

Tata Asset Management Limited

**Financial statements
together with the Auditors' Report
for the year ended 31 March 2013**

Tata Asset Management Limited

Financial statements together with Auditors' Report *for the year ended 31 March 2013*

Contents

Independent Auditors' report

Balance sheet

Statement of profit and loss

Cash Flow statement

Notes to the consolidated financial statements

B S R & Associates

(Registered)
Chartered Accountants

Lodha Excelus
1st Floor, Apollo Mills Compound
N. M. Joshi Marg
Mahalakshmi
Mumbai - 400 011
India

Telephone +91(22) 3989 6000
Fax +91(22) 3080 2511

Independent Auditors' report

To the Members of Tata Asset Management Limited

Report on the financial statements

We have audited the accompanying financial statements of Tata Asset Management Limited ('the Company'), which comprise the balance sheet as at 31 March 2013, and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Y

Independent Auditors' report (Continued)

Tata Asset Management Limited

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of balance sheet, of the state of affairs of the Company as at 31 March 2013;
- ii. in the case of the statement of profit and loss, of the profit for 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, 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 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 those books;
- c) the balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the balance sheet, statement of profit and loss, and cash flow statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
- e) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Mumbai
9 May 2013

Vijay Bhatt
Partner
Membership No: 036647

Tata Asset Management Limited

Annexure to Auditors' Report – 31 March 2013

(Referred to in our report of even date)

- i. (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.
- ii. The Company is a service company, primarily rendering asset management services to Tata Mutual Fund and portfolio management services to its customers. Accordingly, it does not hold any physical inventories. Thus, paragraph 4 (ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to or from, any companies, firms or other parties covered in the register maintained under section 301 of the Act.
- iv. 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 regards to purchase of fixed assets and with regards to the sale of services. The activities of the Company do not involve the purchase of inventory and sale of goods. We have not observed any major continuing weaknesses in the internal control system during the course of the audit.
- v. 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 Act.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. 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.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, Service Tax, Provident Fund, Wealth Tax and other material statutory dues during the year 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 undisputed amounts payable in respect of income-tax, provident fund, wealth tax, service tax and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

✍

Tata Asset Management Limited

Annexure to Auditors' Report – 31 March 2013 (*Continued*)

- (c) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute.
- x. 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.
- xi. The Company did not have any dues to any financial institutions or banks or debenture holders during the year.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv. Based on information and explanations provided by the management, in respect of dealing and trading in shares and securities, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- xvi. The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
- xvii. 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 used any funds raised on short-term basis for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to companies /firms parties covered in the register maintained under section 301 of the Act.
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information and explanations given to us, no material frauds on or by the Company has been noticed or reported during the course of our audit.

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

Mumbai
9 May 2013

Vijay Bhatt
Partner
Membership No: 036647

Tata Asset Management Limited

Balance sheet

as at 31 March 2013

(Currency: Indian Rupees)

	Notes	2013	2012
Equity and liabilities			
Shareholders' funds			
Share capital	3	164,062,500	164,062,500
Reserves and surplus	4	1,317,760,475	1,240,189,893
Non current liabilities			
Deferred tax liabilities (net)	5	-	244,774
Other long term liabilities	6	134,815,155	86,430,280
Long term provisions	7	36,541,708	37,063,177
Current liabilities			
Trade payables	8	198,208,473	121,338,651
Other current liabilities	9	49,041,845	86,157,175
Short term provisions	10	86,042,639	149,915,675
		<u>1,986,472,795</u>	<u>1,885,402,125</u>
Assets			
Non current assets			
Fixed assets	11		
Tangible assets		131,881,074	142,308,876
Intangible assets		16,083,432	7,669,203
Non-current investments	12	74,065,206	24,065,206
Long term loans and advances	13	469,153,686	415,981,369
Deferred tax asset (net)	5	3,721,740	-
Current assets			
Current investments	14	1,072,864,915	1,135,907,169
Trade receivables	15	111,751,783	83,388,365
Cash and bank balances	16	7,552,005	7,065,538
Short term loans and advances	17	99,398,954	69,016,399
		<u>1,986,472,795</u>	<u>1,885,402,125</u>

Significant accounting policies and notes to financial statements 2 - 33

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For BSR & Associates
Chartered Accountants
Firm's Registration No: 116231W

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

Vijay Bhatt
Partner
Membership No: 036647

Farrokh K. Kavarana
Chairman

Aspy Cooper
Director

Pratip Kar
Director

Arvind Sethi
Managing Director & CEO

Hormuz A. Bulsara
Chief Financial Officer

Nariman Khan
Company Secretary



Tata Asset Management Limited

Statement of profit and loss

for the year ended 31 March 2013

(Currency: Indian Rupees)

	Notes	2013	2012
Revenue from operations	18	1,324,572,895	1,013,860,316
Other income	19	109,041,481	272,301,145
Total Revenue		1,433,614,376	1,286,161,461
Employee costs	20	412,919,965	421,107,547
Depreciation / amortization		22,082,428	24,137,341
Other expenses	21	810,320,543	457,988,096
Total expenses		1,245,322,936	903,232,984
Profit before tax		188,291,440	382,928,477
Income tax expense :			
Current expense		37,909,403	75,800,261
Prior year income tax		-	(6,416,398)
Deferred tax		(3,966,514)	(64,150)
Profit for the period		154,348,551	313,608,764
Earnings per equity share of nominal value of Rs. 10 (PY: Rs. 10)):			
Basic & Diluted (Rs.)	24	9.41	19.12

