

Tata Asset Management Limited

**Financial statements
together with Auditors' Report
for the year ended 31 March 2012**

Tata Asset Management Limited

Financial statements together with Auditors' Report *for the year ended 31 March 2012*

<i>Contents</i>	<i>Page</i>
Auditors' Report	3 – 7
Balance sheet	8
Profit and loss account	9
Cash flow statement	10
Schedules to financial statements	11 – 29
Balance sheet abstract	30

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

We have audited the attached balance sheet of Tata Asset Management Limited ('the Company') as at 31 March 2012 and the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (v) on the basis of written representations received from the Directors, as on 31 March 2012, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 March 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Act;

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Auditors' Report (*Continued*)

Tata Asset Management Limited

- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2012;
 - b) in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

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

Mumbai
24 May 2012

Vijay Bhätt
Partner
Membership No: 036647

Tata Asset Management Limited

Annexure to Auditors' Report – 31 March 2012

(Referred to in our report of even date)

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

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Tata Asset Management Limited

Annexure to Auditors' Report – 31 March 2012 (Continued)

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became applicable.

According to the information and explanations given to us, there are no dues of Sales tax, Wealth tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute except income tax.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Authority	Tax on disallowable expenses	42,720,857	AY (09-10)	CIT (Appeal)

- (c) Further, there were no dues on account of cess under section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year in the immediately preceding financial year.
 11. In our opinion and according to the information and explanations given to us, the Company did not have any dues to any financial institutions or banks or debenture holders during the year.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
 14. Based on information and explanations provided by the management, in respect of dealing and trading in shares and securities, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name. As explained to us, the Company is not involved in dealing or trading of debentures.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
 16. According to the information and explanations given to us, the Company has not availed of long term loans. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
 17. According to the information and explanations given to us and based on overall examination of the balance sheet of the Company, the Company has not used any funds raised on short-term basis for long-term purposes.

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Tata Asset Management Limited

Annexure to Auditors' Report – 31 March 2012 (*Continued*)

18. As stated in paragraph 3 above, there are no companies / firms / other parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year and there are not outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no significant frauds on or by the Company has been noticed or reported during the year.

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

Mumbai
24 May 2012

Vijay Bhatt
Partner
Membership No: 036647

Tata Asset Management Limited

Balance sheet

as at 31 March 2012

(Currency: Indian Rupees)

	Notes	2012	2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital			
Reserves and surplus	3	164,062,500	164,062,500
	4	1,240,189,893	1,069,589,284
Non current liabilities			
Deferred tax liabilities (Net)	5	244,774	308,924
Long term provisions	6	37,063,177	42,738,302
Current liabilities			
Trade payables	7	211,868,931	225,229,628
Other current liabilities	8	82,057,175	62,245,968
Short term provisions	9	149,915,675	110,137,967
		<u>1,885,402,125</u>	<u>1,674,312,573</u>
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	10	142,308,876	153,804,482
Intangible assets		7,669,203	9,497,698
Non-current investments	11	24,065,206	24,065,206
Long term loans and advances	12	473,337,996	338,365,924
Current assets			
Current investments	13	1,135,907,169	1,060,863,941
Trade receivables	14	83,388,365	58,268,972
Cash and cash equivalents	15	7,065,538	3,771,703
Short term loans and advances	16	11,659,772	25,674,648
		<u>1,885,402,125</u>	<u>1,674,312,573</u>

Significant accounting policies

Notes to financial statement

2
21 - 35

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

As per our report of even date attached.

For BSR & Associates

Chartered Accountants

Firm's Registration No: 116231W

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

Vijay Bhatt

Partner

Membership No: 036647

Farrokh K. Kavarana
Chairman

Arunkumar R. Gandhi
Director

Madhav L. Apté
Director

Aspy Cooper
Director

Abdul Hasib
Director

Pratip Kar
Director

Arvind Sethi
Director

Sanjay Sapndev
President & CEO

Mumbai

24 May 2012

Hormuz A. Bulsara
Chief Financial Officer

Nariman Khan
Company Secretary

Tata Asset Management Limited

Statement of profit and loss

for the year ended 31 March 2012

(Currency: Indian Rupees)

	Notes	2012	2011
Revenue from operations	17	1,013,860,316	1,096,390,384
Other income	18	272,301,145	76,893,345
Total Revenue		1,286,161,461	1,173,283,729
Expenses:			
Employee costs	19	421,107,547	375,090,689
Administrative and other expenses	20	457,988,096	521,796,895
Depreciation		24,137,341	25,177,174
Total expenses		903,232,984	922,064,758
Profit before tax		382,928,477	251,218,971
Tax expense :			
Provision for Income Tax - Current Year		75,800,261	74,058,803
Provision for Income Tax - Prior Year		(6,416,398)	5,465,227
Provision for fringe benefit tax		-	1,269,583
Deferred tax income		(64,150)	(983,216)
Profit after tax		313,608,764	171,408,574
Earnings per equity share:			
Basic		19.12	10.45
Diluted		19.12	10.45

Significant accounting policies

Notes to financial statement

21 - 35

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

As per our report of even date attached.

