

Tata Asset Management Limited

**Financial Statements
together with the Auditors' Report
for the year ended 31 March 2016**

Tata Asset Management Limited

Financial statements together with Auditors' Report

for the year ended 31 March 2016

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B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's 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 2016, 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 the 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 judgements 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.

Auditor's 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.

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 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.



Independent Auditor's Report (Continued)

Tata Asset Management Limited

Auditor's responsibility (Continued)

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 2016, and its profit and 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, 2016 (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, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the Company.

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 purpose of our audit;
- (b) In our opinion, proper books of accounts 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, 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 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;
- (e) On the basis of written representations received from the Directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) 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) The Company does not have any pending litigations which would impact its financial position;



Independent Auditor's Report (*Continued*)

Tata Asset Management Limited

Report on other legal and regulators matters (*Continued*)

- 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: 116231W/W-100024

Mumbai
17 May 2016

N Sampath Ganesh

Partner

Membership No: 042554

Tata Asset Management Limited

Annexure A to the Independent Auditor's Report – 31 March 2016

(Referred to in our report of even date)

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified at the end of the financial year. In our opinion, the 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) The title deeds of immovable properties are held in the name of the Company.
2. The Company is a service company primarily rendering asset management, portfolio management and advisory 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, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
4. The Company has neither granted any loans to any director or any person in whom director is interested nor made investment in any Company as specified in Section 185 and 186 of the Act. Thus, paragraph 3 (iv) of the Order is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by Reserve Bank of India (RBI) and the provisions of Section 73 to 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, profession tax, provident fund, employee 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 of income tax, service tax, profession tax, provident fund, employee state insurance and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, service tax, profession tax, provident fund, employee state insurance and other material statutory dues which have not been deposited by the Company on account of disputes.



Tata Asset Management Limited

Annexure A to the Independent Auditor's Report – 31 March 2016 (Continued)

8. According to the information and explanations given to us, the Company did not have any loans or borrowing from financial institution, bank, government or dues to any debenture holders during the year. Accordingly, para 3 (viii) of the Order is not applicable to the Company.
9. In our opinion and according to the information and explanations given to us, during the year, the Company has not raised any money by initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
10. In our opinion and according to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
16. The Company is a service company primarily rendering asset management, portfolio management and advisory services. Accordingly, it is not required to be registered with RBI under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Associates LLP

Chartered Accountants

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

Mumbai
17 May 2016

N Sampath Ganesh

Partner

Membership No: 042554

Tata Asset Management Limited

Annexure B to the Independent Auditor's Report of even date on the standalone financial statements of Tata Asset Management Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tata Asset Management Limited (the "Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Tata Asset Management Limited

Annexure B to the Independent Auditor's Report of even date on the standalone financial statements of Tata Asset Management Limited (Continued)

Meaning of internal financial controls over financial reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Associates LLP

Chartered Accountants

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

Mumbai
17 May 2016

N Sampath Ganesh
Partner
Membership No: 042554

Tata Asset Management Limited

Balance sheet

as at 31 March 2016

(Currency: Indian Rupees)

	Note	2016	2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	164,062,500	164,062,500
Reserves and surplus	4	1,550,372,565	1,511,680,380
Non-current liabilities			
Other long term liabilities	6	106,644,132	106,644,132
Long term provisions	7	41,145,692	34,594,274
Current liabilities			
Trade payables	8	137,921,242	127,110,826
Other current liabilities	9	160,196,406	110,872,095
Short term provisions	10	20,814,082	104,579,031
		<u>2,181,156,619</u>	<u>2,159,543,238</u>
Assets			
Non-current assets			
Fixed assets	11		
Tangible assets		116,042,718	116,146,094
Intangible assets		26,450,426	37,783,493
Non-current investments	12	392,547,896	620,324,931
Long term loans and advances	13	440,113,537	512,916,589
Deferred tax assets (net)	5	12,078,316	5,887,450
Current assets			
Current investments	14	845,618,159	347,285,536
Trade receivables	15	95,389,182	136,464,678
Cash and bank balances	16	8,634,474	8,031,588
Short term loans and advances	17	244,281,911	374,702,879
		<u>2,181,156,619</u>	<u>2,159,543,238</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 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

Keki M. Elavia

Director

Mehernosh B. Kapadia

Director

R. Ganesh

CEO & Managing Director

Hormuz A. Bulsara
CFO & Company Secretary

Mumbai
17 May 2016

Mumbai
17 May 2016



Tata Asset Management Limited

Statement of profit and loss for the year ended 31 March 2016

(Currency: Indian Rupees)

