the Preference Shares redeemed was transferred to 'Capital Redemption Reserve Account' in the books of the Company. Thereafter, the balance outstanding 2,00,00,000 Preference Shares were redeemed on March 26, 2008 along with dividend till the date of redemption and Rs. 20,00,00,000 (Rupees Twenty Crores only) being the nominal value of the Preference Shares redeemed was transferred to 'Capital Redemption Reserve Account' in the books of the Company.

## Review of Operations

Your Directors are pleased to report that :-

❖ During the financial year, HDFC Mutual Fund and Portfolio Management Services achieved a significant growth in the assets under management.

The assets under management for the Mutual Fund as on March 31, 2008 were at Rs. 46,210.68 crores as against Rs. 28,358 crores in the previous year, a growth of 62.95%.

The aggregate assets under investment management / advisory services under Portfolio Management Services were at Rs. 12,706 crores as on March 31, 2008 as against Rs. 8,063 crores as on March 31, 2007, a growth of 57.58%. Discretionary Portfolio Management is provided to High Networth Individuals and Corporate(s) on a segregated basis while advisory services are provided to Foreign Institutional Investors and Domestic Insurance Companies.

During the financial year, your Company offered Real Estate Portfolio Management Services to resident Individuals and Corporate(s) under its Portfolio Management Services and received commitments of Rs. 3,831 crores from 10,169 clients.

The aggregate assets under management of your Company (including the Advisory services) were at Rs. 62,747.68 crores as on March 31, 2008 as compared to Rs. 36,421 crores as on March 31, 2007, showing a growth of 72.28%.

❖ During the year, the total number of accounts under HDFC Mutual Fund has increased from 21,46,451 as at March 31, 2007 to 30,89,686 as at March 31, 2008. Addition of Official Points of Acceptance of transactions for HDFC Mutual Fund was an area of special focus. New Investor Service Centres (ISCs) of Computer Age Management Services Pvt. Ltd. (CAMS), the Registrar and Transfer Agents of HDFC Mutual Fund have been added as part of the list of Official Points of Acceptance for transactions of HDFC Mutual Fund Schemes. Presently, such Official Points of Acceptance are available at 135 locations across the country as compared to 94 locations in the previous year. Your Company has

also expanded its network of ISCs from 29 as on March 31, 2007 to 47 as on March 31, 2008.

❖ In December 2005, your Company opened a representative office in Dubai, United Arab Emirates (UAE) to tap the NRI investment potential. During the year, the representative office in Dubai has grown its assets size to about Rs. 500 crores with over 15,000 investors. The Dubai representative office has expanded its reach in the countries under Gulf Cooperation Council (GCC) namely countries like United Arab Emirates, the Sultanate of Oman, Qatar, the Emirates of Kuwait and Kingdom of Bahrain because of various investor awareness initiatives taken by the AMC along with the distributors. Currently there are 50 distributors who market the schemes of HDFC Mutual Fund in the Middle East.

### Awards

Your Directors are pleased to inform that AMC has retained its "Fund House Level 1" rating assigned by CRISIL for the third successive year. This is its highest Fund Governance and Process Quality rating (FGP). The rating reflects the highest governance levels and fund management practices of the Company. HDFC AMC is the only AMC in India to have been assigned this rating.

Your Directors are also pleased to inform that the following awards were received by schemes of HDFC Mutual Fund during the year under review: -

#### 1] ICRA Mutual Funds Awards 2008 -

❖ HDFC MF Monthly Income Plan - Long Term Plan - Ranked as Seven Star Fund and has been awarded the Gold Award for "Best Performance" in the category of "Open Ended Marginal Equity" for the three year period ending December 31, 2007 amongst 23 schemes.

❖ HDFC High Interest Fund - Short Term Plan - Ranked as Five Star Fund indicating performance among the top 10% in the category of "Open Ended Debt - Short Term" for one year period ending December 31, 2007 amongst 20 schemes.

❖ HDFC Prudence Fund - Ranked as Five Star Fund indicating performance among the top 10% in the category of "Open Ended Balanced"

for the three year period ending December 31, 2007 amongst 16 schemes.

#### 2] CNBC - TV 18 - CRISIL Mutual Fund of the Year Award 2008 -

❖ HDFC Prudence Fund won the CNBC - TV 18 - CRISIL Mutual Fund of the Year Award 2008 in the Most Consistent Balanced Fund under CRISIL ~ CPR for the calendar year 2007 amongst 3 schemes.