Significant accounting policies and notes to the financial statements

2 - 33

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

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

Vijay Bhatt
Partner
Membership No: 036647

Farrokh K. Kavarana
Chairman

Aspy Cooper
Director

Pratip Kar
Director

Arvind Sethi
Managing Director & CEO

Mumbai
9 May 2013

Hormuz A. Bulsara
Chief Financial Officer

Nariman Khan
Company Secretary



Tata Asset Management Limited

Cash flow statement

for the year ended 31 March 2013

(Currency: Indian Rupees)

	Notes	2013	2012
Cash flows from operating activities			
Net profit before tax		188,291,440	382,928,477
Depreciation		22,082,428	24,137,341
Interest income		(1,652,602)	(6,984,874)
Dividend income		(31,030,154)	(180,084,257)
Profit on sale of investments (net)		(55,840,832)	(57,075,231)
Loss on sale of fixed assets (net)		68,310	1,532,924
Operating cash flow before working capital changes		121,918,590	164,454,380
(Increase) / decrease in trade receivables		(28,363,418)	(25,119,393)
(Increase) / decrease in loans and advances		20,400,518	(100,605,480)
Increase / (decrease) in trade payables, current liabilities and provisions		89,975,048	2,417,584
Cash utilised from working capital changes		82,012,148	(123,307,289)
Income tax paid (including tax deducted at source, net of refund)		(139,006,757)	(83,457,032)
Net cash generated from / (used in) operating activities (A)		64,923,981	(42,309,941)
Cash flow from investing activities			
Purchase of fixed assets		(22,892,186)	(14,169,388)
Advance for purchase of fixed assets		(2,858,029)	434,108
Proceeds from sale of fixed assets		2,755,014	1,823,224
Interest income		1,652,602	272,219
Dividend income		31,030,154	180,084,257
Purchase of investments		(2,584,633,037)	(3,194,924,373)
Proceeds from sale of investments		2,653,516,123	3,176,956,376
Net cash generated from investing activities (B)		78,570,641	150,476,423
Cash flow from financing activities			
Dividend and distribution tax paid		(143,008,155)	(104,872,646)
Net cash used in financing activities (C)		(143,008,155)	(104,872,646)
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)		486,467	3,293,836
Cash and cash equivalents at the beginning of the year		7,065,538	3,771,702
Cash and cash equivalents at the end of the year	16	7,552,005	7,065,538

As per our report of even date attached

For BSR & Associates
Chartered Accountants
Firm's Registration No: 116231W

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

Vijay Bhatt
Partner
Membership No: 036647

Farrokh K. Kavarana
Chairman

Aspy Cooper
Director

Pratip Kar
Director

Arvind Sethi
Managing Director & CEO

Mumbai
9 May 2013

Hormuz A. Bulsara
Chief Financial Officer

Nariman Khan
Company Secretary



Tata Asset Management Limited

Notes to the financial statements

for the year ended 31 March 2013

(Currency: Indian Rupees)

1 Background

Tata Asset Management Limited ('the Company') was incorporated on 15 March 1994.

The Company's principal activity is to act as an investment manager to Tata Mutual Fund ('the Fund') and to provide portfolio management services ('PMS') to clients. The Company is registered with Securities and Exchange Board of India ('SEBI') under SEBI (Mutual Fund) Regulations, 1996 and SEBI (Portfolio Managers) Regulations, 1993. 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

The accounting policies set out below have been applied consistently to the periods presented in these financial statements

2.1 Basis of preparation of financial statements

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 and other accounting principles generally accepted in India, 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 Current - non-current classification

All assets and liabilities are classified into current and non-current.

Assets :

An asset is classified as current when it satisfies any of the following criteria :

- a it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b it is held primarily for the purpose of being traded;
- c it is expected to be realised within 12 months after the reporting date; or
- d it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities :

A liability is classified as current when it satisfies any of the following criteria .

- a it is expected to be settled in the company's normal operating cycle;
- b it is held primarily for the purpose of being traded;
- c it is due to be settled within 12 months after the reporting date; or
- d the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.



Y

Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian Rupees)

2 Significant accounting policies (Continued)

2.4 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 the asset is ready to use and for any asset sold, till the date of sale.

Leasehold improvements are amortised over the primary period of lease on straight line basis or useful life which ever is less.

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 recognised in the statement of profit and loss.

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

Revenue recognition

Revenue is recognised when there is reasonable certainty of its ultimate realisation/collection.

Investment Management Fees (net of service tax)

Investment Management fees are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996, as amended from time to time based on average assets under management (AUM) of Tata Mutual Fund schemes.

Portfolio Management Fees (net of service tax)

Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.

Advisory fees

Advisory fees are recognised on accrual basis in accordance with the respective terms of contract with counterparties.

Other income

Interest income is accounted on a time proportion basis.

