

# KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA ASSET MANAGEMENT LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of **Tata Asset Management Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



LLP IN : AAH - 3437

REGISTERED OFFICE : ESPLANADE HOUSE, 29, HAZARIMAL SOMANI MARG, FORT, MUMBAI 400 001  
TEL.: (91) (22) 6158 6200, 6158 7200 FAX : (91) (22) 6158 6275

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or



conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **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 Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
- (g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



(h) 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, we further report that:

- i. The Company does not have any pending litigations on its financial position in its standalone financial statements.
- ii. The Company did not have any Long Term Contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Firm Registration No: 104607W / W100166

**Sd/-**

**Roshni R. Marfatia**

Partner

Membership No: 106548

UDIN: 21106548AAAABG7914



Place : Mumbai

Date : April 26, 2021

**Annexure 'A' to the Independent Auditor's Report**

Referred to in Para 1 under 'Report on Other Legal and Regulatory Requirements' of our Report to the members of the Company on the standalone financial statements for the year ended March 31, 2021:

**Statement on Matters Specified in paragraphs 3 and 4 of the Companies (Auditors Report) Order, 2016**

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 program for physical verification of fixed assets by which all the 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) According to the information and explanations given to us and based on the documents and records produced before us, the title deeds of immoveable 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 explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
4. The Company has neither granted any loans to any director or person in whom director is interested nor made any investments 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 and the provisions of sections 73 to 76 or any other applicable provisions of the Act and the rules framed there under.
6. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to provident fund, employees' state insurance, income-tax, service tax, profession tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues which have remained outstanding as at the end of the financial year, 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 statutory dues which have not been deposited on account of any disputes.
8. In our opinion and 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, paragraph 3 (viii) of the Order is not applicable to the Company.



9. The Company has not raised moneys by way of 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. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud by the Company or fraud on the Company by its officers or employee has been noticed or reported during the year.
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 Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on the documents and records produced before us, the transactions with related parties are in compliance with section 177 and 188 of the Act and the details thereof have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on the documents and records produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause (xiv) of the order are not applicable.
15. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
16. The Company is a service company primarily rendering asset management, portfolio management and advisory services. Accordingly, the Company is not required to be registered under section 45- 1A of the Reserve Bank of India Act, 1934.

**For KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Firm Registration No: 104607W / W100166

Sd/-

**Roshni R. Marfatia**

Partner

Membership No: 106548

UDIN: 21106548AAAABG7914



Place : Mumbai

Date : April 26, 2021

#### **Annexure 'B' to the Independent Auditor's Report**

The Annexure referred to in Para 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2021:

#### **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 with reference to financial statements of **TATA ASSET MANAGEMENT LIMITED** ("the Company") as at March 31, 2021 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 issued by the Institute of Chartered Accountants of India ('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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.



### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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. A company's internal financial control with reference to financial statements 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements 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 issued by the Institute of Chartered Accountants of India.

**For KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Firm Registration No: 104607W / W100166

Sd/-

**Roshni R. Marfatia**

Partner

Membership No: 106548

UDIN: 21106548AAAABG7914



Place : Mumbai

Date : April 26, 2021

## TATA ASSET MANAGEMENT LIMITED

Balance Sheet as at 31st March, 2021

(Currency : Indian Rupees)

