

Tata Asset Management Limited

Financial Statements
together with the Auditors' Report
for the year ended 31 March 2015

Tata Asset Management Limited

Financial statements together with Auditors' Report *for the year ended 31 March 2015*

Contents

Independent Auditors' Report

Balance sheet

Statement of profit and loss

Cash flow statement

Notes to the financial statements

B S R & Associates LLP

Chartered Accountants

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

Telephone +91 (22) 3989 6000
Fax +91 (22) 3090 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 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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.

Independent Auditors' Report (Continued)

Tata Asset Management Limited

Auditors' responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2015, and its profit and its 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, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

Independent Auditors' Report (*Continued*)

Tata Asset Management Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the financial position of the Company;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231 W/W-100024

Mumbai
14 May 2015

N Sampath Ganesh

Partner

Membership No: 042554

Tata Asset Management Limited

Annexure to the Independent Auditors' Report -31 March 2015

(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 the 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.
2. The Company is a service company primarily rendering asset management services to Tata Mutual Fund and portfolio management services. Accordingly, it does not hold any inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 73 to section 76 or other relevant provisions of the Act and rules framed there under apply.
6. The Central Government has not prescribed the maintenance of cost records under sub- section 1 of Section 148 of the Act, for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income tax, Service tax, Provident Fund, Employees State Insurance and other material statutory dues have generally 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 Sales tax, Wealth tax, Excise duty and Customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect Income tax, Service tax, Provident Fund, Employees State Insurance, and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

Tata Asset Management Limited

Annexure to the Independent Auditors' Report -31 March 2015 (Continued)

- (b) According to the information and explanations given to us, there are no dues of Income tax or Service tax or Provident Fund or Employees State Insurance and other material statutory dues which have not been deposited on account of dispute by the Company.
 - (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.
- 8. 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.
 - 9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues from financial institution or debentures during the year.
 - 10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Thus, paragraph 3 (x) of the Order is not applicable.
 - 11. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company does not have any term loans and hence, paragraph 3 (xi) of the Order is not applicable.
 - 12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **B S R & Associates LLP**
Chartered Accountants

Firm's Registration No: 116231W/W-100024

Mumbai
14 May 2015

N Sampath Ganesh
Partner
Membership No: 042554

Tata Asset Management Limited

Balance sheet

as at 31 March 2015

(Currency: Indian Rupees)

	Note	2015	2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	164,062,500	164,062,500
Reserves and surplus	4	1,511,680,380	1,403,864,173
Non current liabilities			
Other long term liabilities	6	106,644,132	191,552,876
Long term provisions	7	34,594,274	32,172,691
Current liabilities			
Trade payables	8	127,110,826	204,688,548
Other current liabilities	9	110,872,095	79,337,412
Short term provisions	10	104,579,031	94,777,158
		2,159,543,238	2,170,455,358
Assets			
Non current assets			
Fixed assets	11		
Tangible assets		116,146,094	130,475,331
Intangible assets		37,783,493	21,552,979
Non-current investments	12	620,324,931	659,565,206
Long term loans and advances	13	512,916,589	460,058,384
Deferred tax asset (net)	5	5,887,450	3,279,931
Current assets			
Current investments	14	347,285,536	627,487,370
Trade receivables	15	136,464,678	134,039,754
Cash and bank balances	16	8,031,588	2,749,758
Short term loans and advances	17	374,702,879	131,246,645
		2,159,543,238	2,170,455,358

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 B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

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

N Sampath Ganesh

Partner

Membership No: 042554

Farokh N. Subedar

Chairman

Aspy Cooper

Director

Keki M. Elavia

Director

Arvind Sethi

Managing Director & CEO

Mumbai

14 May 2015



Hormuz A. Bulsara
CFO & Company Secretary

Tata Asset Management Limited

Statement of profit and loss for the year ended 31 March 2015

(Currency: Indian Rupees)

	Note	2015	2014
Revenue from operations	18	1,448,621,273	1,734,601,752
Other income	19	165,208,007	78,717,193
Total Revenue		1,613,829,280	1,813,318,945
Employee costs	20	493,297,170	435,404,064
Depreciation / amortization	11	40,963,117	23,993,446
Other expenses	21	796,276,289	1,117,357,039
Total expenses		1,330,536,576	1,576,754,549
Profit before tax		283,292,704	236,564,396
Income tax expense :			
Current expense (Previous year: net of MAT credit entitlement)		78,344,940	63,643,674
Prior year income tax		(2,844,592)	-
MAT credit asset	33	-	1,204,479
MAT credit utilized	33	-	(1,204,479)
Deferred tax		(2,607,519)	441,809
Profit for the year		210,399,875	172,478,913
Earnings per equity share of nominal value of Rs. 10 (Previous year: Rs. 10):			
Basic & Diluted (Rs.)	24	12.82	10.51
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 LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

