

Tata Asset Management Limited

Financial Statements
together with the Auditors' Report
for the year ended 31 March 2010

Tata Asset Management Limited

Financial statements together with Auditors' Report *for the year ended 31 March 2010*

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Auditors' Report**To the Members of
Tata Asset Management Limited**

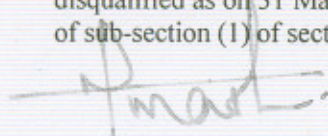
We have audited the attached balance sheet of Tata Asset Management Limited ('the Company') as at 31 March 2010, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and amendments thereto ('together referred to as the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
- (v) On the basis of written representations received from the Directors, as on 31 March 2010, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;

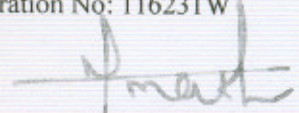


Auditors' Report (*continued*)

Tata Asset Management Limited

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2010;
 - b) in the case of the profit and loss account, of the profit of the Company for the year ended on 31 March 2010 ; and
 - c) in case of cash flow statement, of the cash flows of the Company for the year ended on that date.

For B S R & Associates
Chartered Accountants
Firm's Registration No: 116231W



Akcel Master
Partner

Membership No: 046768

Mumbai
15 June 2010

Tata Asset Management Limited

Annexure to Auditors' Report - 31 March 2010

(Referred to in our report of even date)

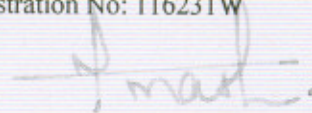
1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
2. The Company is a service company, primarily rendering asset management services to Tata Mutual Fund. Accordingly, paragraph 4(ii) of the Order is not applicable.
3. According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the Order is not applicable.
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 nature of its business with regard to purchase of fixed assets and with regards to rendering of services. The activities of the Company do not involve the purchase of inventory and sale of goods. We have not observed any major weaknesses in the internal control system during the course of the audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.
9. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth tax, Service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Sales Tax, Excise Duty and Customs Duty.
b) According to the information and explanations given to us, no disputed amounts payable in respect of Provident Fund, Employees' State insurance, Income-tax, Wealth tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2010 for a period of more than six months from the date they became payable.

Tata Asset Management Limited

Annexure to Auditors' Report - 31 March 2010 (Continued)

- c) Further, there are no dues on account of cess under section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund, nidhi, mutual benefit fund or a society.
14. Based on information and explanations provided by the management, in respect of dealing and trading in shares, securities and other investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the Company in its own name. As explained to us, the Company is not involved in dealing or trading of debentures.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us and based on overall examination of the balance sheet of the Company, the Company has not raised any short term funds for long term purposes.
18. As stated in paragraph 3 above, there are no companies / firms / parties covered in the register required to be maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For B S R & Associates
Chartered Accountants
Firm's Registration No: 116231W



Akeel Master
Partner

Membership No: 046768

Mumbai
15 June 2010

Tata Asset Management Limited

Balance sheet

as at 31 March 2010

(Currency: Indian Rupees)

	Schedule	2010	2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	164,062,500	164,062,500
Reserves and surplus	4	1,003,053,356	822,574,924
		1,167,115,856	986,637,424
Deferred tax liability (net)	5	1,292,140	9,603,774
		<u>1,168,407,996</u>	<u>996,241,198</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	6	255,400,003	248,695,316
Less: Accumulated depreciation		104,210,559	87,427,720
Net block		151,189,444	161,267,596
Capital work in progress		2,800,000	3,197,838
		<u>153,989,444</u>	<u>164,465,434</u>
Investments	7	952,691,819	939,089,258
Current assets, loans and advances			
Cash and bank balances	8	32,556,011	3,080,107
Sundry debtors	9	180,810,191	41,855,922
Loans and advances	10	291,112,220	135,735,437
		<u>504,478,422</u>	<u>180,671,466</u>
Current liabilities and provisions			
Current liabilities	11	281,904,513	145,457,026
Provisions	12	160,847,176	142,527,934
		<u>442,751,689</u>	<u>287,984,960</u>
Net current assets/(liabilities)		<u>61,726,733</u>	<u>(107,313,494)</u>
		<u>1,168,407,996</u>	<u>996,241,198</u>

Significant accounting policies

Notes to the accounts

The schedules referred to above form an integral part of the balance sheet.