	Note	2016	2015
Revenue from operations	18	1,411,563,428	1,461,459,656
Other income	19	31,847,551	152,369,624
Total Revenue		1,443,410,979	1,613,829,280
Employee costs	20	591,716,319	493,297,170
Depreciation / amortization	11	31,338,749	40,963,117
Other expenses	21	746,899,316	796,276,289
Total expenses		1,369,954,384	1,330,536,576
Profit before tax		73,456,595	283,292,704
Income tax expense :			
Current expense		31,850,000	78,344,940
Prior year income tax		(4,717,047)	(2,844,592)
Deferred tax		(6,190,866)	(2,607,519)
Profit for the year		52,514,508	210,399,875
Earnings per equity share of nominal value of Rs. 10 (previous year Rs. 10):			
Basic and Diluted (Rs.)	24	3.20	12.82
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

Keki M. Elavia
Director

Mehernosh B. Kapadia
Director

R. Ganesh
CEO & Managing Director

Hormuz A. Bulsara
CFO & Company Secretary

Mumbai
17 May 2016

Mumbai
17 May 2016



Tata Asset Management Limited

Cash flow statement

for the year ended 31 March 2016

(Currency: Indian Rupees)

	Note	2016	2015
Cash flows from operating activities			
Net profit before tax		73,456,595	283,292,704
Depreciation		31,338,749	40,963,117
Interest income		(5,404,849)	(8,168,271)
Dividend income		(79,731)	(22,788,832)
Profit on sale of investments (net)		(14,631,238)	(109,385,298)
Loss on sale of fixed assets (net)		5,289,450	547,754
Operating cash flow before working capital changes		89,968,976	184,461,174
Increase in other long term liabilities		-	180,000
Increase in long term provisions		6,551,418	2,421,583
Increase / (decrease) in trade payables		10,810,416	(77,577,722)
Increase in current liabilities		49,324,311	31,534,683
Increase / (decrease) in short term provisions		845,402	(2,255,586)
Decrease / (increase) in long term loans and advances		121,992,797	(115,212,928)
Decrease / (increase) in trade receivables		41,075,496	(2,424,924)
Decrease / (increase) in short term loans and advances		130,420,968	(243,456,234)
Cash generated from / (used in) operations		361,020,808	(406,791,128)
Income tax paid (net of refund)		(76,322,698)	(98,234,366)
Net cash generated from / (used in) operating activities (A)		374,667,086	(320,564,320)
Cash flow from investing activities			
Purchase of fixed assets		(26,908,412)	(50,967,532)
Proceeds from sale of fixed assets		1,716,656	3,404,387
Interest income		5,404,849	8,168,271
Dividend income		79,731	22,788,832
Purchase of investments		(1,188,020,956)	(1,837,043,580)
Proceeds from sale of investments		932,096,606	2,265,870,987
Net cash (used in) / generated by investing activities (B)		(275,631,526)	412,221,365
Cash flow from financing activities			
Dividend and distribution tax paid		(98,432,674)	(86,375,215)
Net cash used in financing activities (C)		(98,432,674)	(86,375,215)
Net increase in cash and cash equivalents (A) + (B) + (C)		602,886	5,281,830
Cash and cash equivalents at the beginning of the year		8,031,588	2,749,758
Cash and cash equivalents at the end of the year	16	8,634,474	8,031,588

As per our report of even date attached

For BSR & 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

Keki M. Elavia

Director

Mehernosh B. Kapadia

Director

R. Ganesh

CEO & Managing Director

Hormuz A. Bulsara
CFO & Company Secretary



Mumbai
17 May 2016

Mumbai
17 May 2016

Tata Asset Management Limited

Notes to the financial statements

for the year ended 31 March 2016

(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'), to provide portfolio management services ('PMS') to clients and advisory services. 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 Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Act 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 and 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 2016

(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 a 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 ready for its intended use. Leasehold improvements are amortised over the primary period of lease on a 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. The useful life of the following assets are as follows :

Tangible assets	As per Companies Act
Premises	60 years
Furniture and fixtures	10 years
Vehicles	8 Years
Office equipments	5 Years
Office equipments - mobile	5 Years
Computers - servers	6 Years
Computers - end user devices	3 Years

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

Nature of Fixed Assets	Management Estimate of Useful Life (in years)	Useful life as per the limits prescribed in Schedule II of the Act (in years)
Vehicles	6	8
Office equipments - mobile	3	5

For these class of assets, based on internal technical 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 Act.

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 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 weighted average cost and is recognised on trade date.



Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2016

(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

Investment management fees (net of service tax) 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 daily assets under management 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.

Rent income is recognised on accrual basis in accordance with the respective terms of contract with lessee.

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.

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.

The translation of financial statements of the foreign subsidiaries from the local currency to the reporting currency of the Company is performed for balance sheet accounts using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using an average exchange rate for the year and the resulting difference is presented as exchange fluctuation reserve included in 'Reserves and surplus'.