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

N Sampath Ganesh
Partner
Membership No: 042554

Farokh N. Subedar
Chairman

Aspy Cooper
Director

Keki M. Elavia
Director

Arvind Sethi
Managing Director & CEO

Mumbai
14 May 2015

Hormuz A. Bulsara
CFO & Company Secretary



Tata Asset Management Limited

Cash flow statement

for the year ended 31 March 2015

(Currency: Indian Rupees)

	Note	2015	2014
Cash flows from operating activities			
Net profit before tax		283,292,704	236,564,396
Depreciation		40,963,117	23,993,446
Interest income		(8,168,271)	(4,147,528)
Dividend income		(22,788,832)	(23,573,585)
Profit on sale of investments (net)		(109,385,298)	(26,787,868)
Loss on sale of fixed assets (net)		547,754	102,290
		<u>184,461,174</u>	<u>206,151,151</u>
Operating cash flow before working capital changes			
(Increase) / decrease in trade receivables		(2,424,924)	(22,287,971)
(Increase) / decrease in short term loans and advances		(243,456,234)	(31,219,990)
(Increase) / decrease in long term loans and advances		(115,212,928)	12,959,068
(Increase) / decrease in other current assets		-	(279,899)
Increase / (decrease) in trade payables		(77,577,722)	6,132,273
Increase / (decrease) in current liabilities		31,534,683	30,295,567
Increase / (decrease) in long term liabilities		180,000	240,000
Increase / (decrease) in short term provisions		(2,255,586)	(862,727)
Increase / (decrease) in long term provisions		2,421,583	(4,369,017)
Cash utilized from working capital changes		<u>(406,791,128)</u>	<u>(9,392,696)</u>
Income tax paid (net)		<u>(98,234,366)</u>	<u>(11,009,721)</u>
		<u>(320,564,320)</u>	<u>185,748,734</u>
Net cash provided / (used) by operating activities (A)			
Cash flow from investing activities			
Purchase of fixed assets		(50,967,532)	(30,672,366)
Proceeds from sale of fixed assets		3,404,387	2,512,826
Interest income		8,168,271	4,147,528
Dividend income		22,788,832	23,573,585
Purchase of investments		(1,837,043,580)	(2,328,788,095)
Proceeds from sale of investments		2,265,870,987	2,215,453,510
		<u>412,221,365</u>	<u>(113,773,012)</u>
Net cash generated by investing activities (B)			
Cash flow from financing activities			
Dividend and distribution tax paid		(86,375,215)	(76,777,969)
		<u>(86,375,215)</u>	<u>(76,777,969)</u>
Net cash used in financing activities (C)			
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)		<u>5,281,830</u>	<u>(4,802,247)</u>
Cash and cash equivalents at the beginning of the year		2,749,758	7,552,005
Cash and cash equivalents at the end of the year	16	<u>8,031,588</u>	<u>2,749,758</u>

As per our report of even date attached

For BSR & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Farokh N. Subedar

Chairman

Aspy Cooper

Director

Keki M. Elavia

Director

Arvind Sethi

Managing Director & CEO

Hormuz A. Bulsara

CFO & Company Secretary

Mumbai

14 May 2015



Tata Asset Management Limited

Notes to the financial statements

for the year ended 31 March 2015

(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, SEBI (Portfolio Managers) Regulations, 1993 and SEBI (Alternative Investment Funds) Regulations, 2012. 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

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India, to the extent applicable.

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.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(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 is provided on a written down value basis other than premises, intangibles assets and leasehold improvements. Premises are depreciated over its estimated useful life on a straight line basis. Intangible assets comprising of software purchased / developed and licensing costs are amortized 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 utilized. Leasehold improvements are amortised over the primary period of lease on straight line basis or useful life which ever is less.

As per the requirement of the Act, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 15,350,019 and an amount of Rs. 4,150,994 has been charged to the opening balance of the general reserves in respect of assets whose remaining useful life has expired as at 1 April 2014.

Further as disclosed in the table below, the estimated useful life of fixed asset of the Company is different from useful life prescribed in Schedule II of the Companies Act, 2013.

Nature of Fixed Assets	Management Estimate of Useful Life in years	Useful life as per the limits prescribed in Schedule II of the Companies Act , 2013 in years
Vehicles	6	8
Office Equipment (Category: mobile)	3	5

For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets individually costing Rupees Five Thousand or less are fully depreciated in the year of purchase or acquisition.

The Company provides pro-rata depreciation from the date the asset is ready for its intended use or put to use whichever is earlier and in respect of assets sold, depreciation is provided upto the date of disposal.

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 realizable value. The comparison of cost and net realizable 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.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2 Significant accounting policies (Continued)

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 fee is 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.

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 recognizes 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.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2 Significant accounting policies (Continued)

2.9 Employee benefits (Continued)

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/IMD/CIR NO 4/168230/09.

2.11 Scheme expenses

In pursuance to SEBI PR No. 77/2012, the Company has incurred expenses related to advertisement, brokerage, custodian etc. for and on behalf of the schemes of the Fund and the same has been charged to statement of profit and loss.