| Particulars                                                                                 | Note No. | As at<br>31-Mar-21    | As at<br>31-Mar-20    |
|---------------------------------------------------------------------------------------------|----------|-----------------------|-----------------------|
| <b>ASSETS</b>                                                                               |          |                       |                       |
| <b>Financial Assets</b>                                                                     |          |                       |                       |
| Cash and cash equivalents                                                                   | 3.1      | 6,89,28,458           | 3,81,51,164           |
| Trade Receivables                                                                           | 3.2      | 16,79,05,825          | 7,65,73,390           |
| Loans                                                                                       | 3.3      | 42,60,630             | 55,81,943             |
| Investments                                                                                 | 3.4      | 3,17,05,83,544        | 2,06,00,07,570        |
| Other Financial assets                                                                      | 3.5      | 12,37,94,942          | 36,97,27,100          |
| <b>Non-financial Assets</b>                                                                 |          |                       |                       |
| Current tax assets (Net of provision for tax)                                               | 3.28     | 14,74,55,990          | 21,42,66,511          |
| Investment property                                                                         | 3.6      | 5,42,47,317           | 5,55,10,224           |
| Property, Plant and Equipment                                                               | 3.7      | 9,62,06,142           | 12,19,97,365          |
| Right of use assets                                                                         | 3.8      | 23,02,07,686          | 26,51,93,735          |
| Other intangible assets                                                                     | 3.9      | 2,37,16,960           | 2,53,20,169           |
| Other non financial assets                                                                  | 3.10     | 5,96,97,137           | 4,86,74,208           |
| <b>Total assets</b>                                                                         |          | <b>4,14,70,04,631</b> | <b>3,28,10,03,379</b> |
| <b>LIABILITIES AND EQUITY</b>                                                               |          |                       |                       |
| <b>LIABILITIES</b>                                                                          |          |                       |                       |
| <b>Financial Liabilities</b>                                                                |          |                       |                       |
| Payables                                                                                    |          |                       |                       |
| Trade Payables                                                                              | 3.11     |                       |                       |
| (i) total outstanding dues of micro enterprises and small enterprises                       |          | 29,22,596             | 2,23,200              |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 10,13,86,842          | 7,48,71,430           |
| Deposits                                                                                    | 3.12     | 37,94,870             | 36,78,441             |
| Other financial liabilities                                                                 | 3.13     | 23,49,93,010          | 27,17,21,329          |
|                                                                                             |          | <b>34,30,97,318</b>   | <b>35,04,94,400</b>   |
| <b>Non-financial liabilities</b>                                                            |          |                       |                       |
| Provisions                                                                                  | 3.14     | 10,72,37,874          | 8,59,57,313           |
| Deferred tax liabilities (Net)                                                              | 3.28     | 7,05,05,520           | 36,21,178             |
| Other non-financial liabilities                                                             | 3.15     | 27,59,57,384          | 23,85,71,260          |
|                                                                                             |          | <b>45,37,00,778</b>   | <b>32,81,49,751</b>   |
| <b>Equity</b>                                                                               |          |                       |                       |
| Equity share capital                                                                        | 3.16     | 26,25,00,000          | 16,40,62,500          |
| Other equity                                                                                | 3.17     | 3,08,77,06,535        | 2,43,82,96,728        |
| <b>Total equity</b>                                                                         |          | <b>3,35,02,06,535</b> | <b>2,60,23,59,228</b> |
| <b>Total liabilities and equity</b>                                                         |          | <b>4,14,70,04,631</b> | <b>3,28,10,03,379</b> |

The accompanying notes are an integral part of the financial statements - 1 to 25

As per our report attached  
**For KALYANIWALLA & MISTRY LLP**  
Chartered Accountants  
Registration No.: 104607W / W100166

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

Sd/-  
**Roshni R. Marfatia**  
Partner  
Membership No.:106548

Sd/-  
**Rajiv Sabharwal**  
Chairman  
[DIN : 00057333]

Sd/-  
**Prathit Bhoje**  
CEO & Managing Director  
[DIN : 08136926]

Mumbai  
26 April 2021



Sd/-  
**Hormuz A. Bulsara**  
CFO & Company Secretary



## TATA ASSET MANAGEMENT LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2021

(Currency : Indian Rupees)

| Particulars                                                                              | Note No. | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|------------------------------------------------------------------------------------------|----------|-------------------------|-------------------------|
| <b>Revenue from operations</b>                                                           |          |                         |                         |
| Interest Income                                                                          | 3.18     | 1,40,24,859             | 98,88,304               |
| Dividend Income                                                                          | 3.19     | 2,44,689                | 2,52,29,948             |
| Rental Income                                                                            |          | 1,02,50,663             | 52,52,125               |
| Fee and commission Income                                                                | 3.20     | 2,46,67,65,292          | 2,05,77,33,241          |
| Net fair value changes                                                                   | 3.21     | 31,60,06,501            | (10,39,813)             |
| <b>Total Revenue from operations</b>                                                     |          | <b>2,80,72,92,004</b>   | <b>2,09,70,63,805</b>   |
| Other Income                                                                             | 3.22     | 93,36,397               | 49,32,417               |
| <b>Total Income</b>                                                                      |          | <b>2,81,66,28,401</b>   | <b>2,10,19,96,222</b>   |
| <b>Expenses</b>                                                                          |          |                         |                         |
| Fee and commission expenses                                                              | 3.23     | 7,34,48,908             | 3,96,21,107             |
| Employee Benefits Expenses                                                               | 3.24     | 96,58,55,476            | 98,92,15,861            |
| Finance cost                                                                             | 3.25     | 2,00,25,861             | 2,31,99,622             |
| Depreciation, amortization and impairment                                                | 3.26     | 13,66,15,927            | 13,28,53,394            |
| Other expenses                                                                           | 3.27     | 47,89,34,601            | 67,41,66,610            |
| <b>Total Expenses</b>                                                                    |          | <b>1,67,48,80,773</b>   | <b>1,85,90,56,594</b>   |
| <b>Profit Before Tax</b>                                                                 |          | <b>1,14,17,47,628</b>   | <b>24,29,39,628</b>     |
| <b>Tax Expense:</b>                                                                      | 3.28     |                         |                         |
| (1) Current Tax                                                                          |          | 22,44,50,000            | 6,74,00,000             |
| (2) Prior year income tax                                                                |          | (1,74,412)              | 12,95,452               |
| (3) Deferred Tax                                                                         |          | 6,59,02,731             | (1,13,15,279)           |
|                                                                                          |          | <b>29,01,78,319</b>     | <b>5,73,80,173</b>      |
| <b>Profit After Tax</b>                                                                  | A        | <b>85,15,69,309</b>     | <b>18,55,59,455</b>     |
| <b>Other Comprehensive Income</b>                                                        |          |                         |                         |
| (A) (i) <i>Items that will not be reclassified to profit or loss:</i>                    |          |                         |                         |
| - Net gain / (loss) in fair valuation of equity instruments                              |          | (1,50,170)              | 4,91,209                |
| - Remeasurement gain / (loss) on defined benefit plans                                   |          | 40,50,403               | (43,19,108)             |
| (ii) <i>Income tax relating to items that will not be reclassified to profit or loss</i> |          | (9,81,609)              | 11,57,567               |
|                                                                                          |          | <b>29,18,624</b>        | <b>(26,70,332)</b>      |
| (B) (i) <i>Items that will be reclassified to profit or loss:</i>                        |          |                         |                         |
| (ii) <i>Income tax relating to items that will be reclassified to profit or loss</i>     |          | -                       | -                       |
|                                                                                          |          | -                       | -                       |
| <b>Other Comprehensive Income</b>                                                        | B        | <b>29,18,624</b>        | <b>(26,70,332)</b>      |
| <b>Total Comprehensive Income for the year</b>                                           | (A + B)  | <b>85,44,87,933</b>     | <b>18,28,89,123</b>     |
| <b>Earnings per equity share</b>                                                         |          |                         |                         |
| Basic and Diluted (INR)                                                                  | 5        | 51.82                   | 11.31                   |