For B S R & Associates

Chartered Accountants

Firm's Registration No: 116231W

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

Vijay Bhatt

Partner

Membership No: 036647

Farrokh K. Kavarana

Chairman

Arunkumar R. Gandhi

Director

Madhav L. Apte

Director

Aspy Cooper

Director

Abdul Hasib

Director

Pratibha

Director

Arvind Sethi

Director

Sanjay S. Chdev

President & CEO

Mumbai

24 May 2012

Hormuz A. Bulsara

Chief Financial Officer

Nariman Khan

Company Secretary

Tata Asset Management Limited

Cash flow statement

for the year ended 31 March 2012

(Currency: Indian Rupees)

	Notes	2012	2011
Cash flows from operating activities			
Net profit before taxation		382,928,477	251,218,970
Adjustment for :			
Depreciation		24,137,341	25,177,174
Interest income		(7,379,211)	(1,807,820)
Dividend income		(180,084,257)	(33,201,080)
Reversal in diminution in value of investments		-	-
Profit on sale of investments (net)		(57,075,231)	(5,711,590)
Loss on sale of fixed assets (net)		1,532,924	3,748,012
Operating cash flow before working capital changes		164,060,043	239,423,666
(Increase) / decrease in trade receivables		(29,881,611)	122,228,243
(Increase) / decrease in loans and advances		(95,843,260)	14,278,684
Increase / (decrease) in current liabilities and provisions		2,417,584	9,915,391
Cash utilised from working capital changes		(123,307,288)	146,422,318
Income tax paid (including tax deducted at source, net of refund)		(90,169,687)	(135,000,115)
Net cash (used in) / generated from operating activities (A)		(49,416,932)	250,845,869
Cash flow from investing activities			
Purchase of fixed assets		(14,169,388)	(43,327,248)
Advance for purchase of fixed assets		434,107	(1,308,907)
Proceeds from sale of fixed assets		1,823,224	2,289,327
Interest income		7,379,211	-
Dividend income		180,084,257	33,201,080
Purchase of investments		(3,194,924,373)	(1,717,067,952)
Proceeds from sale of investments		3,176,956,376	1,590,542,214
Net cash generated from / (used in) investing activities (B)		157,583,414	(135,671,486)
Cash flow from financing activities			
Dividend and distribution tax paid		(104,872,646)	(143,958,691)
Net cash used in financing activities (C)		(104,872,646)	(143,958,691)
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)		3,293,835	(28,784,308)
Cash and cash equivalents at the beginning of the year		3,771,703	32,556,011
Cash and cash equivalents at the end of the year	15	7,065,538	3,771,703

As per our report of even date

For BSR & Associates

Chartered Accountants

Firm's Registration No: 116231W

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

Vijay Bhatt

Partner

Membership No: 036647

Farrokh K. Kavarana

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Pratip Katar

Director

Arvind Sethi

Director

Sanjay Sood

President & CEO

Mumbai

24 May 2012

Hormuz A. Bulsara
Chief Financial Officer

Nariman Khan
Company Secretary

Tata Asset Management Limited

Notes to the financial statements

for the year ended 31 March 2012

(Currency: Indian Rupees)

1 Background

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

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

2 Significant accounting policies

2.1 Basis of preparation

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

2.2 Use of estimates

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

2.3 Fixed assets and depreciation

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

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

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

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

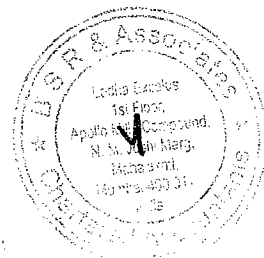
2.4 Leasehold improvements.

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

2.5 Impairment of assets

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



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupees)

2 Significant accounting policies (Continued)

2.6 Investments

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

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

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

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

2.7 Revenue recognition

Management and advisory fees

Investment management fees are recognised on an accrual basis in accordance with the SEBI regulations and the respective terms of contract between the Company and Trustee Company.

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

Other income

Interest income is accounted on an accrual basis.

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

2.8 Transactions in foreign currency

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

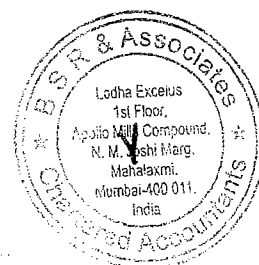
Gratuity

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

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

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

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



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2012

(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 annual leave and sickness 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/TMD/CIR NO 4/168230/09

2.11 Fund expenses

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

2.12 Brokerage and incentives

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

2.13 Taxation

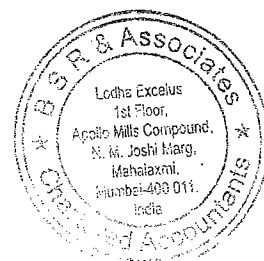
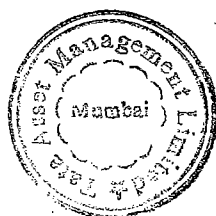
Current tax

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

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

Deferred tax

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



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2012

(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.