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 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.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: 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 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 2015

(Currency: Indian Rupees)

3 Share capital

	2015		2014	
	Number	Amount	Number	Amount
Authorized				
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
	<u>16,406,250</u>	<u>164,062,500</u>	<u>16,406,250</u>	<u>164,062,500</u>

Reconciliation of equity shares:

Particulars	Equity Shares 2015		Equity Shares 2014	
	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	<u>16,406,250</u>	<u>164,062,500</u>	<u>16,406,250</u>	<u>164,062,500</u>

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

Particulars	Nature of Relationship	2015		2014	
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 2015

(Currency: Indian Rupees)

	2015	2014
4 Reserves and surplus		
General reserve		
Opening balance	326,650,000	306,650,000
Add : Transfer from statement of profit and loss	5,000,000	20,000,000
Less : Depreciation adjusted (refer to note in schedule 11)	4,150,994	-
Closing balance	327,499,006	326,650,000
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	1,011,589,173	945,485,475
Add : Net profit for the year	210,399,875	172,478,913
Less : Proposed dividend (including tax on dividend)	98,432,674	86,375,215
Less : Transfer to general reserve	5,000,000	20,000,000
Closing balance	1,118,556,374	1,011,589,173
	1,511,680,380	1,403,864,173



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian Rupees)

	2015	2014
5 Deferred tax asset (net)		
Deferred tax assets/(liabilities) included in the balance sheet comprise of the following :		
Deferred tax assets:		
Employee compensation	13,847,740	15,867,147
Straight lining of lease rentals	147,837	122,858
Directors commission	-	849,750
	<u>13,995,577</u>	<u>16,839,755</u>
Deferred tax liability:		
Written down value of fixed asset	(8,108,127)	(13,559,824)
Net deferred tax assets / (liabilities)	<u><u>5,887,450</u></u>	<u><u>3,279,931</u></u>
6 Other long-term liabilities		
Security deposits	5,345,000	5,165,000
Income tax	101,299,132	186,387,876
	<u><u>106,644,132</u></u>	<u><u>191,552,876</u></u>
7 Long term provisions		
Provision for employee benefits		
Non current liabilities		
Gratuity (funded) (refer to note 26)	899,804	-
Leave encashment (unfunded)	33,694,470	32,172,691
	<u><u>34,594,274</u></u>	<u><u>32,172,691</u></u>
8 Trade payables		
Due to micro and small suppliers (refer note 31)	-	-
Others	127,110,826	204,688,548
	<u><u>127,110,826</u></u>	<u><u>204,688,548</u></u>
9 Other current liabilities		
Statutory dues	15,674,925	15,091,695
Employee related expenses payable	92,797,170	61,745,717
Directors' commission payable	2,400,000	2,500,000
	<u><u>110,872,095</u></u>	<u><u>79,337,412</u></u>
10 Short term provisions		
Provision for employee benefits		
Leave encashment (unfunded)	6,146,357	8,401,943
Other provisions		
Proposed dividend	82,031,250	73,828,125
Tax on proposed dividend	16,401,424	12,547,090
	<u><u>104,579,031</u></u>	<u><u>94,777,158</u></u>



Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency: Indian Rupees)

11 Fixed assets

Fixed Assets	Balance as at 1 April 2014	Additions	Gross Block Disposal	Transfers	Balance as at 31 March 2015	Balance as at 1 April 2014	Adjustment in opening reserve	Accumulated Depreciation Depreciation charge for the year	On disposals	Transfers	Balance as at 31 March 2015	Net Book Balance as at 31 March 2015
Tangible assets :												
Premises	110,093,080	-	-	-	110,093,080	28,481,040	-	1,633,178	-	-	30,114,218	79,978,862
Furniture and fixtures	30,971,482	4,365,051	4,015,828	-	31,320,705	21,448,375	15,287	4,314,530	2,854,022	-	22,924,170	8,396,535
Vehicles	22,981,272	7,230,403	7,217,284	-	22,994,391	9,003,301	64,734	7,203,185	5,125,219	-	11,146,001	11,848,390
Office equipment	25,539,541	3,734,817	2,771,125	2,917,774	29,421,007	14,550,175	3,585,367	6,174,390	2,529,249	2,182,504	23,963,187	5,457,820
Computers	46,090,102	6,605,915	5,432,900	(2,811,026)	44,452,091	36,353,489	485,606	6,608,897	5,289,082	(2,159,255)	35,999,655	8,452,436
Subtotal (I)	235,675,477	21,936,186	19,437,137	106,748	238,281,274	109,836,380	4,150,994	25,934,180	15,797,572	23,249	124,147,231	114,134,043
Lease hold improvements :												
Furniture and fixtures	21,920,423	2,117,741	1,954,990	-	22,083,174	17,643,992	-	4,120,046	1,692,915	-	20,071,123	2,012,051
Office equipment	1,452,843	-	103,753	(106,748)	1,242,342	1,093,043	-	230,193	57,645	(23,249)	1,242,342	-
Subtotal (II)	23,373,266	2,117,741	2,058,743	(106,748)	23,325,516	18,737,035	-	4,350,239	1,750,560	(23,249)	21,313,465	2,012,051
Total Tangible assets (A) (I + II)	259,048,743	24,053,927	21,495,880	-	261,606,790	128,573,415	4,150,994	30,284,419	17,548,132	-	145,460,696	116,146,094
Intangible assets :												
Computer software	34,798,593	10,622,194	46,691	-	45,374,096	13,897,616	-	7,134,229	42,298	-	20,989,547	24,384,549
Licenses and franchise	16,198,507	16,291,411	-	-	32,489,918	15,546,505	-	3,544,469	-	-	19,090,974	13,398,944
Total intangible assets (B)	50,997,100	26,913,605	46,691	-	77,864,014	29,444,121	-	10,678,698	42,298	-	40,080,521	37,783,493
Total fixed assets (A + B)	310,045,843	50,967,532	21,542,571	-	339,470,804	158,017,536	4,150,994	40,963,117	17,590,430	-	185,541,217	153,929,587