❖ HDFC Cash Management Fund - Savings Plan won the CNBC - TV 18 - CRISIL Mutual Fund of the Year Award 2008 in the Most Consistent Liquid Fund under CRISIL ~ CPR for the calendar year 2007 amongst 5 schemes.

❖ HDFC Cash Management Fund - Savings Plan won the CNBC - TV 18 - CRISIL Mutual Fund of the Year Award 2008 in the Liquid Scheme - Retail Category for the calendar year 2007 amongst 19 schemes.

#### 3] Lipper Fund Awards 2008 -

HDFC Equity Fund - Growth was awarded the "Best Fund over Ten Years" in the Equity India Category at the Lipper Fund Awards 2008. It was also awarded the "Best Fund over Ten Years" in 2006 and 2007, making it three in a row.

### Directors

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr. Deepak Parekh, Mr. N. K. Skeoch and Mr. Mark Connolly, Directors, retire by rotation at the ensuing Annual General Meeting. They are eligible for re-appointment.

At the Board meeting held on December 24, 2007, Mr. Keki Mistry and Mr. Vijay Merchant were appointed as Additional Directors of the Company.

Necessary resolutions for the appointment / re-appointment of the aforesaid Directors have been included in the notice convening the Annual General Meeting.

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

The meetings of the Board of Directors are held at the Company's registered office in Mumbai.

Six Board meetings were held during the financial year under review – on April 26, 2007, June 27, 2007, August 3, 2007, October 18, 2007, December 24, 2007 and January 18, 2008.

The attendance of each Director at the meetings of the Board of Directors is as under:

Directors	Number of Board Meetings Attended
(i) Mr. Deepak S. Parekh (Chairman)	6
(ii) Mr. Norman Keith Skeoch	3
(iii) Mr. Mark Connolly	0
(iv) Mr. Humayun Dhanrajgir	3
(v) Mr. Hoshang Billimoria	5
(vi) Mr. P. M. Thampi	6
(vii) Dr. Deepak B. Phatak	4
(viii) Ms. Renu Sud Karnad	6
(ix) Mr. Rajeshwar R. Bajaj	5
(x) Mr. Keki M. Mistry	2
(xi) Mr. Vijay Merchant	2
(xii) Mr. Milind Barve (Managing Director)	6

#### Board Committees

To enable better and more focused attention on the affairs of the Company, the Board has constituted Committees of the Board such as Audit Committee, Remuneration Committee, Risk Management Committee and Customer Services Committee to which specific matters have been delegated from time to time. These Committees prepare the groundwork for decision-making and report at the subsequent Board meeting.

#### Audit Committee

The members of the Audit Committee are Mr. Hoshang Billimoria (Chairman), Mr. P. M. Thampi, Mr. Keki Mistry and Mr. Humayun Dhanrajgir. The Audit Committee has been constituted and functions in accordance with the provisions of Section 292A of the Companies Act, 1956. The Company Secretary acts as the secretary to the Committee. The Committee met 4 times during the financial year under review. The Audit Committee met

prior to the finalization of the accounts for the year ended March 31, 2008.

#### Public Deposits

During the year under review, the Company has not accepted any deposits from the public.

#### Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

(a) Since the Company does not carry out 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) Foreign Exchange earnings and expenditure during the year -

• Foreign exchange: Rs. 5,27,07,065/- earnings (previous year: Rs. 3,40,28,561/-)

• Foreign exchange : Rs. 6,88,68,372/- expenditure (previous year: Rs. 14,05,63,740/-) (including Equity & Preference Dividend)

#### Particulars of Employees

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in the annexure to the Directors' Report.

In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Directors' Report is being sent to the shareholders of the Company excluding the annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

#### Auditors

M/s. Haribhakti & Co., Chartered Accountants, Statutory Auditors of your Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits

prescribed under Section 224(1B) of the Companies Act, 1956.

#### Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 and based on the information provided by the management, your Directors state that:

(i) In the preparation of accounts, the applicable accounting standards have 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, 2008 and of the profit of the Company for year ended on that date.

(iii) Proper and sufficient care has been taken for 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 annual accounts of the Company have been prepared on a going concern basis.

#### Acknowledgements

The Directors acknowledge the valuable assistance, support and guidance given by the Securities and Exchange Board of India, Association of Mutual Funds of India, Reserve Bank of India, bankers, distributors, key partners, Investor Service Centres and other service providers. The Directors would like to convey their gratitude to Housing Development Finance Corporation Limited and Standard Life Investments Limited and look forward to their continued support.