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



Y

Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian Rupees)

2 Significant accounting policies (Continued)

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 statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

2.9 Employee benefits

Gratuity and Superannuation

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Benefits in respect of gratuity, a defined benefit scheme, and superannuation, a defined contribution scheme, as applicable to employees of the Company are annually funded with the Life Insurance Corporation of India.

Provident fund

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid earned leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

Leave encashment

Leave encashment which is a defined benefit, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

2.10 New fund offer expenses ('NFO')

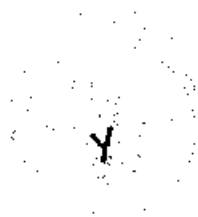
Expenses relating to NFO are charged to statement of profit and loss of the Company in the year in which these expenses are incurred which is in compliance with SEBI circular No SEBI/MD/CIR NO 4/168230/09.

2.11 Scheme expenses

Expenses incurred (inclusive of advertisement / brokerage expenses etc.) for / on behalf of the schemes of the Fund are charged to the statement of profit and loss in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996 and as amended.

2.12 Brokerage and incentives

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



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian Rupees)

2 Significant accounting policies (Continued)

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 when 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 to the extent 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.

2.14 Operating leases

Licences 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 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.

2.17 Segment reporting

The Company is in the business of providing asset management services to the fund and portfolio management service to clients. The primary segment is identified as asset management services. As such the Company's financial statements are largely reflective of the asset management business and there is no separate reportable segment.

Pursuant to Accounting Standard (AS) 17 Segment Reporting, 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

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian Rupees)

3 Share capital

	2013		2012	
	Number	Amount	Number	Amount
Authorised				
25,000,000 (Previous year: 25,000,000) equity shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Issued, Subscribed & Paid up				
16,406,250 (Previous year: 16,406,250) equity shares of Rs. 10 each	16,406,250	164,062,500	16,406,250	164,062,500
	16,406,250	164,062,500	16,406,250	164,062,500

Reconciliation of equity shares:

Particulars	Equity Shares 2013		Equity Shares 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	16,406,250	164,062,500	16,406,250	164,062,500
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,406,250	164,062,500	16,406,250	164,062,500

Particulars of shareholders holding more than 5% and shares held by their holding and their subsidiaries / associates:

Particulars	Nature of Relationship	2013		2012	
11,140,793 (Previous year: 11,140,793) Equity Shares of Rs. 10 each	Tata Sons Limited, Holding company	111,407,930	67.91%	111,407,930	67.91%
5,265,457 (Previous year: 5,265,457) Equity Shares of Rs. 10 each	Tata Investment Corporation Limited, Fellow subsidiary	52,654,570	32.09%	52,654,570	32.09%

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

There is no buyback / bonus shares issued during the period of five years immediately preceding reporting date.



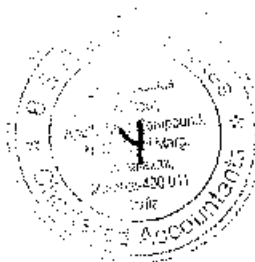
Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian Rupees)

	2013	2012
4 Reserves and surplus		
General Reserve		
Opening Balance	286,650,000	254,150,000
Add : Transfer from statement of profit and loss	20,000,000	32,500,000
Closing Balance	306,650,000	286,650,000
Securities Premium Account		
Opening Balance	65,625,000	65,625,000
Closing Balance	65,625,000	65,625,000
Surplus in statement of profit and loss		
Opening balance	887,914,893	749,814,284
Add : Net Profit for the year	154,348,551	313,608,764
Less : Proposed dividend (including tax on dividend)	76,777,969	143,008,155
Less : Transfer to General reserve	20,000,000	32,500,000
Closing Balance	945,485,475	887,914,893
	1,317,760,475	1,240,189,893



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian Rupees)

	2013	2012
5 Deferred tax assets/(liabilities) (net)		
Deferred tax assets/(liabilities) included in the balance sheet comprise of the following :		
Deferred tax assets:		
Employee compensation	16,484,129	14,266,293
Straight lining of lease rentals	178,761	50,135
Directors' commission	746,235	1,330,245
	<u>17,409,125</u>	<u>15,646,673</u>
Deferred tax liability:		
Written down value of fixed asset	(13,687,385)	(15,891,447)
Net Deferred tax Assets/(Liabilities)	<u><u>3,721,740</u></u>	<u><u>(244,774)</u></u>
6 Other long-term liabilities		
Security deposits	4,925,000	500,000
Income Tax refunds	129,890,155	85,930,280
	<u><u>134,815,155</u></u>	<u><u>86,430,280</u></u>
7 Long term provisions		
Provision for employee benefits		
Non Current Liabilities		
Gratuity (funded) (refer to note 26)	442,608	490,700
Leave Encashment (unfunded)	36,099,100	36,572,477
	<u><u>36,541,708</u></u>	<u><u>37,063,177</u></u>
8 Trade payables		
Due to micro and small suppliers (refer note 31)		
Others	198,208,473	121,338,651
	<u><u>198,208,473</u></u>	<u><u>121,338,651</u></u>
9 Other current liabilities		
Statutory Dues	13,644,104	10,182,457
Employee related expenses payable	33,097,741	71,574,718
Directors' commission payable	2,300,000	4,100,000
	<u><u>49,041,845</u></u>	<u><u>86,157,175</u></u>
10 Short term provisions		
Provision for employee benefits		
Leave Encashment (unfunded)	9,264,670	6,907,520
Other provisions		
Proposed dividend	65,625,000	123,046,875
Tax on proposed dividend	11,152,969	19,961,280
	<u><u>86,042,639</u></u>	<u><u>149,915,675</u></u>