Note :
As per the requirement of the Act, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 15,350,019 and an amount of Rs. 4,150,994 has been charged to the opening balance of the general reserves in respect of assets whose remaining useful life has expired as at 1 April 2014.



Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency: Indian Rupees)

11 Fixed assets (Continued)

As at 31 March 2014

Fixed Assets	Balance as at 1 April 2013	Additions	Gross Block Disposal	Transfers	Balance as at 31 March 2014	Balance as at 1 April 2013	Adjustment in opening reserve	Accumulated Depreciation Depreciation charge for the year	On disposals	Transfers	Balance as at 31 March 2014	Net Block Balance as at 31 March 2014
Tangible assets :												
Premises	110,093,080	-	-	-	110,093,080	26,686,523	-	1,794,518	-	-	28,481,041	81,612,039
Furniture and fixtures	30,371,010	727,775	127,303	-	30,971,482	19,411,023	-	2,141,173	103,821	-	21,448,375	9,523,107
Vehicles	18,457,326	10,267,370	5,743,424	-	22,981,272	8,890,531	-	3,693,761	3,580,991	-	9,003,301	13,977,971
Office equipment	24,615,670	1,876,541	952,670	-	25,539,541	13,613,733	-	1,664,222	727,778	-	14,550,177	10,989,364
Computers	44,210,329	6,237,445	4,357,672	-	46,090,102	36,361,969	-	4,148,556	4,157,040	-	36,353,485	9,736,617
Subtotal (I)	227,747,415	19,109,131	11,181,069	-	235,675,477	104,963,779	-	13,442,230	8,569,630	-	109,836,379	125,839,098
Lease hold improvements :												
Furniture and fixtures	21,729,792	190,631	-	-	21,920,423	13,202,196	-	4,441,794	-	-	17,643,990	4,276,433
Office equipment	1,346,095	106,748.00	-	-	1,452,843	776,253	-	316,790	-	-	1,093,043	359,800
Subtotal (II)	23,075,887	297,379	-	-	23,373,266	13,978,449	-	4,758,584	-	-	18,737,033	4,636,233
Total Tangible assets (A) (I + II)	250,823,302	19,406,510	11,181,069	-	259,048,743	118,942,228	-	18,200,814	8,569,630	-	128,573,412	130,475,331
Intangible assets :												
Computer software	23,640,603	11,220,912	62,922.00	-	34,798,593	9,018,066	-	4,938,795	59,245	-	13,897,616	20,900,977
Licenses and franchise	16,153,563	44,944	-	-	16,198,507	14,692,668	-	853,837	-	-	15,546,505	652,002
Total intangible assets (B)	39,794,166	11,265,856	62,922.00	-	50,997,100	23,710,734	-	5,792,632	59,245	-	29,444,121	21,552,979
Total fixed assets (A + B)	290,617,468	30,672,366	11,243,991	-	310,045,843	142,652,962	-	23,993,446	8,628,875	-	158,017,533	152,028,310



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian Rupees)

12 Non-current investment

Details of non-current investment
(valued at cost unless stated otherwise)