2.9 Employee benefits

Gratuity

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, and the fair value of plan assets, if any, is deducted from such determined 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 discount rate used for determining the present value is based on the prevailing market yields on Indian Government Securities as at the balance sheet date for the estimated term of the obligation.

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

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

Superannuation

The Company contributes a sum upto 15% of basic salary for employees who have opted to contribute to a Superannuation Fund, administered by trustees and managed by Life Insurance Corporation of India. The Company recognises such contributions as an expense in the year they are incurred. Benefits in respect of superannuation, a defined contribution scheme, as applicable to employees is 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 2016

(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.

Compensated absences

Compensated absence 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 the statement of profit and loss in the year in which these expenses are incurred which is in compliance with SEBI (Mutual Fund) Regulations, 1996, as amended from time to time.

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 the statement of profit and loss.

2.12 Brokerage and incentives

All brokerage and incentive payments are charged to the statement of profit and loss as and when incurred.

2.13 Taxation

Current tax

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

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

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only 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

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.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian Rupees)

2 Significant accounting policies (Continued)

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 2016

(Currency: Indian Rupees)

3 Share capital

	2016		2015	
	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 and 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 2016		Equity Shares 2015	
	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	2016		2015	
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 2016

(Currency: Indian Rupees)

	2016	2015
4 Reserves and surplus		
General reserve		
Opening balance	327,499,006	326,650,000
Add : Transfer from the statement of profit and loss	-	5,000,000
Less : Depreciation adjusted	-	4,150,994
Closing balance	<u>327,499,006</u>	<u>327,499,006</u>
Securities premium account		
Opening balance	65,625,000	65,625,000
Closing balance	<u>65,625,000</u>	<u>65,625,000</u>
Surplus in the statement of profit and loss		
Opening balance	1,118,556,374	1,011,589,173
Add : Net profit for the year	52,514,508	210,399,875
Less : Proposed dividend (including tax on dividend)	13,822,323	98,432,674
Less : Transfer to general reserve	-	5,000,000
Closing balance	<u>1,157,248,559</u>	<u>1,118,556,374</u>
	<u>1,550,372,565</u>	<u>1,511,680,380</u>



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian Rupees)

	2016	2015
5 Deferred tax asset (net)		
Deferred tax assets / (liabilities) included in the balance sheet comprise of the following :		
Deferred tax assets:		
Employee benefits	16,659,409	13,847,740
Straight lining of lease rentals	513,087	147,837
	<u>17,172,496</u>	<u>13,995,577</u>
Deferred tax liability:		
Written down value of fixed assets	(5,094,180)	(8,108,127)
Net deferred tax assets	<u>12,078,316</u>	<u>5,887,450</u>
6 Other long-term liabilities		
Security deposits	5,345,000	5,345,000
Income tax	101,299,132	101,299,132
	<u>106,644,132</u>	<u>106,644,132</u>
7 Long term provisions		
Provision for employee benefits		
Non current liabilities		
Gratuity (funded) (refer to note 26)	2,431,463	899,804
Leave encashment (unfunded)	38,714,229	33,694,470
	<u>41,145,692</u>	<u>34,594,274</u>
8 Trade payables		
Due to micro and small suppliers (refer note 32)	-	-
Others	137,921,242	127,110,826
	<u>137,921,242</u>	<u>127,110,826</u>
9 Other current liabilities		
Statutory dues	21,059,474	15,674,925
Employee related expenses payable	138,336,932	92,797,170
Directors' commission payable	800,000	2,400,000
	<u>160,196,406</u>	<u>110,872,095</u>
10 Short term provisions		
Provision for employee benefits		
Compensated absences (unfunded)	6,991,759	6,146,357
Other provisions		
Proposed dividend	11,484,375	82,031,250
Tax on proposed dividend	2,337,948	16,401,424
	<u>20,814,082</u>	<u>104,579,031</u>



Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2016

(Currency: Indian Rupees)