4

12

3

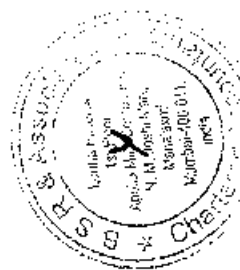
Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2013

(Currency: Indian Rupees)

11 Fixed assets

Fixed Assets	Balance as at 1 April 2012	Gross Block Additions	Disposal	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Net Block Balance as at 31 March 2013
Tangible assets:									
Premises	110,053,080	-	-	110,053,080	24,892,005	1,794,518	-	26,686,523	83,406,557
Furniture and fixtures	29,810,754	580,581	20,325	30,371,010	17,006,267	2,419,919	15,163	19,411,033	10,959,987
Vehicles	18,818,374	5,271,950	5,633,008	18,457,316	9,096,858	2,917,805	3,121,132	8,890,531	9,566,795
Office equipment	23,784,958	1,242,538	411,826	24,615,670	11,974,744	1,883,371	244,382	13,613,733	11,001,937
Computers	43,676,410	3,383,200	2,849,281	44,210,329	34,741,412	4,327,995	2,707,439	36,261,969	7,848,360
Subtotal (I)	226,163,576	10,478,279	8,914,440	227,747,415	97,711,287	13,343,608	6,091,116	104,963,779	122,783,636
Leasehold improvements:									
Furniture and fixtures	21,681,199	48,593	-	21,729,792	8,707,595	4,454,201	-	13,202,196	8,527,596
Office equipment	1,346,095	-	-	1,346,095	482,712	293,541	-	776,253	569,842
Subtotal (II)	23,027,294	48,593	-	23,075,887	9,190,707	4,747,742	-	13,978,449	9,097,438
Total Tangible assets (A) (I + II)	249,190,870	10,526,872	8,914,440	250,823,302	106,901,994	18,131,350	6,091,116	118,942,218	131,881,074
Intangible assets:									
Computer software	15,814,936	12,286,662	-	28,101,598	12,370,901	2,106,100	-	14,479,061	14,622,537
Licences and franchises	10,613,915	78,652	-	10,692,568	7,388,388	1,842,585	-	9,231,673	1,460,895
Total intangible assets (B)	27,428,852	12,365,314	-	39,794,166	19,759,289	3,948,685	-	23,710,734	16,083,432
Total fixed assets (A + B)	276,619,722	22,892,186	8,914,440	290,617,468	126,661,283	22,080,035	6,091,116	142,652,952	147,964,506



Tata Asset Management Limited

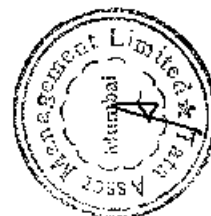
Notes to the financial statements (Continued) as at 31 March 2013

(Currency: Indian Rupees)

11 Fixed assets (Continued)

As at 31 March 2012:

Fixed Assets	Balance as at 1 April 2011	Gross Block Additions	Disposal	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals	Balance as at 31 March 2012	Net Block Balance as at 31 March 2012
Tangible assets:									
Premises	110,053,080	-	-	110,093,080	23,097,486	1,794,519	-	24,892,005	85,201,075
Furniture and Fixtures	29,240,517	2,143,413	1,575,131	29,810,794	15,011,040	2,997,024	1,001,807	17,006,267	12,804,487
Vehicles	18,880,301	3,654,340	3,716,267	18,818,374	8,447,855	3,054,347	2,405,344	9,066,858	9,721,516
Office equipment	24,997,413	1,380,974	2,593,429	23,784,958	11,126,686	2,101,356	1,253,308	11,974,744	11,810,214
Computers	44,733,974	3,084,923	4,142,487	43,676,410	33,657,590	5,300,280	4,015,227	34,741,413	8,934,997
Subtotal (I)	227,945,285	10,263,655	12,027,364	226,183,576	51,140,477	15,247,226	8,576,716	97,711,287	128,472,289
Lease hold improvements:									
Furniture and Fixtures	24,255,071	1,828,268	4,406,140	21,681,199	8,370,068	4,733,212	4,395,315	8,707,995	12,973,204
Office equipment	1,872,579	103,753	630,037	1,346,295	755,679	356,197	629,364	482,712	863,383
Subtotal (II)	26,127,650	1,932,021	5,036,177	23,027,294	9,125,777	5,089,409	5,024,679	9,190,707	13,836,587
Total Tangible assets (A) (I + II)	254,072,935	12,195,676	17,063,541	249,210,870	100,266,254	20,337,135	13,701,395	106,901,994	142,308,876
Intangible Assets:									
Computer software	14,845,224	1,971,712	-	16,814,936	0,695,537	1,677,424	-	12,370,961	4,443,975
Licenses and franchise	10,613,916	0	-	10,613,916	5,265,905	2,122,783	-	7,388,688	3,245,228
Total Intangible Assets (B)	25,459,140	1,971,712	0	27,328,852	15,959,442	3,800,207	0	19,759,649	7,669,203
Total fixed assets (A + B)	279,532,075	14,169,388	17,063,541	276,539,722	116,225,696	24,137,342	13,701,395	126,661,643	149,978,079