As per our report of even date

For B S R & Associates

Chartered Accountants

Firm's Registration No: 116231W

Akeel Master

Partner

Membership No: 046768

Mumbai

15 June 2010

For and on behalf of The Board of Directors of
Tata Asset Management Limited

Farrokh K. Kavarana

Chairman

Arunkumar R. Gandhi

Director

Madhav L. Apte

Director

Aspy Cooper

Director

Ved Prakash Chaturvedi

Managing Director

Hoşniuz A. Bulsara

Chief Operating Officer

Nariman Khan

Company Secretary

Tata Asset Management Limited

Profit and loss account

for the year ended 31 March 2010

(Currency: Indian rupees)

	Schedule	2010	2009
Income			
Management fees	13	1,040,100,446	804,717,453
Dividend			
- Long term investments - from subsidiary company		101,227,500	308,400,000
- Current investments		34,516,723	23,205,528
Profit on sale of investments (net)		11,972,920	39,756,402
Interest income		436,980	682,366
Other income	14	28,978,803	22,746,431
		<u>1,217,233,372</u>	<u>1,199,508,180</u>
Expenditure			
Employee costs	15	345,774,825	321,612,682
Administrative and other expenses	16	429,631,708	386,737,311
Depreciation	6	22,174,283	22,239,361
(Reversal in depreciation) / depreciation in value of current investments		(29,733,288)	28,602,331
		<u>767,847,528</u>	<u>759,191,685</u>
Profit before taxation		449,385,844	440,316,495
Less : Provision for tax :			
Current Income tax		130,750,000	151,000,000
Short provision of Income tax for earlier year		2,325,000	15,450,000
Current Wealth tax		185,355	167,716
Current Fringe benefit tax		-	7,549,179
Deferred tax credit		(8,311,634)	(2,538,299)
Profit after taxation		324,437,123	268,687,899
Balance in the profit and loss account brought forward		557,799,924	443,876,224
Amount available for appropriation		<u>882,237,047</u>	<u>712,564,123</u>
Appropriations			
Proposed dividend		123,046,875	106,640,625
Tax on dividend		20,911,816	18,123,574
Transfer to general reserve		35,000,000	30,000,000
Balance in the profit and loss account carried forward		<u>703,278,356</u>	<u>557,799,924</u>
Earnings per Share of face value of Rs.10 each			
Basic and diluted (in Rs.)	20	19.78	16.38
Significant accounting policies	2		
Notes to the accounts	17 - 29		
The schedules referred to above form an integral part of the profit and loss account.			

As per our report of even date

For B S R & Associates
Chartered Accountants
Firm's Registration No: 116231W

Akeel Master
Partner
Membership No: 046768

Mumbai
15 June 2010

For and on behalf of the Board of Directors of
Tata Asset Management Limited

Farrokh K. Kavarana
Chairman

Arunkumar R. Gandhi
Director

Madhav L. Apte
Director

Aspy Cooper
Director

Ved Prakash Chaturvedi
Managing Director

Hořmuz A. Batsara
Chief Operating Officer

Nariman Khan
Company Secretary

Tata Asset Management Limited

Cash flow statement

for the year ended 31 March 2010

(Currency: Indian rupees)

	Schedule	2010	2009
Cash flows from operating activities			
Net profit before taxation		449,385,844	440,316,495
Adjustment for :			
Depreciation		22,174,283	22,239,361
Interest income		-	(165,625.00)
Dividend income		(135,744,223)	(331,605,528)
(Reversal in diminution) / diminution in value of investments		(29,733,288)	28,602,331
Profit on sale of investments (net)		(11,972,920)	(39,756,402)
Loss on sale of fixed assets (net)		344,497	163,537
Operating cash flow before working capital changes		294,454,193	119,794,169
(Increase) / Decrease in sundry debtors		(138,954,269)	40,775,243
(Increase) in loans and advances		(52,802,048)	(29,448,085)
Increase / (Decrease) in current liabilities and provisions		138,360,479	(46,598,423)
Cash utilised from working capital changes		(53,395,838)	(35,271,265)
Income tax paid net of income tax refunds & TDS on income received		(238,743,701)	(160,656,478)
Net cash generated from / (used) in operating activities (A)		2,314,654	(76,133,574)
Cash flow from investing activities			
Purchase of fixed assets		(14,269,419)	(41,959,347)
Advance for purchase of fixed assets		397,838	(2,099,439)
Proceeds from sale of fixed assets		1,828,791	2,699,674
Interest income		-	165,625
Dividend income		135,744,223	331,605,528
Purchase of investments		(1,211,874,743)	(1,847,462,419)
Proceeds from sale of investments		1,240,098,759	1,754,084,132
Net cash generated from investing activities (B)		151,925,449	197,033,754
Cash flow from financing activities			
Dividend and distribution tax paid		(124,764,199)	(124,764,199)
Net cash used in financing activities (C)		(124,764,199)	(124,764,199)
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)		29,475,904	(3,864,019)
Cash and cash equivalents at the beginning of the year		3,080,107	6,944,126
Cash and cash equivalents at the end of the year	8	32,556,011	3,080,107

As per our report of even date

For BSR & Associates

Chartered Accountants

Firm's Registration No: 116231W

Akeel Master

Partner

Membership No: 046768

Mumbai

15 June 2010

For and on behalf of The Board of Directors of
Tata Asset Management Limited

Farrokh K. Kavarana
Chairman

Arunkumar R. Gandhi
Director

Madhav L. Apte
Director

Aspy Cooper
Director

Ved Prakash Chaturvedi
Managing Director

Hořmuz A. Bulsara
Chief Operating Officer

Nariman Khan
Company Secretary

Tata Asset Management Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Currency: Indian Rupees)

1 Background

Tata Asset Management Limited ('the Company') was incorporated on 15 March 1994. The principal shareholders of the Company are Tata Sons Limited (67.91%) and Tata Investment Corporation Limited (32.09%).