11 Fixed assets

Fixed Assets	Balance as at 1 April 2015	Additions	Gross Block Disposal	Transfers	Balance as at 31 March 2016	Balance as at 1 April 2015	Adjustment in opening reserve	Depreciation charge for the year	On disposals	Transfers	Balance as at 31 March 2016	Net Block Balance as at 31 March 2016
Tangible assets :												
Premises	110,093,080	-	-	-	110,093,080	30,114,218	-	1,633,178	-	-	31,747,396	78,345,684
Furniture and fixtures	31,320,705	1,112,176	197,395	-	32,235,486	22,924,170	-	2,832,856	139,262	-	25,617,764	6,617,722
Vehicles	22,994,391	6,901,259	6,183,529	-	23,712,121	11,146,001	-	6,157,957	4,634,251	-	12,669,707	11,042,414
Office equipments	29,421,007	6,818,777	1,030,737	-	35,209,047	23,963,187	-	3,695,496	884,578	-	26,774,105	8,434,942
Computers	44,452,091	7,737,139	3,552,140	-	48,637,090	35,999,655	-	5,677,588	3,372,665	-	38,304,578	10,332,512
Subtotal (I)	238,281,274	22,569,351	10,963,801	-	249,886,824	124,147,231	-	19,997,075	9,030,756	-	135,113,550	114,773,274
Lease hold improvements :												
Furniture and fixtures	22,083,174	227,282	72,258	-	22,238,198	20,071,123	-	969,889	72,258	-	20,968,754	1,269,444
Office equipments	1,242,342	-	-	-	1,242,342	1,242,342	-	-	-	-	1,242,342	-
Subtotal (II)	23,325,516	227,282	72,258	-	23,480,540	21,313,465	-	969,889	72,258	-	22,211,096	1,269,444
Total Tangible assets (A) (I + II)	261,606,790	22,796,633	11,036,059	-	273,367,364	145,460,696	-	20,966,964	9,103,014	-	157,324,646	116,042,718
Intangible assets :												
Computer software	45,374,096	4,111,779	6,512,037	-	42,973,838	20,989,547	-	6,944,077	1,438,976	-	26,494,648	16,479,190
Licenses and franchise	32,489,918	-	-	-	32,489,918	19,090,974	-	3,427,708	-	-	22,518,682	9,971,236
Total intangible assets (B)	77,864,014	4,111,779	6,512,037	-	75,463,756	40,080,521	-	10,371,785	1,438,976	-	49,013,330	26,450,426
Total fixed assets (A + B)	339,470,804	26,908,412	17,548,096	-	348,831,120	185,541,217	-	31,338,749	10,541,990	-	206,337,976	142,493,144



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian Rupees)

11 Fixed assets (Continued)

As at 31 March 2015

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 Block 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 equipments	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 equipments	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	4,150,994.00	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	46,691.00	-	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	4,150,994.00	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 during FY 2014-15. Consequently, the depreciation charge for the year ended 31 March 2015 was higher by Rs. 15,350,019 and an amount of Rs. 4,150,994 had 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 2016

(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	
			2016	2015	2016	2015
Investment in equity instruments (unquoted) :						
Tata Asset Management (Mauritius) Private Limited	Subsidiary	USD 1	660,100.000	510,100.000	32,614,206	23,065,206
Tata Pension Management Limited	Subsidiary	INR 10	100,000.000	100,000.000	1,000,000	1,000,000
MF Utilities India Private Limited	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% tax free 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 43 Scheme C Direct Growth	Others	INR 10	-	10,000,000.000	-	100,000,000
Tata FMP Series 45 Scheme A Direct Growth	Others	INR 10	-	8,000,000.000	-	80,000,000
Tata FMP Series 46 Scheme C Direct Growth	Others	INR 10	-	3,286,514.988	-	32,865,150
Tata FMP Series 46 Scheme P Direct Growth	Others	INR 10	-	4,686,221.803	-	46,862,218
Tata FMP Series 46 Scheme T Direct Growth	Others	INR 10	5,000,000.000	5,000,000.000	50,000,000	50,000,000
Tata FMP Series 46 Scheme R Direct Growth	Others	INR 10	5,000,000.000	5,000,000.000	50,000,000	50,000,000
Tata FMP Series 47 Scheme F Direct Growth	Others	INR 10	1,828,437.691	5,000,000.000	18,284,377	50,000,000
Tata FMP Series 47 Scheme H Direct Growth	Others	INR 10	2,000,000.000	-	20,000,000	-
Investments in Mutual Funds (unquoted)						
Tata Dynamic Bond Fund Direct Growth	Others	INR 10	250,096.021	250,096.021	5,000,000	5,000,000
Tata Floater Fund Direct Growth	Others	INR 1,000	2,510.060	2,510.060	5,000,000	5,000,000
Tata Floating Rate Long Term Fund Direct Growth	Others	INR 1,000	-	100.021	-	190,000
Tata Money Market Fund Direct Growth	Others	INR 1,000	2,393.749	2,393.749	5,000,000	5,000,000
Tata Gilt Mid Term Fund Direct Growth	Others	INR 10	319,655.285	319,655.285	4,465,000	4,465,000
Tata Gilt Securities Fund Direct Growth	Others	INR 10	134,331.100	134,331.100	5,000,000	5,000,000
Tata Gilt Short Maturity Fund Direct Growth	Others	INR 10	187,428.767	187,428.767	3,850,000	3,850,000
Tata Income Fund Direct Growth	Others	INR 10	125,662.824	125,662.824	5,000,000	5,000,000
Tata Income Plus Fund Direct Growth	Others	INR 10	243,435.590	243,435.590	5,000,000	5,000,000
Tata Liquid Fund Direct Growth	Others	INR 1,000	2,042.961	2,042.961	5,000,000	5,000,000
Tata Liquidity Management Fund Direct Growth	Others	INR 1,000	2,297.919	2,297.919	4,085,000	4,085,000
Tata Monthly Income Fund Direct Growth	Others	INR 10	121,685.908	121,685.908	3,030,000	3,030,000
Tata MIP Plus Fund Direct Growth	Others	INR 10	-	226,871.521	-	5,000,000
Tata Short Term Bond Fund Direct Growth	Others	INR 10	202,559.340	202,559.340	5,000,000	5,000,000
Tata Treasury Manager Fund Direct Growth	Others	INR 1,000	2,838.796	2,838.796	5,000,000	5,000,000
Tata Ethical Fund Direct Growth	Others	INR 10	44,372.175	44,372.175	5,000,000	5,000,000
Tata Dividend Yield Fund Direct Growth	Others	INR 10	96,392.480	96,392.480	5,000,000	5,000,000
Tata Balanced Fund Direct Growth	Others	INR 10	103,186.614	34,326.840	17,000,000	5,000,000
Tata Equity Opportunities Fund Direct Growth	Others	INR 10	124,905.730	124,905.730	18,102,357	18,102,357