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian Rupees)

12 Non Current Investment (valued at cost unless stated otherwise)

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Amount	
		2013	2012	2013	2012
Trade Investments					
Investment in equity instruments (unquoted):					
Tata Asset Management (Mauritius) Private Limited	Subsidiary	510,100	510,100	23,065,206	23,065,206
Tata Pension Management Limited	Subsidiary	100,000	100,000	1,000,000	1,000,000
Non-Trade Investments					
Investment in bonds (quoted):					
Rural Electrification Corporation Limited	Others	50,000	-	50,000,000	-
				74,065,206	24,065,206
Aggregate book value of unquoted non-current investments				24,065,206	24,065,206
Quoted non-current investments					
- Aggregate book value				50,000,000	-
- Aggregate market value				50,200,000	-



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian Rupees)

	2013	2012
13 Long term loans and advances (unsecured and considered good)		
To related parties :		
Security deposits *	16,160,000	15,500,000
To parties other than related parties :		
Advance tax (net of provisions Rs. 484,194,390 (PY: Rs. 446,284,987))	322,542,778	221,445,417
Capital advances	6,532,829	3,674,800
Securities deposits	69,752,601	87,618,151
Prepaid expenses	42,464,632	74,691,227
Staff loans	11,700,846	13,021,771
	<u>469,153,686</u>	<u>415,981,369</u>

* The Company has paid cash deposits to Tata Industries Limited (Rs. 15,500,000) for chairman's housing lease and to Tata Sons Limited (Rs. 660,000) for the office space lease.



Tata Asset Management Limited

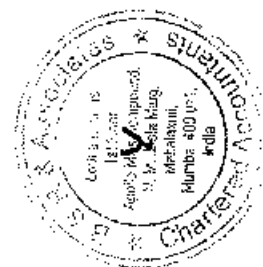
Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian Rupees)

14 Current investments

Name of the Body Corporate	Face Value	No. of Shares / Units		Amount	
		2012	2013	2012	2013
Current portion of Long term investments (valued at cost unless stated otherwise):					
Investments in Mutual Funds (quoted)					
TATA FMP SERIES 39 SCHEME B GROWTH	10	1,500,000,000	15,000,000	15,000,000	15,000,000
TATA FMP SERIES 39 SCHEME G GROWTH	10	5,000,000,000	50,000,000	50,000,000	50,000,000
TATA FMP SERIES 39 SCHEME H GROWTH	10	5,000,000,000	50,000,000	50,000,000	50,000,000
TATA FMP SERIES 40 SCHEME F DIVIDEND	10	10,000,000,000	100,000,000	100,000,000	-
TATA FMP SERIES 42 SCHEME A DIRECT GROWTH	10	14,000,000,000	140,000,000	140,000,000	-
TATA FMP SERIES 42 SCHEME G DIRECT GROWTH	10	10,000,000,000	100,000,000	100,000,000	-
Other investments (valued at lower of cost or fair value):					
Investments in Mutual Funds (unquoted)					
TATA DYNAMIC BOND FUND DIRECT DIVIDEND	10	14,269,138,670	183,250,564	183,250,564	-
TATA DYNAMIC BOND FUND OPTION A DIVIDEND	10	8,074,793,820	100,607,773	100,607,773	-
TATA EQUITY OPPORTUNITIES FUND DIVIDEND	10	-	8,741,720	-	183,153
TATA FIXED INCOME PORTFOLIO FUND C2	10	-	3,067,303,290	-	30,862,833
TATA FIXED INCOME PORTFOLIO FUND C3	10	-	5,134,563,490	-	51,062,149
TATA FLOATER FUND - DAILY DIVIDEND	10	-	29,026,226,850	-	291,295,602
TATA FLOATER FUND DIRECT PLAN DAILY DIVIDEND	1000	263,608,670	264,544,371	264,544,371	-
TATA INDEX FUND NIFTY PLAN A	10	-	609,876,250	-	20,152,421
TATA INDEX FUND SENSEX PLAN B	10	-	600,164,870	-	7,500,000
TATA LIQUID FUND (SHIP) - DAILY DIVIDEND	1000	-	45,043,490	-	50,201,875
TATA LIQUID FUND DIRECT PLAN DAILY DIVIDEND	1000	15,630,530	17,420,536	17,420,536	-
TATA PURE EQUITY FUND DIVIDEND	10	-	2,838,380	-	08,464
TATA SHORT TERM BOND FUND FOR INCOME DIVIDEND	10	4,190,477,020	3,998,144,500	52,041,671	49,500,672



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian Rupees)