Name of the body corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value	No. of Shares / Units		Amount	
			2015	2014	2015	2014
Investment in equity instruments (unquoted) :						
Tata Asset Management (Mauritius) Private Limited	Subsidiary	USD 1	510,100.000	510,100.000	23,065,206	23,065,206
Tata Pension Management Limited	Subsidiary	INR 10	100,000.000	100,000.000	1,000,000	1,000,000
MF Utilities	Others	INR 1	500,000.000	500,000.000	500,000	500,000
Non-trade investments						
Investment in bonds (quoted) :						
Rural Electrification Corporation Limited - 7.22% taxfee bonds	Others	INR 1,000	50,000.000	50,000.000	50,000,000	50,000,000
Investments in mutual funds (quoted)						
Tata FMP Series 42 Scheme G Direct Growth	Quoted	INR 10	-	10,000,000.000	-	100,000,000
Tata FMP Series 42 Scheme I Direct Growth	Quoted	INR 10	-	5,000,000.000	-	50,000,000
Tata FMP Series 47 Scheme B Direct Growth	Quoted	INR 10	-	4,000,000.000	-	40,000,000
Tata FMP Series 43 Scheme C Direct Growth	Quoted	INR 10	10,000,000.000	10,000,000.000	100,000,000	100,000,000
Tata FMP Series 45 Scheme A Direct Growth	Quoted	INR 10	8,000,000.000	8,000,000.000	80,000,000	80,000,000
Tata FMP Series 46 Scheme P Direct Growth	Quoted	INR 10	4,686,221.803	8,000,000.000	46,862,218	80,000,000
Tata FMP Series 46 Scheme T Direct Growth	Quoted	INR 10	5,000,000.000	5,000,000.000	50,000,000	50,000,000
Tata FMP Series 46 Scheme R Direct Growth	Quoted	INR 10	5,000,000.000	5,000,000.000	50,000,000	50,000,000
Tata FMP Series 46 Scheme C Direct Growth	Quoted	INR 10	3,286,514.988	3,500,000.000	32,865,150	35,000,000
Tata FMP Series 47 Scheme F Direct Growth	Quoted	INR 10	5,000,000.000	-	50,000,000	-
Investments in Mutual Funds (unquoted)						
Tata Dynamic Bond Fund Direct Growth	Unquoted	INR 10	250,096.021	-	5,000,000	-
Tata Floater Fund Direct Growth	Unquoted	INR 1,000	2,510.060	-	5,000,000	-
Tata Floating Rate Long Term Fund Direct Growth	Unquoted	INR 1,000	100.021	-	190,000	-
Tata Money Market Fund Direct Growth	Unquoted	INR 1,000	2,393.749	-	5,000,000	-
Tata Gilt Mid Term Fund Direct Growth	Unquoted	INR 10	319,655.285	-	4,465,000	-
Tata Gilt Securities Fund Direct Growth	Unquoted	INR 10	134,331.100	-	5,000,000	-
Tata Gilt Short Maturity Fund Direct Growth	Unquoted	INR 10	187,428.767	-	3,850,000	-
Tata Income Fund Direct Growth	Unquoted	INR 10	125,662.824	-	5,000,000	-
Tata Income Plus Fund Direct Growth	Unquoted	INR 10	243,435.590	-	5,000,000	-
Tata Liquid Fund Direct Growth	Unquoted	INR 1,000	2,042.961	-	5,000,000	-
Tata Liquidity Management Fund Direct Growth	Unquoted	INR 1,000	2,297.919	-	4,085,000	-
Tata Monthly Income Fund Direct Growth	Unquoted	INR 10	121,685.908	-	3,030,000	-
Tata MIP Plus Fund Direct Growth	Unquoted	INR 10	226,871.521	-	5,000,000	-
Tata Short Term Bond Fund Direct Growth	Unquoted	INR 10	202,559.340	-	5,000,000	-
Tata Treasury Manager Fund Direct Growth	Unquoted	INR 1,000	2,838.796	-	5,000,000	-
Tata Ethical Fund Direct Growth	Unquoted	INR 10	44,372.175	-	5,000,000	-
Tata Dividend Yield Fund Direct Growth	Unquoted	INR 10	96,392.480	-	5,000,000	-
Tata Balanced Fund Direct Growth	Unquoted	INR 10	34,326.840	-	5,000,000	-
Tata Equity Opportunities Fund Direct Growth	Unquoted	INR 10	124,905.730	-	18,102,357	-



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian Rupees)

12 Non-current investment (Continued)

Details of non-current investment
(valued at cost unless stated otherwise)

Name of the body corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value	No. of Shares / Units		Amount	
			2015	2014	2015	2014
Investments in Mutual Funds (unquoted)						
Tata Equity P/E Fund Direct Growth	Unquoted	INR 10	63,856.350	-	5,000,000	-
Tata Index Fund - Nifty A Direct Growth	Unquoted	INR 10	10,922.613	-	535,000	-
Tata Index Fund - Sensex A Direct Growth	Unquoted	INR 10	8,640.188	-	560,000	-
Tata Mid Cap Growth Fund Direct Growth	Unquoted	INR 10	60,132.842	-	5,000,000	-
Tata Infrastructure Fund Direct Growth	Unquoted	INR 10	132,656.496	-	5,000,000	-
Tata Pure Equity Fund Direct Growth	Unquoted	INR 10	33,476.162	-	5,000,000	-
Tata Tax Saving Fund Direct Growth	Unquoted	INR 10	477,017.685	-	5,000,000	-
Tata Young Citizens' Fund Direct Growth	Unquoted	INR 10	265,629.133	-	5,000,000	-
Tata Retirement Savings Fund-Moderate Direct	Unquoted	INR 10	69,104.242	-	1,210,000	-
Tata Retirement Savings Fund-Progressive Direct	Unquoted	INR 10	285,272.725	-	4,805,000	-
Tata Retirement Savings Fund-Conservative Direct	Unquoted	INR 10	14,790.015	-	200,000	-
					620,324,931	659,565,206
Aggregate book value of unquoted non-current investments					160,599,578	24,567,220
Quoted non-current investments						
Aggregate book value					459,727,368	635,000,000
Aggregate market value					513,368,392	658,586,500