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(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	
			2016	2015	2016	2015
Investments in Mutual Funds (unquoted)						
Tata Equity P/E Fund Direct Growth	Others	INR 10	63,856.350	63,856.350	5,000,000	5,000,000
Tata Index Fund - Nifty A Direct Growth	Others	INR 10	10,922.613	10,922.613	535,000	535,000
Tata Index Fund - Sensex A Direct Growth	Others	INR 10	8,640.188	8,640.188	560,000	560,000
Tata Mid Cap Growth Fund Direct Growth	Others	INR 10	60,132.842	60,132.842	5,000,000	5,000,000
Tata Infrastructure Fund Direct Growth	Others	INR 10	132,656.496	132,656.496	5,000,000	5,000,000
Tata Large Cap Fund Direct Growth	Others	INR 10	33,476.162	33,476.162	5,000,000	5,000,000
Tata India Tax Savings Fund Direct Growth	Others	INR 10	477,017.685	477,017.685	5,000,000	5,000,000
Tata Young Citizens' Fund Direct Growth	Others	INR 10	265,629.133	265,629.133	5,000,000	5,000,000
Tata Retirement Savings Fund-Moderate Direct Growth	Others	INR 10	69,104.242	69,104.242	1,210,000	1,210,000
Tata Retirement Savings Fund-Progressive Direct Growth	Others	INR 10	285,272.725	285,272.725	4,805,000	4,805,000
Tata Retirement Savings Fund-Conservative Direct Growth	Others	INR 10	389,401.578	14,790.015	5,956,956	200,000
Tata India Pharma & Healthcare Fund Direct Plan - Growth	Others	INR 10	502,255.126	-	5,000,000	-
Tata Banking & Financial Services Fund Direct Plan - Growth	Others	INR 10	500,230.106	-	5,000,000	-
Tata India Consumer Fund Direct Plan - Growth	Others	INR 10	494,476.695	-	5,000,000	-
Tata Digital India Fund Direct Plan - Growth	Others	INR 10	456,749.350	-	4,550,000	-
Tata Resources & Energy Fund Direct Plan - Growth	Others	INR 10	199,618.728	-	2,000,000	-
			21,053,773.029	45,678,242.329	392,547,896	620,324,931
Aggregate book value of unquoted non-current investments					204,263,519	160,597,563
Quoted non-current investments						
Aggregate book value					188,284,377	459,727,368
Aggregate market value					215,950,765	513,368,392



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian Rupees)

2016

2015

13 Long term loans and advances

(unsecured and considered good)

To related parties :

Security deposits *

26,160,000

16,160,000

To parties other than related parties :

Advance tax (net of provisions Rs. 379,558,863 (previous year Rs. 349,151,004))

313,241,566

264,051,821

Advances recoverable in cash or in kind or for value to be received

39,396,302

157,193,935

Capital advances

-

308,990

Securities deposits

45,840,337

47,950,775

Prepaid expenses

8,374,233

18,446,121

Staff loans

7,101,099

8,804,947

440,113,537

512,916,589

* The Company has paid cash deposits to Tata Industries Limited Rs. 15,500,000 (Previous year Rs. 15,500,000) and Ewart Investments Rs. 10,000,000 (Previous year Rs. Nil) for housing lease and to Tata Sons Limited Rs. 660,000 (Previous year Rs. 660,000) for the office space lease.