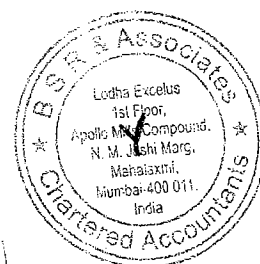
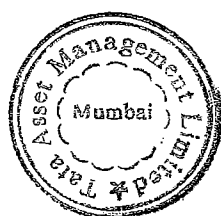
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing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



Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2012

(Currency: Indian Rupees)

3 Share capital

	2012		2011	
	Number	Amount	Number	Amount
Authorised				
25,000,000 (Previous year: 25,000,000) equity shares of Rs.10 each	25,000,000	250,000,000	25,000,000	250,000,000
Issued				
16,406,250 (Previous year: 16,406,250) equity shares of Rs.10 each	16,406,250	164,062,500	16,460,250	164,062,500
Subscribed & Paid up				
16,406,250 (Previous year: 16,406,250) equity shares of Rs.10 each	16,406,250	164,062,500	16,406,250	164,062,500
	16,406,250	164,062,500	16,406,250	164,062,500

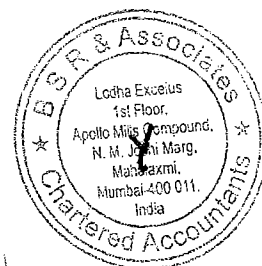
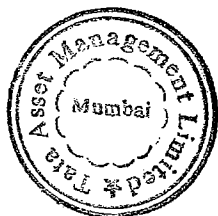
Shares held by Holding Company :

Particulars	Equity Shares		Equity Shares	
	2012		2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	16,406,250	164,062,500	16,406,250	164,062,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,406,250	164,062,500	16,406,250	164,062,500

Shareholders holding more than 5% and details of holding company :

Particulars	Nature of Relationship	2012		2011	
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%

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

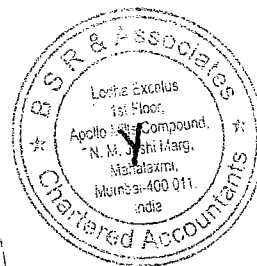


Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
4 Reserves and surplus		
General Reserves		
Opening Balance	254,150,000	234,150,000
Add : Transfer from statement of profit and loss	32,500,000	20,000,000
Closing Balance	286,650,000	254,150,000
Share 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	749,814,284	703,278,356
Add : Net Profit for the year	313,608,764	171,408,574
Less : Proposed Dividends	143,008,155	104,872,646
Less : Transfer to Reserves	32,500,000	20,000,000
Closing Balance	887,914,893	749,814,284
	1,240,189,893	1,069,589,284



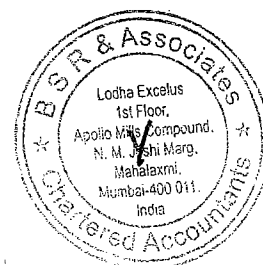
Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
5 Deferred tax liability, (net)		
Deferred tax liability included in the balance sheet comprise of the following :		
Deferred tax asset :		
Employee compensation	(14,266,293)	(15,574,775)
Straight lining of lease rentals	(50,135)	(39,817)
Directors commission	(1,330,245)	(1,362,690)
	<u>(15,646,673)</u>	<u>(16,977,282)</u>
Deferred tax liability :		
Written down value of fixed asset	15,891,447	17,286,206
Deferred tax liability (net)	<u>244,774</u>	<u>308,924</u>
6 Long term provisions		
Provision for employee benefits		
Non Current Liabilities		
Gratuity (funded)	490,700	473,464
Leave Encashment (unfunded)	36,572,477	42,264,838
	<u>37,063,177</u>	<u>42,738,302</u>
7 Trade payable		
Accrued Expenses	211,868,931	225,229,628
	<u>211,868,931</u>	<u>225,229,628</u>
8 Other current liabilities		
Statutory Dues	10,482,457	9,245,968
Other Payables	71,574,718	53,000,000
	<u>82,057,175</u>	<u>62,245,968</u>
9 Short term provisions		
Provision for Dividend		
Proposed dividend	123,046,875	90,234,375
Tax on Proposed dividend	19,961,280	14,638,271
Current Liability		
Leave Encashment (unfunded)	6,907,520	5,265,321
	<u>149,915,675</u>	<u>110,137,967</u>



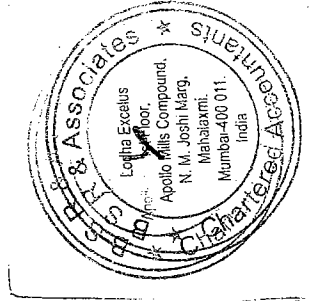
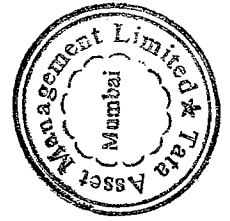
Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2012

(Currency: Indian Rupees)