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian Rupees)

	2015	2014
13 Long term loans and advances		
<i>(unsecured and considered good)</i>		
To related parties :		
Security deposits *	16,160,000	16,160,000
To parties other than related parties :		
Advance tax (net of provisions Rs. 349,151,004 (Previous year: Rs. 547,838,064))	264,051,821	326,406,544
Advances recoverable in cash or in kind or for value to be received	157,193,935	-
Capital advances	308,990	6,708,293
Securities deposits	47,950,775	70,609,381
Prepaid expenses	18,446,121	28,297,795
Staff loans	8,804,947	10,483,547
Gratuity (funded) (refer to note 26)	-	1,392,824
	512,916,589	460,058,384

* The Company has paid cash deposits to Tata Industries Limited (Rs. 15,500,000) for 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 2015

(Currency: Indian Rupees)

14 Current investments

Name of the body corporate	Face Value	No. of Shares / Units		Amount	
		2015	2014	2015	2014
Current portion of Long term investments (valued at cost unless stated otherwise) :					
Investments in mutual funds (quoted)					
Tata FMP Series 47 Scheme H Direct Growth	INR 10	2,000,000.000	-	20,000,000	-
Tata FMP Series 47 Scheme M Direct Growth	INR 10	2,000,000.000	-	20,000,000	-
Other investments (valued at lower of cost or fair value) :					
Investments in Mutual Funds (unquoted)					
Tata Dynamic Bond Fund Direct Dividend	INR 10	-	18,865,781.216	-	244,484,550
Tata Dynamic Bond Fund Option A Dividend	INR 10	-	8,235,072.738	-	102,722,039
Tata Floater Fund Direct Daily Dividend	INR 1000	-	8,059.475	-	8,087,975
Tata Liquid Fund Direct Daily Dividend	INR 1000	-	17,050.951	-	19,003,628
Tata Short Term Bond Fund Fortnightly Dividend	INR 10	-	2,857,658.518	-	35,565,718
Tata Floater Fund Direct Growth	INR 1000	-	121,742.265	-	217,623,460
Tata Short Term Bond Fund Direct Growth	INR 10	979,416.206	-	25,151,996	-
Tata Gilt Mid Term Fund Direct Growth	INR 10	3,340,526.801	-	50,000,000	-
Tata Dynamic Bond Fund Direct Growth	INR 10	7,530,133.359	-	160,436,268	-
Tata Money Market Fund Direct Growth	INR 1000	31,527.736	-	69,195,272	-
Tata Tax Saving Fund Direct Dividend	INR 10	39,865.665	-	2,502,000	-
Total		15,921,470	30,105,365	347,285,536	627,487,370
Quoted current investments:					
Aggregate book value				40,000,000	-
Aggregate market value				40,229,000	-
Aggregate book value of unquoted current investments				307,285,536	627,487,370



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian Rupees)

	2015	2014
15 Trade receivables (unsecured and considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	136,464,678	134,039,754
	<u>136,464,678</u>	<u>134,039,754</u>
16 Cash and bank balances		
Cash & cash equivalents :		
Cash on hand	12,761	4,956
Balances with banks on current accounts	8,018,827	2,744,802
	<u>8,031,588</u>	<u>2,749,758</u>
17 Short term loans and advances (unsecured and considered good)		
To related parties :		
Prepaid expenses	3,545,461	4,328,172
To parties other than related parties :		
Advances recoverable in cash or in kind or for value to be received	325,846,884	24,756,739
Staff loans	1,225,729	1,267,984
Prepaid expenses	43,822,839	99,435,044
Others	261,966	1,458,706
	<u>374,702,879</u>	<u>131,246,645</u>
18 Revenue from operations		
Fees from mutual fund and offshore operations	1,412,798,708	1,701,536,604
Fees from portfolio management services	35,822,565	33,065,148
	<u>1,448,621,273</u>	<u>1,734,601,752</u>
19 Other Income		
Advisory fees	12,838,383	14,919,652
Interest income		
Long term investments	3,610,000	3,610,001
Interest on income tax refund	4,079,844	-
Interest on staff loans	478,427	537,527
Dividend on :		
Current investments	22,788,832	23,573,585
Profit on sale of investments (net)	109,385,298	26,787,868
Miscellaneous income	12,027,223	9,288,560
	<u>165,208,007</u>	<u>78,717,193</u>



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian Rupees)