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian Rupees)

14 Current investments

Name of the body corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value	No. of Shares / Units		Amount	
			2016	2015	2016	2015
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	Others	INR 10	-	2,000,000.000	-	20,000,000
Tata FMP Series 47 Scheme M Direct Growth	Others	INR 10	-	2,000,000.000	-	20,000,000
Tata FMP Series 43 Scheme C Direct Growth	Others	INR 10	10,000,000.000	-	100,000,000	-
Tata FMP Series 45 Scheme A Direct Growth	Others	INR 10	8,000,000.000	-	80,000,000	-
Tata FMP Series 46 Scheme C Direct Growth	Others	INR 10	3,286,514.988	-	32,865,150	-
Tata FMP Series 46 Scheme P Direct Growth	Others		4,686,222	-	46,862,218	-
Other investments (valued at lower of cost or fair value) :						
Investments in Mutual Funds (unquoted)						
Tata Short Term Bond Fund Direct Growth	Others	INR 10	4,883,948.304	979,416.206	132,151,996	25,151,996
Tata Gilt Mid Term Fund Direct Growth	Others	INR 10	3,340,526.601	3,340,526.801	50,000,000	50,000,000
Tata Gilt Short Maturity Fund Direct Growth	Others	INR 10	2,259,192.655	-	50,000,000	-
Tata Gilt Securities Fund Direct Growth	Others	INR 10	28,577.076	-	1,200,000	-
Tata Dynamic Bond Fund Direct Growth	Others	INR 10	6,362,347.486	7,530,133.359	135,555,539	160,436,268
Tata Money Market Fund Direct Growth	Others	INR 1,000	73,783.736	31,527.736	174,481,256	69,195,272
Tata Liquidity Management Fund Direct Growth	Others	INR 1,000	20,554.444	-	40,000,000	-
Tata India Tax Savings Fund Direct Dividend	Others	INR 10	39,865.665	39,865.665	2,502,000	2,502,000
Total			42,981,532.758	15,921,469.767	845,618,159	347,285,536
Quoted current investments:						
Aggregate book value					259,727,368	40,000,000
Aggregate market value					322,916,097	40,229,000
Aggregate book value of unquoted current investments					585,890,791	307,285,536



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian Rupees)

	2016	2015
15 Trade receivables (unsecured and considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	95,389,182	136,464,678
	<u>95,389,182</u>	<u>136,464,678</u>
16 Cash and bank balances		
Cash and cash equivalents :		
Cash on hand	15,810	12,761
Balances with banks		
on current accounts	8,618,664	8,018,827
	<u>8,634,474</u>	<u>8,031,588</u>
17 Short term loans and advances (unsecured and considered good)		
To related parties :		
Prepaid expenses	3,687,920	3,545,461
To parties other than related parties :		
Advances recoverable in cash or in kind or for value to be received	208,382,619	324,650,144
Interest accrued but not due	1,196,740	1,196,740
Staff loans	1,103,900	1,225,729
Prepaid expenses	29,648,766	43,822,839
Others	261,966	261,966
	<u>244,281,911</u>	<u>374,702,879</u>



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian Rupees)

	2016	2015
18 Revenue from operations		
Management fees from mutual fund and offshore operations	1,368,575,681	1,412,798,708
Management fees from portfolio management services	24,540,034	35,822,565
Advisory fees	18,447,713	12,838,383
	<u>1,411,563,428</u>	<u>1,461,459,656</u>
19 Other income		
Interest income		
Long term investments	3,610,000	3,610,000
Interest on income tax refund	1,319,455	4,079,844
Interest on staff loans	475,394	478,427
Dividend on :		
Current investments	79,731	22,788,832
Profit on sale of investments (net)	14,631,238	109,385,298
Miscellaneous income	11,731,733	12,027,223
	<u>31,847,551</u>	<u>152,369,624</u>
20 Employee Costs		
Salaries, bonus and allowances	538,278,996	443,676,555
Contribution to provident and other funds	31,828,140	28,747,035
Staff welfare costs	21,609,183	20,873,580
	<u>591,716,319</u>	<u>493,297,170</u>
21 Other expenses		
Rent	63,597,960	64,149,516
Electricity	13,821,927	12,203,761
Repairs and maintenance :		
Equipment	12,966,333	11,230,241
Premises	13,916,817	13,882,441
Insurance	10,850,686	10,856,874
Legal and professional fees	38,942,417	29,556,507
Information technology	17,784,173	19,646,655
Travelling and conveyance	19,878,441	20,368,845
Brokerage and incentives	11,285,969	17,549,397
Communication expenses	21,462,489	20,610,441
Swachh Bharat Cess	1,256,328	-
Books, periodicals and subscriptions	26,289,908	17,387,543
Loss on sale of fixed assets (net)	5,289,450	547,754
Training expenses	1,426,977	8,018,313
Printing and stationery	3,411,012	3,828,891
Marketing and sales promotion	37,962,354	11,434,142
Auditors remuneration :		
Audit fees	2,850,000	2,100,000
Tax audit fees	450,000	400,000
Reimbursement of out of pocket expenses	138,783	180,271
Directors expenses	1,987,221	3,022,714
Auxiliary services	18,097,845	16,712,867
Corporate Social Responsibility	4,800,000	5,025,000
Scheme expenses (Refer note 2.11)	417,067,923	505,430,059
Miscellaneous expenses	1,364,303	2,134,057
	<u>746,899,316</u>	<u>796,276,289</u>