10 Fixed assets

Fixed Assets	Gross Block			Accumulated Depreciation		Net Block		
	Balance as at 1 April 2011	Additions	Disposal	Balance as at 31 March 2012	Depreciation charge for the year	On disposals	Balance as at 1 April 2012	Balance as at 31 March 2011
Tangible Assets :								
Premises	110,093,080	-	-	110,093,080	23,097,486	1,794,519	24,892,005	86,995,594
Furniture and Fixtures	29,240,517	2,145,418	1,575,181	29,810,754	15,011,050	2,997,024	17,006,267	14,229,467
Vehicles	18,880,301	3,654,340	3,716,267	18,818,374	8,447,855	3,054,347	9,096,858	10,432,446
Office equipment	24,997,413	1,380,974	2,593,429	23,784,958	11,126,696	2,101,356	11,974,744	13,870,717
Computers	44,733,974	3,084,923	4,142,487	43,676,410	33,457,390	5,300,280	34,741,413	11,276,584
	227,945,285	10,265,655	12,027,364	226,183,576	91,140,477	15,247,526	97,711,287	136,804,808
Lease hold improvements :								
Furniture and Fixtures	24,253,071	1,828,268	4,400,140	21,681,199	8,370,098	4,733,212	8,707,995	15,882,973
Office equipment	1,872,379	103,753	630,037	1,346,095	755,679	356,397	482,712	1,116,700
	26,125,450	1,932,021	5,030,177	23,027,294	9,125,777	5,089,609	9,190,707	16,999,673
Intangible Assets :								
Computer software	14,843,224	1,971,712	-	16,814,936	10,693,537	1,677,424	12,370,961	4,149,687
Licenses and franchise	10,613,916	-	-	10,613,916	5,265,905	2,122,783	7,388,688	5,348,011
	25,457,140	1,971,712	-	27,428,852	15,959,442	3,800,207	19,759,649	9,497,698
Total	279,527,875	14,169,388	17,057,541	276,639,722	116,225,696	24,137,342	126,661,643	163,302,179
Previous year	255,400,003	43,327,248	19,199,376	279,527,875	104,210,559	25,177,174	116,225,696	163,302,179



Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2012

(Currency: Indian Rupees)

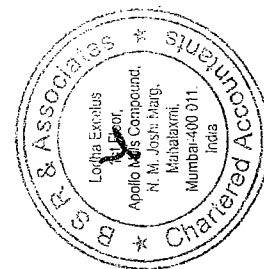
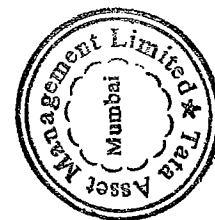
11 Long term Investment

Particulars	2012	2011
	Quantity	Quantity
Investment in Equity Shares of Tata Asset Management (Mauritius) Private	510,100	510,100
Investment in Equity Shares of Tata Pension Management Limited	100,000	100,000
	610,100	610,100

Particulars	2012	2011
	Amount	Amount
Aggregate amount of unquoted investments	24,065,206	24,065,206
	24,065,206	24,065,206

Details of Long term Investment

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)	Amount	Whether stated at Cost Yes / No
		2012			2012	2011	
Investment in Equity Instruments							
Tata Asset Management (Mauritius) Private Limited	Subsidiary	510,100	Unquoted	Fully paid up	100%	23,065,206	Yes
Tata Pension Management Limited	Subsidiary	100,000	Unquoted	Fully paid up	100%	1,000,000	Yes
						24,065,206	
						24,065,206	

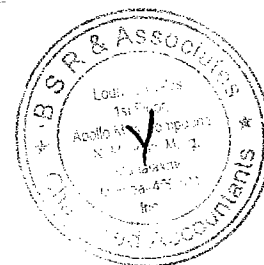
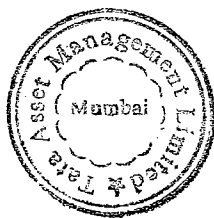


Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
12 Long term loans and advances		
Advance tax (including TDS and wealth tax)	296,889,523	273,735,180
Less : Provision for Taxes	75,444,106	73,075,587
	<u>221,445,417</u>	<u>200,659,593</u>
Capital Work In Progress	3,674,800	4,108,908
Sundry deposits	103,148,154	88,380,580
Prepaid expenses	34,468,793	12,226,514
Staff loans	14,333,743	13,206,455
Advances recoverable in cash or in kind or for value to be received	96,267,089	19,783,874
	<u>473,337,996</u>	<u>338,365,924</u>



Tata Asset Management Limited

Notes to the financial statements (Continued) as at 31 March 2012

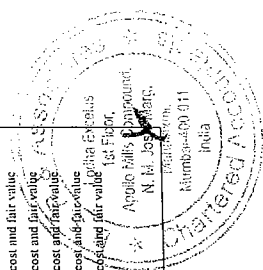
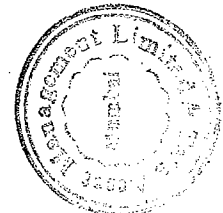
(Currency: Indian Rupees)

13 Current Investment

Particulars	2012 Quantity	2011 Quantity
Investments in Mutual Funds	106,022,914.823	105,993,896.112
Particulars	2012 Amount	2011 Amount
Aggregate amount of unquoted investments	1,135,907,169	1,060,863,941