The Company's principal activity is to act as an investment manager to Tata Mutual Fund ('the Fund'). The Company is registered with Securities and Exchange Board of India ('SEBI') under SEBI (Mutual Fund) Regulations, 1996. The Company manages the investment portfolio of the Fund and provides various administrative services to the Fund and Trustee Company as laid down in the Investment Management Agreement dated 9 May 1995 and amended from time to time.

2 Significant accounting policies

2.1 Basis of preparation

The accompanied financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable. The financial statements are presented in Indian rupees.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to the acquisition of the fixed assets and any attributable cost of bringing the asset to its working condition for its intended use. Depreciation on fixed assets other than premises and intangible assets is provided on written down value basis and on premises is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Intangible assets comprising of software purchased / developed and licensing costs are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the year in which such software is first utilised.

Assets individually costing rupees five thousand or less are fully depreciated in the year of purchase/ acquisition.

The Company provides pro-rata depreciation from the date of payment and for any asset sold, till the date of sale.



Tata Asset Management Limited

Schedules to the financial statements (*Continued*)

for the year ended 31 March 2010

(Currency: In Indian Rupees)

2 Significant accounting policies (*Continued*)

2.4 Leasehold improvements

Leasehold improvements are amortised over the primary period of lease on straight line basis.

2.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.6 Investments

Investments are classified as long term or current based on intention of the management at the time of purchase.

Long-term investments are carried at carrying cost less any diminution in value, which is other than temporary, determined separately for each individual investment.

Current investments are valued at the lower of cost or net realisable value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

Purchase and sale of investments are recorded on trade date. Profit or loss on sale of investments is determined on the basis of average cost.

2.7 Revenue recognition

Management and advisory fees

Investment management fees (inclusive of service tax) are recognised on an accrual basis in accordance with the Securities Exchange Board of India ("SEBI") regulations and the respective terms of contract between the Company and Trustee Company.

Advisory fees (inclusive of service tax) are recognised on accrual basis in accordance with the respective terms of contract with counterparties.

Other income

Interest income is accounted on an accrual basis.

Dividend income is recognised when the right to receive dividend is established.

2.8 Transactions in foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of foreign exchange transactions settled during the year are recognised in the profit and loss account of the year.



Tata Asset Management Limited

Schedules to the financial statements (*Continued*)

for the year ended 31 March 2010

(Currency: In Indian Rupees)

2 Significant accounting policies (*Continued*)

2.10 New fund offer expenses

Expenses relating to initial issue for no load schemes of the Fund are charged to profit and loss account of the Company in the year in which these expenses are incurred. Similarly, expenses incurred by the Company prior to 31 July 2009 for initial public offers for load schemes in excess of the entry load collected by the fund are charged to the profit and loss account of the Company in the year in which such expenses are incurred. Post 1 August 2009 the expenses incurred by the company are charged to profit and loss account in compliance with SEBI circular No SEBI/IMD/CIR NO 4/168230/09, wherein no entry load is to be charged to all Mutual Fund Schemes.

2.11 Fund expenses

Expenses incurred (inclusive of advertisement / brokerage expenses) on behalf of schemes of the Fund are charged to the profit and loss account unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

2.12 Brokerage and incentives

All brokerage and incentive payments are accounted for as and when incurred.

2.13 Taxation

Current tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current income tax is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.



Tata Asset Management Limited

Schedules to the financial statements (*Continued*)

for the year ended 31 March 2010

(Currency: In Indian Rupees)

2 Significant accounting policies (*Continued*)

2.14 Operating leases

Licenses where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Operating lease charges are recognised as an expense in the statement of profit and loss account on a straight line basis over the lease term.

2.15 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive are included.

2.16 Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is 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. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
3 Share capital		
Authorised share capital		
25,000,000 (previous year: 25,000,000) equity shares of Rs.10 each	250,000,000	250,000,000
Issued, subscribed and paid-up capital		
16,406,250 (previous year: 16,406,250) equity shares of Rs.10 each, fully paid up	164,062,500	164,062,500
Of the above equity shares :		
(a) 11,140,793 (Previous year: 11,140,793) are held by Tata Sons Limited		
(b) 5,265,457 (Previous year: 5,265,457) are held by Tata Investment Corporation Limited	164,062,500	164,062,500
4 Reserves and surplus		
Share premium	65,625,000	65,625,000
	65,625,000	65,625,000
General reserve		
Balance at the beginning of the year	199,150,000	169,150,000
Add : Transfer from profit and loss account	35,000,000	30,000,000
Balance at the end of the year	234,150,000	199,150,000
Balance in Profit and loss account	703,278,356	557,799,924
	1,003,053,356	822,574,924
5 Deferred tax liability (net)		
Deferred tax (asset) / liability included in the balance sheet comprise of the following :		
Deferred tax asset :		
Employee compensation	(12,556,315)	(12,198,097)
Straight lining of lease rentals	(142,166)	-
Bonus	(1,660,875)	-
Directors commission	(4,650,450)	-
	(19,009,806)	(12,198,097)
Deferred tax liability :		
Written down value of fixed asset	20,301,946	21,801,871
Deferred tax liability (net)	1,292,140	9,603,774