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(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
Ewart Investments Limited
Tata Realty and Infrastructure Limited
TRIL Infopark Limited

Key Management Persons

Mr. Ramamoorthy Ganesh

Mr. Arvind Sethi



Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2016

(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	Transaction Amount	Transaction Amount	Balance Outstanding	Transaction Amount	Transaction Amount	Balance Outstanding	Transaction Amount	Balance Outstanding	Transaction Amount	Balance Outstanding
		2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Tata Sons Limited	Subscription paid	3,528,909		3,621,553									
Tata Sons Limited	Rent received	4,646,252		4,425,000									
Tata Sons Limited	Dividend paid	55,703,965		50,133,569									
Tata Sons Limited	Rent paid	693,000		660,000									
Tata Sons Limited	Miscellaneous services availed	1,064,862	8,261,018	486,729	8,344,397								
Tata Sons Limited	Security deposit given	-	-	-	-								
Tata Sons Limited	Security deposit taken	-	-	-	-								
Tata Asset Management (Mauritius) Private Limited	Management fee income			93,122,685		82,923,517							
Tata Asset Management (Mauritius) Private Limited	Advisory fee income			5,230,170	4,664,234	25,291,467	24,387,116						
Tata Asset Management (Mauritius) Private Limited	Investment in subsidiary			9,549,000									
Tata AG General Insurance Company Limited	Insurance paid					3,331,356	3,266,755						
Tata AG General Insurance Company Limited	Insurance claims received					16,150	-						
Tata AIA Life Insurance Company Limited	Insurance paid					1,095,636	1,038,757						
Tata Consultancy Services Limited	Pension recovery					17,165,198	1,450,850						
Tata Industries Limited	Rent and maintenance paid					560,015	556,420						
Tata Industries Limited	Security deposit given					15,500,000	15,500,000						
Tata Industries Limited	Dividend paid					26,327,285	23,694,557						
Tata Investment Corporation Limited	Miscellaneous service availed					100,000	-						
Tata Securities Limited	Professional services availed					32,558	51,044						
						4,342	9,808						



(Currency: Indian Rupees)

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



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian Rupees)

23 Operating leases

Assets taken on Lease :

The Company takes premises on lease. 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	
	2016	2015	2016	2015	2016	2015
Total future minimum lease payments	3,523,188	4,675,757	10,800,321	10,773,709	-	-

The total lease payments recognized in the statement of profit and loss amount to Rs. 63,597,960 (Previous year Rs. 64,149,516) which includes Rs. 1,047,624 in the current year (Previous year Rs. 73,490) 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	
	2016	2015	2016	2015	2016	2015
Total future minimum lease receipts	9,184,652	9,184,652	14,547,960	14,547,960	-	-

The total rent receipts recognized in the statement of profit and loss towards the above referred leases amount to Rs. 9,211,652 (previous year Rs. 9,142,500).

2016 2015

24 Earnings per share ('EPS')

The computation of EPS is given below :

Profit after tax	52,514,508	210,399,875
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.)	3.20	12.82

25 Provisions for loyalty incentives

Opening balance as on 1 April	409,478	4,214,635
Additional provision / (reversal) during the year	152,391	(2,662,012)
	561,869	1,552,623
Amount incurred and paid during the year	-	1,143,145
Closing balance as on 31 March	561,869	409,478



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(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 Employee retirement benefits

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. 23,697,393 (Previous year Rs. 21,107,800).