Details of Current Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)	Amount	Basis of Valuation
		2012	2011		2012	2011	
Investments in Mutual Funds							
INVESTMENTS - TATA EQUITY OPPORTUNITIES FUND DIV	Others	8,741,718	8,297,007	Fully paid		163,153	154,856 Lower of cost and fair value
INVESTMENTS - TATA FIXED INCOME PORTFOLIO FUND C2	Others	3,067,263,289		Fully paid		30,862,833	0 Lower of cost and fair value
INVESTMENTS - TATA FIXED INCOME PORTFOLIO FUND C3	Others	5,104,565,492		Fully paid		51,062,149	0 Lower of cost and fair value
INVESTMENTS - TATA FMP SERIES 39 SCHEME B GROWTH	Others	1,500,000,000		Unquoted		15,000,000	0 Lower of cost and fair value
INVESTMENTS - TATA FMP SERIES 39 SCHEME D GROWTH	Others	5,000,000,000		Unquoted		50,000,000	0 Lower of cost and fair value
INVESTMENTS - TATA PURE EQUITY FUND DIVIDEND	Others	2,888,384	2,684,932	Fully paid		68,464	61,752 Lower of cost and fair value
INVESTMENTS - TATA FLOATER FUND - DAILY DIVIDEND	Others	29,026,226,810	22,982,914,176	Fully paid		291,295,602	230,647,333 Lower of cost and fair value
INVESTMENTS - TFPA SERIES 27 SCHEME B GROWTH	Others		10,000,000,000	Unquoted		0	100,000,000 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 25 SCH A GROWTH	Others		1,000,000,000	Unquoted		0	100,000,000 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 26 SCHEME C GROWTH	Others		10,000,000,000	Unquoted		0	100,000,000 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 28 SCHEME B DIVIDEND	Others		10,000,000,000	Unquoted		0	100,000,000 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 28 SCHEME C DIVIDEND	Others		10,000,000,000	Unquoted		0	100,000,000 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 29 SCHEME A GROWTH	Others		15,000,000,000	Unquoted		0	150,000,000 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 29 SCHEME C GROWTH	Others		13,000,000,000	Unquoted		0	130,000,000 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 31 SCHEME C GROWTH	Others		12,000,000,000	Unquoted		0	120,000,000 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 37 SCHEME A GROWTH	Others	12,000,000,000		Unquoted		120,000,000	0 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 37 SCHEME B GROWTH	Others	10,000,000,000		Unquoted		100,000,000	0 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 37 SCHEME D GROWTH	Others	5,000,000,000		Unquoted		50,000,000	0 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 38 SCHEME D GROWTH	Others	15,000,000,000		Unquoted		150,000,000	0 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 39 SCHEME E GROWTH	Others	5,000,000,000		Unquoted		50,000,000	0 Lower of cost and fair value
INVESTMENTS - TFMP SERIES 39 SCHEME H GROWTH	Others	5,000,000,000		Unquoted		50,000,000	0 Lower of cost and fair value
INVESTMENTS - TATA INDEX FUND NIFTY PLAN A	Others	669,876,260		Fully paid		20,152,421	0 Lower of cost and fair value
INVESTMENTS - TATA INDEX FUND SENSEX PLAN B	Others	600,164,874		Fully paid		7,500,000	0 Lower of cost and fair value
INVESTMENTS - TATA LIQUID FUND (SHIP) - DAILY DIVIDEND	Others	45,043,494		Fully paid		50,201,875	0 Lower of cost and fair value
INVESTMENTS - TATA SHORT TERM BOND FUND - DIVIDEND	Others	3,998,144,502		Fully paid		49,400,672	0 Lower of cost and fair value
Total		106,022,914.823	105,993,896.115			1,135,907,169	1,060,863,941



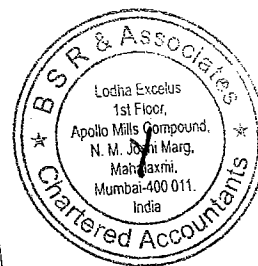
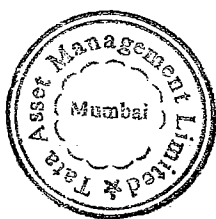
Tata Asset Management Limited

Notes to the financial statements (Continued)

as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
14 Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Advisory fees and management fees from mutual fund and PMS	83,388,365	58,268,972
	<u>83,388,365</u>	<u>58,268,972</u>
15 Cash and cash equivalents		
Balances with scheduled banks - in current accounts	7,053,614	3,767,395
Cash on hand	11,924	4,308
	<u>7,065,538</u>	<u>3,771,703</u>
16 Short term loans and advances		
Advances recoverable in cash or in kind or for value to be received	7,429,309	1,911,052
Prepaid expenses	3,958,098	23,466,725
Others	272,365	296,871
	<u>11,659,772</u>	<u>25,674,648</u>

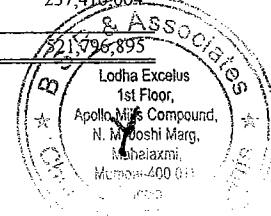


Tata Asset Management Limited

Notes to statement of Profit and Loss for the year ended 31 March 2012

(Currency: Indian Rupees)