The accompanying notes are an integral part of the financial statements - 1 to 25

As per our report attached  
**For KALYANIWALLA & MISTRY LLP**  
Chartered Accountants  
Registration No.: 104607W / W100166

Sd/-

**Roshni R. Marfatia**  
Partner  
Membership No.: 106548



Mumbai  
26 April 2021

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

Sd/-

**Rajiv Sabharwal**  
Chairman  
[DIN : 00057333]



Sd/-

**Prathit Bhohe**  
CEO & Managing Director  
[DIN : 08136926]

Sd/-

**Hornutuz A. Bulsara**  
CFO & Company Secretary

# TATA ASSET MANAGEMENT LIMITED

## Cash flow statement for the year ended 31st March 2021

(Currency : Indian Rupees)

|                                                                       | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>                           |                         |                         |
| <b>Net profit before taxation</b>                                     | <b>1,141,747,628</b>    | <b>242,939,628</b>      |
| <i>Adjustment for :</i>                                               |                         |                         |
| Depreciation                                                          | 136,615,927             | 132,853,394             |
| Net gain on lease modification                                        | (1,848,912)             | -                       |
| Fair value changes in investments                                     | (316,006,501)           | 1,039,813               |
| Interest on bonds - unrealised                                        | (272,672)               | (21,080)                |
| Interest on security deposit receivable - unrealised                  | (2,722,938)             | (2,459,811)             |
| Interest charged on Right of Use                                      | 19,909,432              | 22,999,427              |
| Interest on security deposit placed - unrealised                      | 116,429                 | 9,408                   |
| Prepaid component of rental income                                    | (130,193)               | (10,849)                |
| Loss on sale of fixed assets (net)                                    | 318,751                 | 302,742                 |
| <b>Operating cash flow before working capital changes</b>             | <b>977,726,951</b>      | <b>397,652,672</b>      |
| <b>Changes in working capital:</b>                                    |                         |                         |
| <i>Adjustments for increase / (decrease)</i>                          |                         |                         |
| Trade receivables and other receivables                               | (91,332,435)            | 24,707,820              |
| Loans                                                                 | 1,321,313               | 88,692                  |
| Other financial assets                                                | 247,857,544             | 631,305,586             |
| Other non-financial assets                                            | (278,281)               | (1,694,820)             |
| Trade and other payables                                              | 29,214,808              | 21,700,903              |
| Deposits                                                              | -                       | 1,989,033               |
| Other financial liabilities                                           | 921,645                 | 924,514                 |
| Other non-financial liabilities                                       | 37,386,124              | (7,085,036)             |
| Provisions                                                            | 25,330,964              | 19,735,554              |
| <b>Cash generated from operations</b>                                 | <b>250,421,682</b>      | <b>691,672,246</b>      |
| Income tax paid                                                       | (157,465,067)           | (82,182,725)            |
| <b>Net cash flow from operating activities (A)</b>                    | <b>1,070,683,566</b>    | <b>1,007,142,193</b>    |
| <b>Cash flow from investing activities</b>                            |                         |                         |
| Purchase of property, plant and equipment                             | (34,125,103)            | (42,589,083)            |
| Purchase of intangibles                                               | (5,706,323)             | (22,152,332)            |
| Proceeds from sale of property, plant and equipment                   | 894,323                 | 2,346,427               |
| Proceeds from sale of intangibles                                     | 1,200.00                | -                       |
| Margin money placed with stock exchanges (Net)                        | -                       | 5,000,000               |
| Proceeds from trading in derivatives transaction                      | -                       | 962,687                 |
| Purchase of investments                                               | (2,792,191,033)         | (1,551,509,857)         |
| Proceeds from sale of investments                                     | 1,997,744,061           | 758,133,493             |
| <b>Net cash used in investing activities (B)</b>                      | <b>(833,382,875)</b>    | <b>(849,808,665)</b>    |
| <b>Cash flow from financing activities</b>                            |                         |                         |
| Equity dividends paid to shareholders                                 | (106,640,626)           | (57,421,876)            |
| Tax on equity dividend paid                                           | -                       | (11,803,236)            |
| Cash payments for the principal portion of the lease liability        | (79,973,339)            | (70,020,269)            |
| Cash payments for the interest portion of the lease liability         | (19,909,432)            | (22,999,427)            |
| <b>Net cash flow used in financing activities (C)</b>                 | <b>(206,523,397)</b>    | <b>(162,244,808)</b>    |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b> | <b>30,777,294</b>       | <b>(4,911,280)</b>      |
| Cash and cash equivalents at the beginning of the year                | 38,151,164              | 43,062,444              |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>68,928,458</b>       | <b>38,151,164</b>       |