The Directors wish to place on record their appreciation to employees at all levels for their dedication and commitment.

The Directors also acknowledge the faith reposed in HDFC Mutual Fund by its investors and look forward to their continued support.

On behalf of the Board of Directors

MUMBAI  
April 23, 2008

DEEPAK S. PAREKH  
Chairman



## Auditors' Report

### TO THE MEMBERS OF HDFC ASSET MANAGEMENT COMPANY LIMITED

We have audited the attached Balance Sheet of HDFC ASSET MANAGEMENT COMPANY LIMITED as at 31<sup>st</sup> March, 2008, the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, 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.

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 presentation of the Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

(I) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, on the basis of such checks of the books and records as we considered appropriate and the information and explanations given to us during

the course of the audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent they are applicable to the Company.

(II) Further to our comments in the Annexure referred to in paragraph I above, we report as under:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such 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 the section 211 of the Companies Act, 1956 to the extent they are applicable to the Company;

(e) on the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2008 and taken on record by the Board of Directors of the

Company, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(f) in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and Cash Flow Statement read together with Notes thereon give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008,

(ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date and

(iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For HARIBHAKTI & CO.,  
Chartered Accountants

Chetan Desai  
Partner

MUMBAI  
April 23, 2008

Membership No: 17000

## Annexure to the Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF HDFC ASSET MANAGEMENT COMPANY LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2008.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. The Company has physically verified the fixed assets in accordance with a programme of verification, which in our opinion provides for physical verification of all fixed assets at reasonable intervals. It was explained to us that there were no material discrepancies noticed on physical verification.
3. During the year, the Company has not disposed off a major part of the fixed assets.
4. The Company has neither granted nor taken any loans, secured or unsecured from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
6. Based on the audit procedures applied by us and according to the information and

explanations provided by the management, we are of the opinion that the Company has not entered into any transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.

7. The Company has not accepted any deposits from the public.
8. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
9. We are informed that no cost records are required to be maintained by the Company under section 209(1)(d) of the Companies Act, 1956.
10. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, wealth tax, service tax and any other statutory dues applicable to it.
11. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax and service tax were outstanding as at 31<sup>st</sup> March, 2008 for a period of more than six months from the date they became payable.
12. According to the information and explanations given to us by the Company, there is a disputed amount payable in respect of income tax as at 31<sup>st</sup> March, 2008. The details of disputed dues is as under:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	3,67,497/-	A.Y. 2003-2004	The Company has filed an appeal against Income Tax Officer's Assessment Order with the Commissioner of Income Tax (Appeals).
Income Tax Act, 1961.	Income Tax	25,30,706/-	A.Y. 2005-2006	The Company has filed an appeal against Additional CIT with the Commissioner of Income Tax (Appeals).

13. The Company has neither accumulated losses as at 31<sup>st</sup> March, 2008 nor has it incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

14. The Company has not taken any loan from Financial Institution, Bank and the Company has not issued any Debentures.

15. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

16. The Company has not dealt or traded in shares, securities, debentures and other investments during the year.

17. The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.

18. The Company has not taken term loans during the year.

19. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not used funds raised on short-term basis for long-term investment.

20. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

21. The Company has not issued any Debentures during the year.

22. The Company has not raised any money by public issue during the year.

23. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company or by the Company has been noticed or reported during the course of our audit.