	2012	2011
17 Revenue from operations		
Fees from Mutual Fund operations	1,006,369,884	1,092,273,448
Fees from Portfolio Management Services	7,490,432	4,116,936
	<u>1,013,860,316</u>	<u>1,096,390,384</u>
18 Other Income		
Advisory Fees	24,208,397	32,197,638
Interest income	7,379,211	2,153,534
Dividend :		
- Long term investments	154,237,500	-
- Current investments	25,846,757	33,201,080
Profit on sale of Investment	57,075,231	5,711,590
Other Income	3,554,049	3,629,503
	<u>272,301,145</u>	<u>76,893,345</u>
19 Employee Cost		
Salaries, bonus and allowances	374,291,608	327,213,364
Contribution to provident and other funds	28,647,480	30,008,698
Staff welfare costs	18,168,459	17,868,627
	<u>421,107,547</u>	<u>375,090,689</u>
20 Operating and administrative expenses		
Rent	85,515,182	105,135,920
Electricity	9,126,592	9,124,138
Repairs and maintenance :		
Equipment	4,571,402	5,369,199
Premises	10,505,484	13,959,736
Insurance	10,920,740	9,348,400
Legal and professional fees	20,891,417	24,463,553
Information Technology	27,713,538	22,583,783
Travelling and conveyance	23,471,731	20,332,425
Brokerage and incentives	1,070,764	3,487,941
Communication expenses	18,568,293	20,027,853
Service tax	3,815,567	-
Finance cost	2,319,719	-
Books, periodicals and subscriptions	13,508,902	8,955,353
Loss on sale of fixed assets (net)	1,532,924	3,748,012
Training	1,452,060	2,027,136
Printing and stationery	4,169,533	6,367,938
Marketing and sales promotion	11,486,876	7,265,535
Auditors remuneration :		
Audit fees	1,322,916	1,325,000
Tax audit fees	275,000	275,000
Reimbursement of out of pocket expenses	195,089	39,796
Directors expenses	4,875,761	4,252,029
Auxiliary Services	13,026,761	13,121,598
Miscellaneous expenses	2,963,973	3,170,546
Scheme expenses	184,687,872	237,416,004
	<u>457,988,096</u>	<u>821,796,895</u>



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupees)

21 Segmental reporting

As the Company's business activity falls within primary business segment, the financial statements are reflective of the information required under AS 17 – 'Segment Reporting' prescribed by Companies (Accounting Standard) Rules, 2006. The Company has no geographical segment and on that basis, no disclosure for secondary segment information is furnished.

22 Related party

a) Related parties where control exists:

Tata Sons Limited – Holding Company

b) Wholly owned subsidiary with whom transactions have taken place:

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

c) Fellow Subsidiaries with whom transactions have taken place :

Tata Trustee Company Limited
Tata AIG General Insurance Company Limited
Tata AIG Life Insurance Company Limited
Tata Industries Limited
Tata Motors Limited
Tata Communications Limited
Tata Consultancy Services Limited
Tata Investment Corporation Limited
The Associated Building Company Limited
Infinity Retail Limited
Tata Securities Limited
Tata Steel Limited
Tata Teleservices (Maharashtra) Limited
Tata Teleservices Limited
Voltas Limited
Tata Capital Limited
TC Travel And Services Limited
Tata Sky Limited



Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2012

(Currency: Indian Rupees)

22 Related party (Continued)

d) Key management:

Mr Sanjay Sachdev - President & CEO

Description	Nature of expense / income	Transaction	Balance	Transaction	Balance
		Amount	Outstanding	Amount	Outstanding
		2011-2012		2010-2011	
Mr. Sanjay Sachdev	Managerial Remuneration	24,901,034	10,000,000	7,378,504	-
Tata Sons Limited	Dividend paid	61,274,362	2,872,200	83,555,948	64,297,658
Tata Sons Limited	Subscription paid	2,847,934	-	3,023,297	-
Tata Sons Limited	Services availed	1,366,465	-	781,615	-
Tata AIG General Insurance Company Limited	Insurance paid	5,563,527	-	4,631,499	-
Tata AIG Life Insurance Company Limited	Insurance paid	1,087,651	-	1,368,385	-
Tata Communications Limited	Services availed	-	-	1,565,681	81,139
Tata Consultancy Services Limited	Miscellaneous service availed	705,405	701,477	6,173	-
Tata Industries Limited	Miscellaneous service availed	558,296	-	558,268	-
Tata Investment Corporation Limited	Dividend paid	28,960,014	-	39,490,927	28,960,014
Tata Motors Limited	Miscellaneous service availed	-	-	-	-
Tata Securities Limited	Professional services availed	67,810	10,002	107,745	22,370
Tata Steel Limited	Rent paid	-	-	849,456	-
Tata Steel Limited	Miscellaneous service availed	-	-	22,166	-
Tata Teleservices (Maharashtra) Limited	Professional services availed	4,509,634	319,745	6,171,757	237,062
Tata Teleservices Limited	Professional services availed	1,787,036	145,124	1,760,034	135,048
Voltas Limited	Services availed	411,506	-	232,174	-
Voltas Limited	Purchase of Goods	97,127	-	812,548	-
Tata Capital Limited	Miscellaneous service availed	3,778,095	118,723	2,434,354	-
TC Travel And Services Limited	Miscellaneous service availed	2,694,800	139,144	1,982,335	280,000
Infinity Retail Limited	Purchase of Goods	28,162	-	-	-
Tata Sky Limited	Rent received	1,640,000	20,000	1,620,000	-
Tata Sky Limited	Miscellaneous service availed	3,750	-	-	-
Tata Trustee Company Limited	Miscellaneous service income	2,509,325	-	2,040,500	-
Tata Asset Management (Mauritius) Private Limited	Dividend income	154,237,500	42,383,392	-	15,923,669
Tata Asset Management (Mauritius) Private Limited	Management fee income	129,643,494	-	166,335,682	-
Tata Asset Management (Mauritius) Private Limited	Advisory fee income	13,900,050	-	15,923,669	-