14 Current investments (Continued)

Name of the Body Corporate	Price Value	No. of Shares / Units	Amount
Investments in Mutual Funds (quoted)			
TATA FMP SERIES 37 SCHEME A GROWTH	10	-	120,000,000
TATA FMP SERIES 37 SCHEME B GROWTH	10	-	100,000,000
TATA FMP SERIES 37 SCHEME D GROWTH	10	-	50,000,000
TATA FMP SERIES 38 SCHEME D GROWTH	10	-	150,000,000
TATA FMP SERIES 39 SCHEME D GROWTH	10	-	50,000,000
TATA FMP SERIES 39 SCHEME E GROWTH	10	-	50,000,000
Total		72,313,645.710	1,072,864,915.00
Quoted current investments:			
Aggregate market value			477,700,600
Aggregate book value			455,000,000
Aggregate book value of unquoted current investments			617,864,915



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian Rupees)

	2013	2012
15 Trade receivables (unsecured and considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	111,751,783	83,388,365
	<u>111,751,783</u>	<u>83,388,365</u>
16 Cash and bank balances		
Cash & cash equivalents:		
Cash on hand	16,970	11,924
Balances with banks		
on current accounts	7,525,035	7,053,614
	<u>7,552,005</u>	<u>7,065,538</u>
17 Short term loans and advances (unsecured and considered good)		
To related parties :		
Prepaid expenses *	3,735,772	3,630,357
To parties other than related parties :		
Advances recoverable in cash or in kind or for value to be received	11,005,984	7,429,309
Staff loans	1,265,904	1,311,972
Prepaid expenses	82,212,487	56,372,396
Others	1,178,807	272,365
	<u>99,398,954</u>	<u>69,016,399</u>
* - Below are the details for prepaid expenses paid to the related party:		
- Tata AIA Life Insurance Company Limited: Rs. 578,388 (PY: nil) for life insurance		
- Tata AIG General Insurance Company Limited: Rs. 2,911,373 (PY: Rs. 2,774,367) for insurance		
- Tata Teleservices Limited: Rs. 25,168 (PY: nil) for telephone services		
- Tata Teleservices Maharashtra Limited: Rs. 184,934 (PY: Rs. 315,984) for telephone services		
- Voltas Limited: Rs. 35,909 (PY: Rs. 33,542) for miscellaneous services		
- Tata AIG Life Insurance Company Limited: Nil (PY: Rs. 506,464) for life insurance		
18 Revenue from operations		
Fees from Mutual Fund operations	1,305,766,156	1,006,369,884
Fees from Portfolio Management Services	18,806,739	7,490,432
	<u>1,324,572,895</u>	<u>1,013,860,316</u>



Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2013

(Currency: Indian Rupees)

	2013	2012
19 Other Income		
Advisory Fees	15,153,205	24,208,397
Interest income		
Long term investments	1,137,397	-
Current investments	515,205	7,379,211
Dividend on:		
Long term investments (dividend received from Tata Asset Management (Mauritius) Private Limited during PY)	-	154,237,500
Current investments	31,030,154	25,846,757
Profit on sale of investments (net)	55,840,832	57,075,231
Miscellaneous Income	5,364,688	3,554,049
	109,041,481	272,301,145
20 Employee Costs		
Salaries, bonus and allowances	362,396,705	374,291,608
Contribution to provident and other funds	33,495,587	28,647,480
Staff welfare costs	17,027,673	18,168,459
	412,919,965	421,107,547
21 Other expenses		
Rent	83,633,656	85,515,182
Electricity	11,584,037	9,126,592
Repairs and maintenance:		
Equipment	3,953,194	4,571,402
Premises	13,700,122	10,505,484
Insurance	9,978,893	10,920,740
Legal and professional fees	20,484,675	20,891,417
Information Technology	26,466,513	27,713,538
Travelling and conveyance	23,060,903	23,471,731
Brokerage and incentives (PMS)	7,207,914	1,070,764
Communication expenses	17,380,246	18,568,293
Service tax	-	3,815,567
Finance cost	747	2,319,719
Books, periodicals and subscriptions	14,038,203	13,508,902
Loss on sale of fixed assets (net)	68,310	1,532,924
Training expenses	2,290,725	1,452,060
Printing and stationery	4,286,546	4,169,533
Marketing and sales promotion	10,221,533	11,486,876
Auditors remuneration:		
Audit fees	1,800,000	1,322,916
Tax audit fees	300,000	275,000
Reimbursement of out of pocket expenses	33,555	195,089
Directors expenses	4,303,034	4,875,761
Auxiliary Services	16,384,015	13,025,761
Miscellaneous expenses	2,859,218	2,963,973
Scheme expenses (Refer note 2.11)	536,284,504	184,687,872
	810,320,543	457,988,096



28

Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2013

(Currency: Indian Rupees)

22 Related party

Related parties where control exists:

Tata Sons Limited – Holding Company

Wholly owned subsidiary with whom transactions have taken place:

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

Fellow subsidiaries with whom transactions have taken place:

Tata Trustees Company Limited

Tata AIG General Insurance Company Limited

Tata AIG Life Insurance Company Limited

Tata Industries Limited

Tata Motors Limited

Tata Communications Limited

Tata Consultancy Services Limited

Tata Investment Corporation Limited

Infiniti Retail Limited

Tata Securities Limited

Tata Steel Limited

Tata Teleservices (Maharashtra) Limited

Tata Teleservices Limited

Vollas Limited

Tata Capital Limited

TC Travel And Services Limited

Tata Sky Limited



Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2013

(Currency: Indian Rupees)