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

6 Fixed assets

Particulars of assets	Gross Block				Depreciation				Net Block	
	As at 1 April 2009	Additions	Deductions	As at 31 March 2010	As at 1 April 2009	For the year	Deductions	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009
Tangible assets										
Premises	110,093,080	-	-	110,093,080	19,508,450	1,794,518	-	21,302,968	88,790,112	90,584,630
Furniture and fixtures	31,940,199	549,892	794,784	31,695,307	14,999,272	3,084,654	412,985	17,670,941	14,024,366	16,940,927
Office equipment	24,204,388	1,010,205	99,785	25,114,808	10,031,626	2,283,228	34,262	12,280,592	12,834,216	14,172,762
Computers	38,132,705	3,612,137	2,531,999	39,212,843	24,367,155	6,277,742	2,385,818	28,259,079	10,953,764	13,765,550
Vehicles	18,271,555	7,393,346	4,129,371	21,535,530	6,514,217	3,842,379	2,551,658	7,804,938	13,730,592	11,757,338
Lease hold improvements										
Furniture and fixtures	6,235,975	98,763	8,793	6,325,945	2,356,331	1,695,157	6,721	4,044,767	2,281,178	3,879,644
Office equipment	630,037	-	-	630,037	280,101	137,600	-	417,701	212,336	349,936
Intangible assets										
Computer software	19,187,377	1,605,076	-	20,792,453	9,370,568	3,059,005	-	12,429,573	8,362,880	9,816,809
Total	248,695,316	14,269,419	7,564,732	255,400,003	87,427,720	22,174,283	5,391,444	104,210,559	151,189,444	161,267,596
Previous year	213,921,118	41,959,347	7,185,149	248,695,316	69,510,297	22,239,361	4,321,938	87,427,720	161,267,596	



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

	Quantity Nos.	2010	Quantity Nos.	2009
7 Investments				
A. Long term investments				
Investment in subsidiary companies (unquoted)	510,100	23,065,206	510,100	23,065,206
510,100 (previous year 510,100) equity shares of Tata Asset Management (Mauritius) Private Limited of USD 1 each, fully paid up.				
100,000 (previous year 50,000) equity shares of Tata Pension Management Limited	100,000	1,000,000	50,000	500,000
Total long term investments (A)		24,065,206		23,565,206
B. Current investments (valued at cost or net realisable value whichever is lower)				
<i>Non trade, Quoted</i>				
Tata Equity Opportunities Fund - Dividend	73,553.913	1,346,017	1,557,294.680	28,000,000
Tata Pure Equity Fund - Growth	48,941.304	1,089,488	513,817.611	11,500,000
Tata Dynamic Bond Fund (Option B) - Dividend	-	-	9,975,935.814	101,761,569
Tata Income Fund - Quarterly Dividend	-	-	15,444,870.509	173,149,310
Tata Fixed Horizon Fund - Series 13 Scheme E - Growth	-	-	10,000,000.000	100,000,000
Tata Fixed Horizon Fund - Series 20 Scheme A - Growth	-	-	2,500,000.000	25,000,000
Tata Fixed Maturity Plan - Series 25 Scheme A - Growth	1,000,000.000	10,000,000	-	-
Tata Floater Fund - Daily Dividend Plan	89,299,676.764	896,175,837	44,592,576.651	447,513,259
Tata Index Fund - Nifty A	273,166.590	6,700,000	273,166.585	6,700,000
Tata Index Fund - Sensex A	65,860.080	1,950,000	65,860.084	1,950,000
Tata Liquid Fund (Super High Investment Plan) - Daily Dividend	10,197.460	11,365,271	44,578.116	49,683,202
		928,626,613		945,257,340
Less : Diminution in value of current investments		-		29,733,288
Total current investments (B)		928,626,613		915,524,052
Total investments (A+B)		952,691,819		939,089,258



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

The following investments were acquired and sold / redeemed during the year:

	2010				2009			
	Purchase Quantity	Amount	Redeemed Quantity	Amount	Purchase Quantity	Amount	Redeemed Quantity	Amount
Long term investments								
50,000 (previous year Nil) shares of Tata Pension Management Limited	50,000	500,000	-	-	-	-	-	-
	50,000	500,000	-	-	-	-	-	-
Current investments								
Tata Dynamic Bond Fund (Option B) - Dividend	-	-	9,975,935.810	101,761,569	11,717,712.464	121,593,813	1,944,900.965	19,832,244
Tata Equity Opportunities Fund - Dividend	73,553.910	1,322,672	1,557,294.680	27,976,655	1,172,114.859	18,000,000	-	-
Tata Pure Equity Fund - Growth	48,941.310	1,027,635	513,817.610	11,438,147	513,817.611	11,500,000	-	-
GOI - 7.95% 2032	-	-	-	-	500,000.000	49,260,000	500,000.000	49,260,000
Tata Fixed Maturity Plan - Series 25 Scheme A - Growth	1,000,000.000	10,000,000	-	-	-	-	-	-
Tata Fixed Horizon Fund - Series 20 Scheme A - Growth	-	-	2,500,000.000	25,000,000	2,500,000.000	25,000,000	-	-
Tata Fixed Horizon Fund - Series 10 Plan F - Growth	-	-	-	-	-	-	-	-
Tata Fixed Horizon Fund - Series 13 Plan E - Growth	-	-	10,000,000.000	100,000,000	-	-	-	-
Tata Fixed Horizon Fund - Series 14 Plan A - Growth	-	-	-	-	-	-	10,000,000.000	100,000,000
Tata Fixed Horizon Fund - Series 14 Plan B - Growth	-	-	-	-	-	-	10,000,000.000	100,000,000
Tata Fixed Income Portfolio Fund A3 - Monthly Dividend	-	-	-	-	10,061,837.424	101,083,253	10,061,837.424	101,083,253
Tata Fixed Income Portfolio Fund B2 - Quarterly Dividend	-	-	-	-	-	-	5,000,000.000	50,000,000
Tata Fixed Income Portfolio Fund C2 - Monthly Dividend	-	-	-	-	213,272.198	2,135,168	5,310,128.724	53,104,541
Tata Floater Fund - Daily Dividend	96,771,749.960	971,162,578	52,064,649.850	522,500,000	76,433,129.966	767,052,320	34,676,551.471	347,999,989
Tata Floating Rate Long Term Fund - Dividend	-	-	-	-	205,621.973	2,096,136	3,426,102.114	34,664,267
Tata Gilt Securities Fund (HIP) - Growth	-	-	-	-	-	-	2,264,595.317	35,000,000
Tata Income Fund - Quarterly Dividend	-	-	15,444,870.510	173,149,310	19,908,246.568	223,187,326	4,463,376.059	50,038,016
Tata Income Fund - Growth	5,613,724.310	161,763,396	5,613,724.310	161,763,396	-	-	-	-
Tata Liquid Fund (SHIP) - Daily Dividend	35,604.630	39,682,069	69,985.280	78,000,000	471,041.298	524,984,950	519,057.530	578,499,996
Tata Treasury Manager Fund (SHIP) - Daily Dividend	26,146.640	26,416,393	26,146.640	26,416,393	-	-	-	-
Tata Liquid Fund (SHIP) - Growth	-	-	-	-	-	-	23,999.019	33,128,198
Tata Liquidity Management Fund - Weekly Dividend	-	-	-	-	155.710	156,567	3,449.290	3,461,147
Tata Short Term Bond Fund - Fortnightly Dividend	-	-	-	-	124,891.050	1,412,886	6,249,579.278	68,256,079
Tata Short Term Bond Fund - Growth	-	-	-	-	-	-	6,201,464.924	90,000,000
	103,569,720.760	1,211,374,743	97,766,424.690	1,228,005,470	123,821,841.121	1,847,462,419	100,645,042.115	1,714,327,730
	103,619,720.760	1,211,874,743	97,766,424.690	1,228,005,470	123,821,841.121	1,847,462,419	100,645,042.115	1,714,327,730

Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
8 Cash and bank balances		
Cash in hand	12,522	11,309
Balance with scheduled banks		
- in current accounts	32,543,489	3,068,798
	<u>32,556,011</u>	<u>3,080,107</u>
9 Sundry debtors		
(unsecured, considered good)		
Debts outstanding for a period exceeding six months	330,612	7,092
Debts outstanding for a period not exceeding six months:		
Management fees receivable from schemes of Tata Mutual Fund and on Portfolio Management Services (Net Tax deducted at source Rs. 5,085,141 (Previous year Rs. 4,009,738))	45,766,268	31,380,717
Others	134,713,311	10,468,113
	<u>180,810,191</u>	<u>41,855,922</u>
10 Loans and advances		
(unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	5,012,917	3,808,253
Staff loans	15,149,982	17,409,341
Prepaid expenses	29,887,813	28,205,567
Sundry deposits	123,187,067	71,012,570
Advance tax (Net of provision for taxes of Rs. 654,630,739 (Previous year: Rs. 518,582,142))	117,874,441	15,299,706
	<u>291,112,220</u>	<u>135,735,437</u>
11 Current liabilities		
Sundry creditors	24,796,376	11,516,890
(Including dues to Small scale industrial undertakings Rs Nil (Previous year Rs Nil))		
The Company did not have any outstanding dues to any micro or small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance.)		
Statutory dues	20,447,326	13,424,792
Accrued expenses	236,660,811	120,515,344
	<u>281,904,513</u>	<u>145,457,026</u>
12 Provisions		
Provision for leave encashment	40,413,353	35,145,368
Provision for gratuity	(2,613,052)	741,941
Provision for proposed dividend	123,046,875	106,640,625
	<u>160,847,176</u>	<u>142,527,934</u>