23 Operating leases

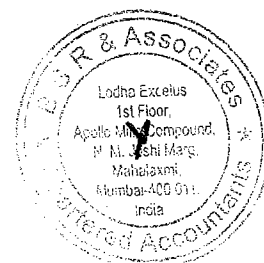
(I) Assets taken on Lease :

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

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

	In less than a year		In 1 year to 5 years		In more than 5 years	
	2012	2011	2012	2011	2012	2011
Total future minimum lease payments	3,776,336	3,686,087	8,809,040	6,748,285	-	-

The total lease payments recognised in the profit and loss account amount to Rs. 85,515,182 (Previous year: Rs. 105,135,920) which includes reversal of Rs. 31,800 in the current year (Previous year: reversal of Rs. 305,262) towards provision for straight lining of lease rentals.



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupees)

23 Operating leases (Continued)

(II) Assets given on Lease :

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

	In less than a year		In 1 year to 5 years		In more than 5 years	
	2012	2011	2012		2012	2011
Total future minimum lease payments	3,774,000	2,518,000	3,190,000	1,596,000	-	-

The total rent receipts recognised in the profit and loss account towards the above referred leases amount to Rs. 3,355,000 (Previous year: Rs. 3,408,000).

24 Earnings per share ('EPS')

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

	2012	2011
Profit after taxation	313,608,764	171,408,574
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	19.12	10.45

25 Provisions for loyalty incentives

	2012	2011
Opening balance as on 1 April 2011	4,182,098	3,872,872
Additional provision during the year	(44,005)	1,269,226
	4,138,093	5,142,098
Amount incurred and charged during the year	317,757	960,000
Closing balance as on 31 March 2012	3,820,336	4,182,098

Nature of obligation

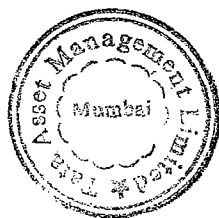
Loyalty incentives to unit holders for long term investment under Tata Gilt Securities Fund – Retirement Plan Series maturing on 28 February 2025 will be paid by the Company at the rate specified by it from time to time in the form of allotment of units equivalent to the amount of loyalty incentive.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

Expected time

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

Assumptions

It is assumed that all the unit holders currently under Tata Gilt Securities Fund – Retirement Plan Series will remain invested till the maturity period i.e. 28 February 2025.



Tata Asset Management Limited

Notes to the financial statements (Continued)

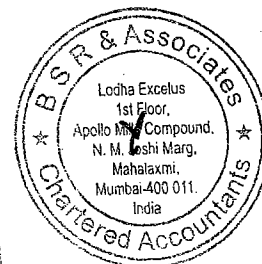
for the year ended 31 March 2012

(Currency: Indian Rupees)

26 Retirement benefit - gratuity

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

	2012	2011
Principal actuarial assumptions at the balance sheet date :		
Discount rate	8.65%	8.30%
Salary escalation	7% from first year, 8% for next 5 years, 7% for next 5 years and 6% thereafter	8% from first 2 years, 9% for next 5 years, 7% for next 5 years and 6% thereafter
Employee attrition rate	10% upto age 44 and 5% thereafter	5% upto age 44 and 1% thereafter
Changes in the defined benefit obligation :		
Opening defined benefit obligation	14,008,175	8,658,519
Current service cost	2,974,794	1,921,418
Interest cost	1,384,638	857,501
Actuarial losses / (gain)	(656,439)	1,579,856
Past service cost	-	3,448,111
Actuarial losses / (gain) due to curtailment	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on acquisition / (settlement on divestiture)	-	-
Exchange difference on foreign plans	-	-
Past service cost (vested benefit)	-	-
Benefits paid	(1,196,566)	(2,457,230)
Closing defined benefit obligation	<u>16,514,602</u>	<u>14,008,175</u>
Change in fair value of assets :		
Opening fair value of plan assets	13,534,711	11,326,766
Expected return of plan assets	1,022,568	830,862
Actuarial gain / (losses)	202,488	201,054
Assets distributed on settlements	-	-
Contribution by employer	2,460,701	3,633,259
Assets acquired on acquisition / (distributed on divestiture)	-	-
Exchange difference on foreign plans	-	-
Benefits paid	(1,196,566)	(2,457,230)
Fair value of plan assets as at end of the year	<u>16,023,902</u>	<u>13,534,711</u>