22 Related party (Continued)

Key management:

Mr Arvind Sethi - Managing Director & CEO (from 10 December 2012)
Mr Sanjay Sachdev - President & CEO (upto 30 November 2012)

Description	Nature of expense/income	Holding company			Wholly owned subsidiary			Fellow subsidiary			Key management personnel		
		Transaction Amount	Balance Outstanding	2012-2013	Transaction Amount	Balance Outstanding	2012-2013	Transaction Amount	Balance Outstanding	2012-2013	Transaction Amount	Balance Outstanding	2011-2012
Tata Sons Limited	Subscription paid	2,311,432			2,847,954								
Tata Sons Limited	Miscellaneous	1,657,312											
Tata Sons Limited	Dividend paid	88,555,948	3,476,432		61,270,362								
Tata Sons Limited	Services availed	1,472,806			1,366,465								
Tata Sons Limited	Security deposit	680,000											
Tata Sons Limited	Security deposit	4,115,000											
Tata Asset Management (Mauritius) Private Limited	Dividend income												
Tata Asset Management (Mauritius) Private Limited	Management fee income												
Tata Asset Management (Mauritius) Private Limited	Advisory fee income												
Tata Asset Management (Mauritius) Private Limited	Interest paid												
Tata AIG General Insurance Company Limited	Insurance paid												
Tata AIA Life Insurance Company Limited	Miscellaneous service availed												
Tata Consultancy Services Limited	Miscellaneous service availed												
Tata Industrial Limited	Security deposit given												
Tata Industries Limited	Dividend paid												
Tata Investment Corporation Limited	Miscellaneous service availed												
Tata Motors Limited	Professional services availed												
Tata Securities Limited	Professional services availed												
Tata Telecommunications (Maharashtra) Limited	Professional services availed												
Tata Teleservices Limited	Purchase of Goods												
Valios Limited	Services availed												
Valios Limited	Services availed												



(Currency: Indian Rupees) .

Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian Rupees)

23 Operating leases

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	
	2013	2012	2013	2012	2013	2012
Total future minimum lease payments	385,600	32,000	792,960	0	-	-

The total lease payments recognised in the statement of profit and loss amount to Rs. 83,633,656 (Previous year: Rs. 85,515,182) which includes reversal of Rs. 396,444 (Previous year: Rs. 31,800) towards provision for straight lining of lease rentals.

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	
	2013	2012	2013	2012	2013	2012
Total future minimum lease payments	2,820,000	3,774,000	5,080,000	3,190,000	-	-

The total rent receipts recognised in the statement of profit and loss towards the above referred leases amount to Rs. 2,694,000 (Previous year: Rs. 3,355,000).

24 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 :

	2013	2012
Profit after tax	154,348,551	313,608,764
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.)	9.41	19.12



Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2013

(Currency: Indian Rupees)

25 Provisions for loyalty incentives

	2013	2012
Opening balance as on 1 April 2012	3,820,336	4,182,098
Additional provision/(reversal) during the year	-	(44,005)
	3,820,336	4,138,093
Amount incurred and charged during the year	362,010	317,757
Closing balance as on 31 March 2013	4,182,346	3,820,336

Nature of obligation

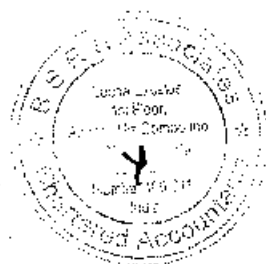
Loyalty incentives to unit holders for long term investment under Tata Gilt Securities Fund – Retirement Plan Series maturing on 28 February 2025 will be paid by the Company at the rate specified by it from time to time in the form of allotment of units equivalent to the amount of loyalty incentive. Units will be allotted at net asset value (NAV) based price prevailing on first business day after the end of the minimum investment period specified by the Company 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 unit holders currently under Tata Gilt Securities Fund – Retirement Plan Series will remain invested till the maturity period i.e. 28 February 2025.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian Rupees)

26 Retirement benefit - gratuity

The following tables summarise the components of the expenses recognised in the statement of profit and loss, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

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.

	2013	2012
Principal actuarial assumptions at the balance sheet date :		
Discount rate	7.95%	8.65%
Salary escalation	5% for first 5 years, and 7% thereafter	7% from first year, 8% for next 5 years, 7% for next 5 years and 6% thereafter
Employee attrition rate	15% upto age 44 and 5% thereafter	10% upto age 44 and 5% thereafter

Changes in the defined benefit obligation :

Opening defined benefit obligation	16,514,602	14,008,175
Current service cost	2,985,084	2,974,794
Interest cost	1,604,552	1,384,638
Actuarial losses / (gain)	1,533,098	(656,439)
Benefits paid	(2,485,135)	(1,196,566)
Closing defined benefit obligation	20,152,201	16,514,602

Change in fair value of assets :