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
13 Management fees		
Fees from Mutual Fund operations (Tax deducted at source Rs 120,273,678 (Previous year Rs 102,012,395))	1,037,787,983	802,447,959
Fees from Portfolio Management Services (Tax deducted at source Rs 267,391 (Previous year Rs 288,555))	2,312,463	2,269,494
	<u>1,040,100,446</u>	<u>804,717,453</u>
14 Other income		
Advisory fees (Tax deducted at source Rs Nil (Previous year Rs Nil))	26,729,545	20,720,333
Rent income (Tax deducted at source Rs 365,915 (Previous year Rs 457,732))	2,235,516	2,020,000
Others	13,742	6,098
	<u>28,978,803</u>	<u>22,746,431</u>
15 Employee costs		
Salaries, bonus and allowances	315,490,129	274,780,032
Contribution to provident and other funds	13,291,573	20,978,284
Staff welfare	16,993,123	25,854,366
	<u>345,774,825</u>	<u>321,612,682</u>



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
16 Administrative and other expenses		
Rent	105,568,088	107,313,046
Electricity	8,902,112	8,756,010
Repairs and maintenance :		
- Equipment	4,229,827	3,353,548
- Premises	7,365,225	10,736,641
Insurance	9,473,482	4,485,309
Legal and professional fees	20,893,911	17,209,087
Infotech expenses	18,439,591	15,078,353
Travelling and conveyance	19,995,118	17,231,897
Brokerage and incentives	983,867	805,014
Communication expenses	20,651,077	20,299,100
Books, periodicals and subscriptions	7,072,880	6,363,256
Loss on sale of fixed assets (net)	344,497	163,537
Training	3,022,082	2,433,763
Printing and stationery	5,443,749	7,391,745
Marketing and sales promotion	5,566,361	28,794,075
Auditors remuneration :		
Audit fees	1,250,000	1,100,000
Tax audit fees	250,000	200,000
Reimbursement of out of pocket expenses	15,240	37,050
Directors expenses	11,955,367	11,553,956
Scheme expenses	163,947,243	98,687,016
Penalty on taxes	-	3,606,930
Auxiliary services	11,428,499	9,777,910
Miscellaneous expenses	2,833,492	11,360,068
	429,631,708	386,737,311

17 Segmental Reporting

The Company is in the business of providing asset management services to the fund and Portfolio management services to clients. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

Pursuant to the Accounting Standard Interpretation (ASI) 20 (Revised) – Disclosure of Segment Information issued by the Institute of Chartered Accountants of India (ICAI), no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.



Tata Asset Management Limited

Schedules to the financial statements (*Continued*)

for the year ended 31 March 2010

(Currency: Indian Rupees)

18 Related party transactions

a) Related parties where control exists

Tata Sons Limited – Holding Company

b) Wholly owned subsidiary with whom transactions have taken place during the year

Tata Asset Management (Mauritius) Private Limited – Wholly owned Subsidiary

Tata Pension Management Limited – Wholly owned Subsidiary

c) Party with significant influence

Tata Mutual Fund (TMF) - Sponsored by Tata Sons Limited and Tata Investment Corporation Limited, an entity holding significant influence in the Company.

d) Fellow Subsidiaries with whom transactions have taken place during the year

Tata Trustee Company Limited

Tata AIG General Insurance Company Limited

Tata AIG Life Insurance Company Limited

Tata Communications Limited

Tata Industries Limited

Tata Consultancy Services Limited

Tata Investment Corporation Limited

Tata Motors Limited

Tata Securities Limited

Tata Steel Limited

Tata Teleservices (Maharashtra) Limited

Tata Teleservices Limited

Voltas Limited

Tata Capital Limited

TC Travel And Services Limited

The Associated Building Company Limited

Tata Sky Limited

e) Key management

Mr. Ved Prakash Chaturvedi – Managing Director



Tata Asset Management Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2010

(Currency: Indian Rupees)

18 Related party transactions (Continued)

Amounts in brackets represent previous year figures

Nature of Transactions	Holding Company (Rs.)	Party with significant influence (Rs.)	Fellow Subsidiaries (Rs.)	Wholly owned Subsidiaries (Rs.)	Key Management Personnel (Rs.)
Managerial remuneration					27,245,056 (41,464,220)
Dividend paid	72,415,155 (72,415,155)		34,225,470 (34,225,470)		
Reimbursement of expenses	616,298 (850,928)		5,759,098 (5,059,039)		
Subscription fees	3,147,212 (3,069,422)				
Dividend received		34,516,723 (23,205,528)		101,227,500 (308,400,000)	
Asset Management Fees earned		1,144,680,146 (900,374,310)			
Advisory Services Fees earned				14,572,720 (6,287,100)	
Investments – purchased		1,211,374,743 (1,798,202,419)		500,000	
Investments – redeemed		1,228,005,470 (1,665,067,730)			
Profit on sale of investments		11,972,920 (39,756,402)			
Scheme expenses incurred		106,191,839 (66,664,429)	35,847,500		
Insurance paid			5,705,286 (5,409,827)		
Expenses (telephone)			7,595,363 (6,964,886)		
Reimbursement of expenses received			1,433,632 (1,497,350)	510 (600)	
Rent received			1,934,516 (1,562,268)		
Balances outstanding as at the year end:					
Receivable		50,103,996 (35,267,533)	551,500 (1,000,000)	14,572,720 (6,287,100)	
Payable	86,824,170 (75,484,577)	106,191,839 (49,467,429)	72,154,242 (34,225,470)		10,000,000 (14,000,000)
	163,002,835	3,893,037,676	165,206,607	130,873,450	37,245,056