Tata Asset Management Limited

Notes to the financial statements (Continued) for the year ended 31 March 2012

(Currency: Indian Rupees)

26 Retirement benefit - gratuity (Continued)

	2012	2011
Reconciliation of the present value of defined benefit obligation and the fair value of assets		
Present value of funded obligation as at 31 March 2012	16,514,602	14,008,175
Fair value of plan assets as at 31 March 2012	(16,023,902)	(13,534,711)
Amount not recognised as an asset	-	-
Net liability as at 31 March 2012	490,700	473,464
Balance sheet		
Liability	490,700	473,464
Assets	-	-
Net liability as at 31 March 2012	490,700	473,464
Profit and loss account		
Net employee benefit expenses (recognised in employee cost)		
Current service cost	2,974,794	1,921,418
Interest on defined benefit obligation	1,384,638	857,501
Expected return on plan assets	(1,022,568)	(830,862)
Net actuarial losses / (gains) recognised in the year	(858,927)	1,378,802
Past service cost	-	3,448,111
Losses / (Gains) on "curtailment and settlements"	-	-
Losses / (Gains) on "acquisition and divestiture"	-	-
Effect of the limit in Para 59 (b)	-	(55,195)
Total included in 'Employee Benefit Expense'	2,477,937	6,719,775

27 Contingent liabilities

Contingent liability as at 31 March 2012 is Rs.42,720,857 (Previous year: Rs. Nil).

Note :

The company has received notice of demand from the Assessing Officer, disallowing scheme related expenses borne by the company amounting to Rs. 98,687,016 and brand equity subscription charges paid to Tata Sons Ltd. amounting to Rs. 3,069,422 for AY 2009-10. The total tax liability aggregates to Rs. 42,720,857 crs (including interest).

The company had also received similar notices of demand from the Assessing Officer for AY 2006-07, 2007-08 & 2008-09, which were contested at the Commissioner of Income Tax (Appeals) (CIT(A)) and favourable orders were received from CIT(A). The department had then appealed to the Income Tax Appellate Tribunal wherein also the company has received orders in their favour for AY 2007-08 & AY 2008-09 (AY 2006-07 being pending for hearing).

Based on the above, the company believes that it has a strong case for getting a similar favourable verdict for the year AY 2009-10 also.

28 Capital commitments

An amount of Rs. 10,000,000 is balance towards capital commitments as at

29 Expenditure in foreign currency (on accrual basis)

	2012	2011
Travelling	3,875,170	2,597,992
	3,875,170	2,597,992



Tata Asset Management Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupees)

30 Earnings in foreign currency (on accrual basis)

	2012	2011
Management fees	129,592,457	166,335,682
Advisory fees	24,208,397	32,197,638
	<u>153,800,854</u>	<u>198,533,320</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.

	2012	2011
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
Amount of further interest remaining due and payable	Nil	Nil

32 Transfer pricing

The Company has developed a system of maintaining 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 its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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

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

34 Prior year comparatives

Till the year ended 31 March 2011, the Company was using pre Revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the Revised Schedule VI notified under Companies Act 1956 has become applicable to the Company. Accordingly, the Company has reclassified previous year figures to conform to this year's classification. Revised Schedule VI significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date attached.

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

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

Vijay Bhatt
Partner
Membership No: 036647

Farrokh K. Kavarana
Chairman

Arun Kumar R. Gandhi
Director

Madhav L. Apte
Director

Aspy Cooper
Director

Mumbai
24th May 2012

Abdul Hasib
Director

Pratib Kar
Director

Arvind Sethi
Director

Sanjay Sachdev
President & CEO

Hormuz A. Bulsara
Chief Financial Officer

Nariman Khan
Company Secretary

Tata Asset Management Limited

(Currency : Indian Rupees)

Balance sheet abstract and company's general business profile

I Registration Details

Registration No.	U65990MH1994PLC077090	State code	11
Balance sheet date			31-03-12

II Capital raised during the year

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

III Position of mobilisation and deployment of funds

Total liabilities	481,149,732	Total assets	1,885,402,125
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Sources of funds

Paid-up capital	164,062,500	Reserves and surplus	1,240,189,893
Secured loans	-	Unsecured loans	-

Application of funds

Net fixed assets	126,661,643	Investments	1,159,972,375
Net current assets	(94,301,939)	Miscellaneous expenditure	-
Deferred tax liability	244,774	Accumulated losses	-

IV Performance of company

Total turnover	1,013,860,316	Total expenditure	903,232,984
Profit before tax	382,928,477	Profit after tax	313,608,764
Earning per share in Rs. (actuals)	19.12	Dividend rate (%)	75%

V Generic names of three principal products / services of company

Item code no (ITC code)	Not Applicable
Service description	Asset Management Company

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

Farrokh K. Kavarana
Chairman

Arunkumar R. Gandhi
Director

Madhav L. Apte
Director

Aspy Cooper
Director

Abdul Hasib
Director

Pratip Kar
Director

Arvind Sethi
Director

Sanjay Sachdev
President & CEO

Hormuz A. Bulsara
Chief Financial Officer

Nariman Khan
Company Secretary

Mumbai
24 May 2012