Opening fair value of plan assets	16,023,902	13,534,711
Expected return of plan assets	1,224,296	1,022,568
Actuarial gain / (losses)	246,973	202,488
Contribution by employer	4,699,557	2,460,701
Benefits paid	(2,485,135)	(1,196,566)
Fair value of plan assets as at end of the year	19,709,593	16,023,902



Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2013

(Currency: Indian Rupees)

26 Retirement benefit - gratuity (Continued)

	2013	2012			
Reconciliation of the present value of defined benefit obligation and the fair value of assets					
Present value of funded obligation	20,152,201	16,514,602			
Fair value of plan assets	(19,709,593)	(16,023,902)			
Amount not recognised as an asset	-	-			
Net liability	442,608	490,700			
Balance sheet					
Liability	442,608	490,700			
Assets	-	-			
Net liability	442,608	490,700			
Statement of profit and loss					
Net employee benefit expenses (recognised in employee cost)					
Current service cost	2,985,084	2,974,794			
Interest on defined benefit obligation	1,604,552	1,384,638			
Expected return on plan assets	(1,224,296)	(1,022,568)			
Net actuarial losses / (gains) recognised in the year	1,286,125	(858,927)			
Total included in 'Employee Benefit Expense'	4,651,465	2,477,937			
Five year information					
	31-Mar-2013	31-Mar-2012	31-Mar-2011	31-Mar-2010	31-Mar-2009
Gratuity					
Defined Benefit Obligation	20,152,201	16,514,602	14,008,175	8,658,519	7,440,465
Fair value of plan assets	19,709,593	16,023,902	13,534,711	11,326,766	8,356,144
(Surplus) / deficit in the plan	(442,608)	(490,700)	(473,464)	2,668,247	915,679
Experience adjustment arising on plan liabilities	1,622,586	(1,346,734)	1,666,227	953,376	(1,907,799)
Experience adjustment arising on plan assets	346,973	202,488	201,054	143,047	127,033

27 Contingent liabilities

(to the extent not provided for)

Contingent liability as at 31 March 2013 is Rs. Nil (Previous year: Rs. 42,720,857).



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian Rupees)

28 Capital commitments

An amount of Rs. 5,000,000 is balance towards capital commitments as at 31 March 2013 (Previous year Rs. 10,000,000).

29 Expenditure in foreign currency (on accrual basis)

	2013	2012
Travelling	3,073,318	3,875,170
	<u>3,073,318</u>	<u>3,875,170</u>

30 Earnings in foreign currency (on accrual basis)

	2013	2012
Management fees	105,683,081	129,592,457
Advisory fees	15,153,205	24,208,397
Dividend	-	154,237,500
	<u>120,836,286</u>	<u>308,038,354</u>

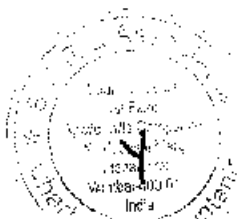
31 Other Payables

Sundry creditors do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

	2013	2012
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
Amount of further interest remaining due and payable	Nil	Nil

32 Transfer pricing

The Company has developed a system of maintenance of information and documents as required by the transfer pricing legislation under section 92 - 92F of the Income Tax Act, 1961. Management is of the opinion that all relevant transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statement, particularly on the amount of tax expense and that of provision for taxation.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian Rupees)

33 Previous year's figures have been regrouped / reclassified as follows :

Trade payables of Rs. 86,430,280 has been reclassified as other long term liabilities and Rs. 4,100,000 has been reclassified as other current liabilities.

Long term loans and advances of Rs. 57,356,627 has been reclassified as short term loans and advances.

As per our report of even date attached

For B S R & Associates

Chartered Accountants

Firm's Registration No: 116231W

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

Vijay Bhatt

Partner

Membership No: 036647

Farrokh K. Kavarana

Chairman

Aspy Cooper

Director

Pratip Kar

Director

Arvind Sethi

Managing Director & CEO

Mumbai

9 May 2013

Hormuz A. Bulsara

Chief Financial Officer

Nariman Khan

Company Secretary



Tata Asset Management Limited

(Currency : Indian Rupees)

Balance sheet abstract and company's general business profile

I Registration Details

Registration No.	U65990MH1994PLC077090	State code	11
Balance sheet date			31-03-13

II Capital raised during the year

Public issue	-	Rights issue	-
Bonus issue	-	Private placement	-

III Position of mobilisation and deployment of funds

Total liabilities	504,649,820	Total assets	1,986,472,795
-------------------	-------------	--------------	---------------

Sources of funds

Paid-up capital	164,062,500	Reserves and surplus	1,317,760,475
Secured loans	-	Unsecured loans	-

Application of funds

Net fixed assets	147,964,506	Investments	1,146,930,121
Net current assets	183,206,608	Miscellaneous expenditure	-
Deferred tax asset	3,721,740	Accumulated losses	-

IV Performance of company

Total turnover	1,324,572,895	Total expenditure	1,245,322,936
Profit before tax	188,291,440	Profit after tax	154,348,551
Earning per share in Rs. (actuals)	9.41	Dividend rate (%)	40%

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

Aspy Cooper
Director

Pratip Kar
Director

Arvind Sethi
Managing Director & CEO

Hormuz A. Bulsara
Chief Financial Officer

Nariman Khan
Company Secretary

Mumbai
9 May 2013