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

19 Operating leases

[I] Assets taken on Lease :

Generally, the Company takes premises on leases. As per the terms of the leases, all maintenance charges and municipal levies are borne by the Company. All lease agreements have a clause for renewing the lease for a further mutually agreed contractual period.

The total future liability of all non cancellable operating leases is as given below :

	In less than a year		In 1 year to 5 years		In more than 5 years	
	2010	2009	2010	2009	2010	2009
Total future minimum lease payments	98,004,623	91,063,083	219,348,816	39,446,028	316,611	738,759

The total lease payments recognised in the profit and loss account towards the above referred leases amount to Rs 105,140,104 (Previous year Rs 107,313,046) which includes Rs 427,984 (Previous year Rs 585,000) provision towards straight lining of lease rentals.

[II] Assets given on Lease :

The Company has given premises on lease. As per the terms of the lease, all maintenance charges and municipal levies are borne by the Company.

	In less than a year		In 1 year to 5 years		In more than 5 years	
	2010	2009	2010	2009	2010	2009
Total future lease receipts	2,568,000	300,000	2,202,000	-	-	-

The total rent receipts recognised in the profit and loss account towards the above referred leases amount to Rs 2,235,516 (Previous year Rs 2,020,000).

20 Earnings per share ('EPS')

Basic and diluted EPS is computed in accordance with Accounting Standard 20 issued by the Companies (Accounting Standards) Rules, 2006. The computation of EPS is given below :

	2010	2009
Profit after taxation	324,437,123	268,687,899
Weighted average number of equity shares outstanding during the year (in units)	16,406,250	16,406,250
Basic and diluted EPS of face value Rs.10 each (in Rs.)	19.78	16.38

21 Provisions for loyalty incentives

Opening balance as on 1 April	3,236,766	2,827,190
Additional provision during the year	978,656	1,840,414
	4,215,422	4,667,604
Amount incurred and charged during the year	342,550	1,430,838
Closing balance as on 31 March	3,872,872	3,236,766

Nature of obligation

Loyalty incentives to unit holders for long term investment under Tata Gilt Securities Fund – Retirement Plan Series maturing on 28 February 2025 will be paid by Tata Asset Management Limited at the rate specified by it from time to time in the form of allotment of units equivalent to the amount of loyalty incentive. Units will be allotted at the NAV based price prevailing on 1st business day next after the end of the minimum investment period specified by AMC from time to time. The maximum amount of loyalty under this option will not exceed 2% of the amount which remains invested for minimum holding period (i.e. atleast 5 years).

Expected time

At present, the Company proposes to pay loyalty incentives at the end of 5 years, 10 years, 15 years and 20 years from the date of allotment.

Assumptions

It is assumed that all the investors currently with the Fund will remain invested with the Fund till the maturity period i.e. 28 February 2025.



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
22 Retirement benefit - gratuity		
The following tables summarise the components of the expenses recognised in the profit and loss account, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.		
Principal actuarial assumptions at the balance sheet date :		
Discount rate	8.30%	7.00%
Salary escalation	8% from first 2 years, 9% for next 5 years, 7% for next 5 years and 6% thereafter	8% from first 3 years, 9% for next 5 years, 7% for next 5 years and 6% thereafter
Employee attrition rate	5% upto age 44 and 1% thereafter	5% upto age 44 and 1% thereafter
Changes in the defined benefit obligation :		
Opening defined benefit obligation	7,440,465	4,208,741
Current service cost	2,028,084	1,877,856
Interest cost	650,440	486,928
Actuarial losses / (gain)	(647,008)	1,222,613
Benefits paid	(813,462)	(355,673)
Closing defined benefit obligation	8,658,519	7,440,465
Change in fair value of assets :		
Opening fair value of plan assets	8,356,144	6,025,381
Expected return of plan assets	654,720	451,904
Actuarial gain / (losses)	143,047	127,033
Contribution by employer	2,986,317	2,107,499
Benefits paid	(813,462)	(355,673)
Fair value of plan assets as at end of the year	11,326,766	8,356,144
Reconciliation of the present value of defined benefit obligation and the fair value of assets		
Present value of funded obligation as at 31st March, 2010	8,658,519	7,440,465
Fair value of plan assets as at 31st March, 2010	11,326,766	8,356,144
Amount not recognised as an asset	55,195	-
Net liability as at 31st March, 2010	(2,613,052)	(915,679)
Balance sheet		
Liability	-	-
Assets	2,613,052	915,679
Net liability as at 31st March, 2010	(2,613,052)	(915,679)
Profit and loss account		
Net employee benefit expenses (recognised in employee cost)		
Current service cost	2,028,084	1,877,856
Interest on defined benefit obligation	650,440	486,928
Expected return on plan assets	(654,720)	(451,904)
Net actuarial losses / (gains) recognised in the year	(790,055)	1,095,580
Effect of the limit in Para 59(b)	55,195	-
Total included in 'Employee Benefit Expense'	1,288,944	3,008,460