	2015	2014
20 Employee Costs		
Salaries, bonus and allowances	443,676,555	394,108,267
Contribution to provident and other funds	28,747,035	22,906,312
Staff welfare costs	20,873,580	18,389,485
	<u>493,297,170</u>	<u>435,404,064</u>
21 Other expenses		
Rent	64,149,516	84,798,279
Electricity	12,203,761	12,072,486
Repairs and maintenance :		
Equipment	11,230,241	8,084,361
Premises	13,882,441	15,565,624
Insurance	10,856,874	10,992,028
Legal and professional fees	29,556,507	30,190,814
Information technology	19,646,655	22,515,073
Travelling and conveyance	20,368,845	21,980,321
Brokerage and incentives	17,549,397	16,296,377
Communication expenses	20,610,441	20,318,584
Books, periodicals and subscriptions	17,387,543	17,175,970
Loss on sale of fixed assets (net)	547,754	102,290
Training expenses	8,018,313	1,043,044
Printing and stationery	3,828,891	3,551,820
Marketing and sales promotion	11,434,142	11,319,767
Auditors remuneration :		
Audit fees	2,100,000	1,950,000
Tax audit fees	400,000	350,000
Reimbursement of out of pocket expenses	180,271	35,112
Directors expenses	3,022,714	3,330,055
Auxiliary services	16,712,867	17,054,601
Corporate Social Responsibility	5,025,000	-
Scheme expenses (Refer note 2.11)	505,430,059	817,092,196
Miscellaneous expenses	2,134,057	1,538,237
	<u>796,276,289</u>	<u>1,117,357,039</u>



Tata Asset Management Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency: Indian Rupees)

22 Related party

Related parties where control exists :

Tata Sons Limited – Holding Company

Wholly owned subsidiaries :

Tata Asset Management (Mauritius) Private Limited

Tata Pension Management Limited

Fellow subsidiaries with whom transactions have taken place :

Tata Trustee Company Limited

Tata AIG General Insurance Company Limited

Tata AIA Life Insurance Company Limited

Tata Industries Limited

Tata Consultancy Services Limited

Tata Investment Corporation Limited

Infinity Retail Limited

Tata Securities Limited

Tata Capital financial Services Limited

TC Travel And Services Limited

Tata Sky Limited

Key Management Persons

Mr. Arvind Sethi

Mr. Hormuz A. Bulsara



Notes to the financial statements (Continued)
for the year ended 31 March 2015

22 Related party (Continued)

Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian Rupees)

22 Related party (Continued)

Description	Nature of expense / income	Holding company			Wholly owned subsidiary			Fellow subsidiary			Key management personnel		
		Transaction Amount	Balance Outstanding	2014-2015	Transaction Amount	Balance Outstanding	2014-2015	Transaction Amount	Balance Outstanding	2014-2015	Transaction Amount	Balance Outstanding	2014-2015
Tata Capital Financial Services Limited	Miscellaneous service availed							4,947,988	393,425	4,959,560	387,425		
TC Travel And Services Limited	Miscellaneous service availed							533,789	75,000	216,057	25,000		
Infinity Retail Limited	Purchase of Goods							50,668	-	73,145	-		
Tata Sky Limited	Rent received							1,783,500	39,150	1,740,000	-		
Tata Trustee Company Limited	Miscellaneous service income							375,000	-	-	-		
Mr. Arvind Sethi	* Managerial Remuneration									16,557,866	14,096,150		
Mr. Hormaz A. Bulsara	* Managerial Remuneration									10,274,389	9,633,339		

Note :

* In the above balances benefits arising on account of gratuity, leave encashment etc. are not included as these benefits are determined at a group level.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(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	
	2015	2014	2015	2014	2015	2014
Total future minimum lease payments	4,675,757	1,286,336	10,773,709	574,425	-	-

The total lease payments recognized in the statement of profit and loss amount to Rs. 64,149,516 (Previous year Rs. 84,436,825) which includes Rs. 73,490 in the current year (Previous year: reversal of Rs. 189,512) 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	
	2015	2014	2015	2014	2015	2014
Total future minimum lease receipts	9,184,652	3,804,000	14,547,960	4,213,600	-	-

The total rent receipts recognized in the statement of profit and loss towards the above referred leases amount to Rs. 9,142,500 (Previous year: Rs. 3,060,000).

2015 2014

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 :

Profit after tax	210,399,875	172,478,913
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.)	12.82	10.51

25 Provisions for loyalty incentives

Opening balance as on 1 April	4,214,635	4,182,346
Additional provision / (reversal) during the year	(2,662,012)	32,289
	1,552,623	4,214,635
Amount incurred and paid during the year	1,143,145	-
	409,478	4,214,635
Closing balance as on 31 March		



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

25 Provisions for loyalty incentives (Continued)

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.

26 Retirement benefit

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Super annuation which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund and Super annuation for the year aggregated to Rs. 21,107,800 (Previous year: Rs. 20,556,942)

The following tables summarises the components of the expenses recognized in the profit and loss account, and the fund status and amount recognized in the balance sheet for the gratuity benefit plan.