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

	2016	2015
Principal actuarial assumptions at the balance sheet date :		
Discount rate	7.85%	7.95%
Salary escalation	5% for first 2 years, and 7% thereafter	5% for first 3 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	25,474,790	20,006,721
Current service cost	3,219,480	2,640,258
Interest cost	2,123,650	1,906,524
Actuarial losses	2,331,490	2,576,147
Benefits paid	(2,027,143)	(1,654,860)
Closing defined benefit obligation	31,122,267	25,474,790



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian Rupees)

	2016	2015
26 Employee retirement benefits (Continued)		
Change in fair value of assets :		
Opening fair value of plan assets	24,574,986	21,399,545
Expected return of plan assets	1,806,997	1,581,667
Actuarial gain	45,088	283,325
Contribution by employer	4,290,876	2,965,309
Benefits paid	(2,027,143)	(1,654,860)
Fair value of plan assets as at end of the year	28,690,804	24,574,986
Reconciliation of the present value of defined benefit obligation and the fair value of assets		
Present value of funded obligation	31,122,267	25,474,790
Fair value of plan assets	(28,690,804)	(24,574,986)
Net liability	2,431,463	899,804
Balance sheet		
Liability	2,431,463	899,804
Assets	-	-
Net liability	2,431,463	899,804
Statement of profit and loss		
Net employee benefit expenses (recognised in employee cost)		
Current service cost	3,219,480	2,640,258
Interest on defined benefit obligation	2,123,650	1,906,524
Expected return on plan assets	(1,806,997)	(1,581,667)
Net actuarial losses recognized in the year	2,286,402	2,292,822
Total included in 'Employee Benefit Expense'	5,822,535	5,257,937

Five year information

	31-Mar-2016	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012
Gratuity					
Defined benefit obligation	31,122,267	25,474,790	20,006,721	20,152,201	16,514,602
Fair value of plan assets	28,690,804	24,574,986	21,399,545	19,709,593	16,023,902
Deficit / (surplus) in the plan	(2,431,463)	(899,804)	1,392,824	(442,608)	(490,700)
Experience adjustment arising on plan liabilities	2,112,779	564,874	(594,570)	1,622,586	(1,346,734)
Experience adjustment arising on plan assets	45,088	283,325	224,138	246,973	202,488



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian Rupees)

27 Corporate Social Responsibility (CSR)

As per the provisions of the Section 135 of the Act,

a) Gross amount required to be spent by the Company during the year was Rs. 4,749,000.

b) The following amounts were spend during the year on activities relating to promotion of education, employment enhancing vocational skills, livelihood enhancement projects, eradication of hunger, poverty and malnutrition, promoting preventive healthcare and providing shelter to destitute children.

Name of party	Amount Paid
1. Blind Organisation of India	50,000
2. Primavera	100,000
3. The Akshaya Patra Foundation	400,000
4. The Akanksha Foundation	400,000
5. Bai Navajbai Tata English Medium School	450,000
6. Society For the Education of the Crippled	600,000
7. The Marg Foundation	800,000
8. Sri Aurobindo Society	900,000
9. Ahura Support Trust	1,100,000
Total CSR spend	4,800,000

28 Contingent liabilities

(to the extent not provided for)

There is no contingent liability as at 31 March 2016 (previous year Rs. Nil).

29 Capital commitments

There are no capital commitments as at 31 March 2016 (previous year Rs. Nil).

30 Expenditure in foreign currency (on accrual basis)

	2016	2015
Travelling	844,054	3,360,904
Legal and professional fees	846,041	613,800
Marketing	-	583,812
Subscriptions	-	18,580
	<u>1,690,095</u>	<u>4,577,096</u>

31 Earnings in foreign currency (on accrual basis)

Management fees from offshore op	93,122,685	82,923,517
Advisory fees	18,447,713	12,838,383
	<u>111,570,398</u>	<u>95,761,900</u>



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian Rupees)

32 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.

	2016	2015
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

33 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.

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

Keki M. Elavia

Director

Mehernosh B. Kapadia

Director

R. Ganesh

CEO & Managing Director

Hormuz A. Bulsara

CFO & Company Secretary

Mumbai
17 May 2016

Mumbai
17 May 2016



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-16

II Capital raised during the year

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

III Position of mobilisation and deployment of funds

Total liabilities	466,721,554	Total assets	2,181,156,619
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Sources of funds

Paid-up capital	164,062,500	Reserves and surplus	1,550,372,565
Secured loans	-	Unsecured loans	-

Application of funds

Net fixed assets	142,493,144	Investments	1,238,166,055
Net current assets	321,697,550	Miscellaneous expenditure	-
Deferred tax asset	12,078,316	Accumulated losses	-

IV Performance of company

Total turnover	1,411,563,428	Total expenditure	1,369,954,384
Profit before tax	73,456,595	Profit after tax	52,514,508
Earning per share in Rs. (actuals)	3.20	Dividend rate (%)	7%

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

Keki M. Elavia
Director

Mehernosh B. Kapadia
Director

R. Ganesh
CEO & Managing Director

Hormuz A. Bulsara
CFO & Company Secretary

Mumbai
17 May 2016