Tata Asset Management Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

23 Contingent liabilities

There are no contingent liabilities as at 31 March 2010 (Previous year Rs 15,200,000).

24 Capital commitments

An amount of Rs 26,200,000 is balance towards capital commitments as at 31 March 2010 (Previous year Rs 1,200,000).

	2010	2009
25 Expenditure in foreign currency (on accrual basis)		
Travelling	2,520,563	262,276
	<u>2,520,563</u>	<u>262,276</u>
26 Computation of commission to Directors		
Profit before tax as per profit and loss account	449,385,844	440,316,495
Add : Directors' remuneration and commission	26,800,776	37,970,500
Sitting fees to non-whole time directors	400,000	250,000
Depreciation charged in the accounts	22,174,283	22,239,361
Loss on sale of fixed assets as per section 349 of the Companies Act, 1956	344,496	163,537
	<u>49,719,555</u>	<u>60,623,398</u>
	<u>499,105,399</u>	<u>500,939,893</u>
Less : Depreciation as per section 350 of the Companies Act, 1956	22,174,283	22,239,361
	<u>22,174,283</u>	<u>22,239,361</u>
Net Profit as per section 349 of the Companies Act, 1956	<u>476,931,116</u>	<u>478,700,532</u>
Maximum permissible (6 %)	26,996,101	47,438,791
Directors' remuneration and commission	<u>26,800,776</u>	<u>37,970,500</u>
	<u>195,325</u>	<u>9,468,291</u>
Commission payable to whole-time directors	9,500,000	14,000,000
Commission payable to non-executive directors	4,500,000	1,000,000
Total commission provided in the accounts	<u>14,000,000</u>	<u>15,000,000</u>
27 Managerial remuneration		
Remuneration to directors :		
Salary and allowances	10,746,204	19,477,080
Company's contribution to provident fund	1,133,352	2,592,000
Perquisites (fair value as estimated by the management)	921,220	901,420
Commission to whole-time directors	<u>9,500,000</u>	<u>14,000,000</u>
	<u>22,300,776</u>	<u>36,970,500</u>
Provision for contribution to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis are excluded above.		



Tata Asset Management Limited

Schedules to financial statements (*Continued*)

as at 31 March 2010

(Currency: Indian rupees)

28 Disclosure under Part II of Schedule VI to the Companies Act, 1956

Disclosure under Part II of Schedule VI to the Companies Act, 1956, has been made to the extent applicable to the Company.

29 Prior year comparatives

Prior year comparatives have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of The Board of Directors of
Tata Asset Management Limited

Farrokh K. Kavarana
Chairman

Arunkumar R. Gandhi
Director

Madhav L. Apte
Director

Aspy Cooper
Director

Ved Prakash Chaturvedi
Managing Director

Horimuz A. Bulsara
Chief Operating Officer

Nariman Khan
Company Secretary

Mumbai
15 June 2010



Tata Asset Management Limited

Balance sheet abstract and company's general business profile

I Registration Details

Registration No. U65990MH1994PLC077090

State code 11

Balance sheet date 31-03-10

II Capital raised during the year

Public issue -

Rights issue -

Bonus issue -

Private placement -

III Position of mobilisation and deployment of funds

Total liabilities 442,751,689

Total assets 1,611,159,685

Sources of funds

Paid-up capital 164,062,500

Reserves and surplus 1,003,053,356

Secured loans -

Unsecured loans -

Application of funds

Net fixed assets 153,989,444

Investments 952,691,819

Net current assets 61,726,733

Miscellaneous expenditure -

Deferred tax liability (1,292,140)

Accumulated losses -

IV Performance of company

Total turnover 1,040,100,446

Total expenditure 767,847,528

Profit before tax 449,385,844

Profit after tax 324,437,123

Earning per share in Rs. (actuals) 19.78

Dividend rate (%) 75%

V Generic names of three principal products / services of company

Item code no (ITC code) Not Applicable

Service description Asset Management Company

For and on behalf of The Board of Directors of
Tata Asset Management Limited

Farrokh K. Kavarana
Chairman

Arunkumar R. Gandhi
Director

Madhav L. Apte
Director

Aspy Cooper
Director

Ved Prakash Chaturvedi
Managing Director

Hormuz A. Bulsara
Chief Operating Officer

Nariman Khan
Company Secretary

Mumbai
15 June 2010