	2015	2014
Principal actuarial assumptions at the balance sheet date :		
Discount rate	7.95%	9.15%
Salary escalation	5% for first 3 years, and 7% thereafter	5% for first 4 years, and 7% thereafter
Employee attrition rate	15% upto age 44 and 5% thereafter	15% upto age 44 and 5% thereafter
Changes in the defined benefit obligation :		
Opening defined benefit obligation	20,006,721	20,152,201
Current service cost	2,640,258	3,010,726
Interest cost	1,906,524	1,691,811
Actuarial losses / (gain)	2,576,147	(2,288,722)
Benefits paid	(1,654,860)	(2,559,295)
Closing defined benefit obligation	25,474,790	20,006,721



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

	2015	2014
26 Retirement benefit (Continued)		
Change in fair value of assets :		
Opening fair value of plan assets	21,399,545	19,709,593
Expected return of plan assets	1,581,667	1,468,298
Actuarial gain / (losses)	283,325	224,138
Contribution by employer	2,965,309	2,556,811
Benefits paid	(1,654,860)	(2,559,295)
Fair value of plan assets as at end of the year	24,574,986	21,399,545
Reconciliation of the present value of defined benefit obligation and the fair value of assets		
Present value of funded	25,474,790	20,006,721
Fair value of plan assets	(24,574,986)	(21,399,545)
Net liability	899,804	(1,392,824)
Balance sheet		
Liability	899,804	-
Assets	-	1,392,824
Net liability	899,804	(1,392,824)
Statement of profit and loss		
Net employee benefit expenses (recognised in employee cost)		
Current service cost	2,640,258	3,010,726
Interest on defined benefit obligation	1,906,524	1,691,811
Expected return on plan assets	(1,581,667)	(1,468,298)
Net actuarial losses / (gains) recognized in the year	2,292,822	(2,512,860)
Total included in 'Employee Benefit Expense'	5,257,937	721,379

Five year information

	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Gratuity					
Defined benefit obligation	25,474,790	20,006,721	20,152,201	16,514,602	14,008,175
Fair value of plan assets	24,574,986	21,399,545	19,709,593	16,023,902	13,534,711
(Surplus) / deficit in the plan	(899,804)	1,392,824	(442,608)	(490,700)	(473,464)
Experience adjustment arising on plan liabilities	564,874	(594,570)	1,622,586	(1,346,734)	1,666,227
Experience adjustment arising on plan assets	283,325	224,138	246,973	202,488	201,054



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

27 Contingent liabilities

(to the extent not provided for)

Contingent liability as at 31 March 2015 is Rs. Nil (Previous year: Rs. Nil).

28 Capital commitments

An amount of Rs. Nil is balance towards capital commitments as at 31 March 2015 (Previous year: Rs. 1,500,000).

29 Expenditure in foreign currency (on accrual basis)

	2015	2014
Travelling	3,360,904	1,507,670
Legal & Professional Fees	613,800	753,625
Marketing	583,812	2,224,499
Subscriptions	18,580	2,103,712
	<u>4,577,096</u>	<u>6,589,506</u>

30 Earnings in foreign currency (on accrual basis)

Management fees	82,923,517	88,877,523
Advisory fees	12,838,383	14,919,652
	<u>95,761,900</u>	<u>103,797,175</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.

	2015	2014
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 even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, under Section 23 of the MSMED Act	Nil	Nil



Tata Asset Management Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

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 domestic and international 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.

33 MAT Credit

MAT Credit entitlement is recognized where there is convincing evidence that the same can be realized in future. The Company has a balance of unrecognized MAT Credit of Rs. Nil (Previous year: Rs. 1,204,479).

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

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

N Sampath Ganesh

Partner

Membership No: 042554

Farokh N. Subdedar

Chairman

Aspy Cooper

Director

Keki M. Elavia

Director

Arvind Sethi

Managing Director & CEO

Mumbai

14 May 2015

Hormuz A. Bulsara
CFO & 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-Mar-15

II Capital raised during the year

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

III Position of mobilisation and deployment of funds

Total liabilities	483,800,358	Total assets	2,159,543,238
-------------------	-------------	--------------	---------------

Sources of funds

Paid-up capital	164,062,500	Reserves and surplus	1,511,680,380
Secured loans	-	Unsecured loans	-

Application of funds

Net fixed assets	153,929,587	Investments	967,610,467
Net current assets	548,315,376	Miscellaneous expenditure	-
Deferred tax asset	5,887,450	Accumulated losses	-

IV Performance of company

Total turnover	1,448,621,273	Total expenditure	1,330,536,576
Profit before tax	283,292,704	Profit after tax	210,399,875
Earning per share in Rs. (actuals)	12.82	Dividend rate (%)	50%

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

Farokh N. Subdedar
Chairman

Aspy Cooper
Director

Keki M. Elavia
Director

Arvind Sethi
Managing Director & CEO

Hormuz A. Bulsara
CFO & Company Secretary

Mumbai
14 May 2015