24. The clause (ii) and (xiii) of para 4 are not reported upon as these are not applicable to the Company.

For HARIBHAKTI & CO.,  
Chartered Accountants

Chetan Desai  
Partner

MUMBAI  
April 23, 2008

Membership No: 17000

## Balance Sheet as at March 31, 2008

	Schedule	Rupees	Rupees	March 31, 2007 Rupees
<b>FUNDS EMPLOYED</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Share Capital	1		25,16,10,000	50,16,10,000
Employee Stock Options Outstanding			49,70,600	—
Reserves and Surplus	2		166,59,71,217	95,42,67,094
<b>TOTAL</b>			<u>192,25,51,817</u>	<u>145,58,77,094</u>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>	3			
Gross Block		102,96,36,772		90,57,95,360
Less: Depreciation		35,29,99,593		26,11,48,332
Net Block		<u>67,66,37,179</u>		<u>64,46,47,028</u>
Capital Advances		5,46,76,273		84,87,942
			73,13,13,452	65,31,34,970
<b>INVESTMENTS</b>	4		230,01,91,864	84,56,95,637
DEFERRED TAX ASSET (see note 10)	5		5,58,67,662	7,40,32,976
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Sundry Debtors	6	13,89,96,471		10,94,24,536
Cash and Bank Balances	7	2,00,12,741		83,89,134
Other Current Assets	8	15,661		16,195
Loans and Advances	9	237,90,80,118		104,41,62,102
		253,81,04,991		116,19,91,967
Less:				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities	10	195,79,98,229		35,58,80,132
Provisions	11	174,49,27,923		92,30,98,324
		370,29,26,152		127,89,78,456
<b>NET CURRENT ASSETS</b>			(116,48,21,161)	(11,69,86,489)
<b>TOTAL</b>			<u>192,25,51,817</u>	<u>145,58,77,094</u>
Significant Accounting Policies and Notes to Accounts	17			

As per our report attached

For Haribhakti & Co.  
Chartered AccountantsChetan Desai  
Partner

For and on behalf of the Board

Deepak S. Parekh  
ChairmanMilind Barve  
Managing DirectorRahul Bhandari  
Chief Financial OfficerDirectors  
Keki M. Mistry  
Hoshang S. Billimoria  
N. Keith Skeoch  
Vijay Merchant  
Humayun Dhanrajgir  
Rajeshwar Raj Bajaj  
Deepak B. Phatak  
Renu Sud Karnad  
P. M. ThampiSylvia Furtado  
Company Secretary

MUMBAI, April 23, 2008

## Profit and Loss Account for the year ended March 31, 2008

	Schedule	Rupees	Previous Year Rupees
<b>INCOME</b>			
Management Fee	12	306,07,53,151 ✓	182,54,40,546
Interest	13	18,950	59,089
Dividend		11,97,76,944 ✓	4,23,05,352
Other Income	14	2,11,76,875	72,28,966
<b>Total</b>		<b>320,17,25,920</b>	<b>187,50,33,953</b>
<b>EXPENDITURE</b>			
Staff Expenses	15	54,72,67,055 ✓	42,38,66,961
Administrative and Other Expenses	16	78,97,26,468 ✓	35,84,18,648
Depreciation	3	9,61,54,345	7,38,51,304
<b>Total</b>		<b>143,31,47,868</b>	<b>85,61,36,913</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>176,85,78,052</b>	<b>101,88,97,040</b>
Provision for Tax (Net of Deferred Tax) (see note 10)		58,50,63,074	33,96,93,459
Provision for Fringe Benefit Tax		61,50,000	38,22,000
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>117,73,64,978</b>	<b>67,53,81,581</b>
Balance brought forward from Previous year		<b>52,40,15,780</b>	<b>23,27,19,807</b>
<b>Profit Available for Appropriation</b>		<b>170,13,80,758</b>	<b>90,81,01,388</b>
Appropriations:			
Excess provision of Income Tax for earlier years (net)		—	(18,46,230)
General Reserve		11,77,36,498	6,75,38,158
Capital Redemption Reserve		25,00,00,000	—
Preference Dividend		2,06,02,740 ✓	2,50,00,000
Tax on Preference Dividend		35,01,436 ✓	35,06,250
Interim Equity Dividend Paid		—	15,09,66,000
Tax on Interim Equity Dividend paid		—	2,11,72,982
Proposed Equity Dividend		37,74,15,000	10,06,44,000
Tax on Proposed Equity Dividend		6,41,41,679 ✓	1,71,04,448
<b>Balance carried forward to the Balance Sheet</b>		<b>86,79,83,405</b>	<b>52,40,15,780</b>
<b>Earnings Per Share (see note 9)</b>			
— Basic		45.84	25.78
— Diluted		45.83	25.78

Significant Accounting Policies and Notes to Accounts

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As per our report attached

For Haribhakti & Co.  
Chartered AccountantsChetan Desai  
Partner

For and on behalf of the Board

Deepak S. Parekh  
ChairmanMilind Barve  
Managing DirectorRahul Bhandari  
Chief Financial OfficerDirectors  
Keki M. Mistry  
Hoshang S. Billimoria  
N. Keith Skeoch  
Vijay Merchant  
Humayun Dhanrajgir  
Rajeshwar Raj Bajaj  
Deepak B. Phatak  
Renu Sud Karnad  
P. M. ThampiSylvia Furtado  
Company Secretary

MUMBAI, April 23, 2008

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