**Notes:**

- 1 Cash and cash equivalents comprises of:
- |                                                    |                   |                   |
|----------------------------------------------------|-------------------|-------------------|
| Cash in hand                                       | 10,000            | 51,200            |
| Balances with banks in current account             | 18,890,924        | 38,099,964        |
| Bank deposits with maturity less than three months | 50,027,534        | -                 |
|                                                    | <u>68,928,458</u> | <u>38,151,164</u> |
- 2 The above statement of cash flow has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Statement of Cash Flows'.
- 3 Since the Company is an asset management company, purchase and sale of investments have been considered as part of 'Cash flow from investing activities' and interest earned (net) - INR 3,991,694 (Previous Year - INR 4,199,758) and dividend received - INR 244,689 (Previous Year - INR 25,229,948) have been considered as part of 'Cash flow from operating activities'.
- 4 Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities.
- 5 Figures in brackets are outflows / deductions. Previous year's figures have been regrouped, wherever necessary.

As per our report of even date attached  
For Kalyaniwalla & Mistry LLP  
Chartered Accountants  
Firm's Registration No: 104607W/W100166

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

Sd/-  
Roshni R. Marfatia  
Partner  
Membership No: 106548

Sd/-  
Rajiv Sabharwal  
Chairman  
[DIN : 00057333]

Sd/-  
Prathit Bhohe  
CEO & Managing Director  
[DIN: 08136926]

Mumbai  
26 April 2021



Sd/-  
Hormuz A. Bulsara  
CFO & Company Secretary



**TATA ASSET MANAGEMENT LIMITED**

**Statement of changes in equity for the year ended 31st March, 2021**

(Currency : Indian Rupees)

**A. Equity Share Capital (Refer Note 3.16)**

|                                                 | Number     | Balance     |
|-------------------------------------------------|------------|-------------|
| Balance as at 31st March 2019                   | 16,406,250 | 164,062,500 |
| Changes in equity share capital during the year | -          | -           |
| Balance as at 31st March 2020                   | 16,406,250 | 164,062,500 |
| Changes in equity share capital during the year | 9,843,750  | 98,437,500  |
| Balance as at 31st March 2021                   | 26,250,000 | 262,500,000 |

**B. Other Equity (Refer Note 3.17)**

|                                         | Reserves and Surplus |                 |                   | Other Comprehensive Income                            | Total         |
|-----------------------------------------|----------------------|-----------------|-------------------|-------------------------------------------------------|---------------|
|                                         | Securities premium   | General Reserve | Retained Earnings | Equity Instruments Through Other Comprehensive income |               |
| Balance as at March 31, 2019            | 65,625,000           | 327,499,006     | 1,933,877,756     | 907,072                                               | 2,327,908,834 |
| Effect of Transition of Ind AS 116      | -                    | -               | (3,276,117)       | -                                                     | (3,276,117)   |
| Profit for the year                     | -                    | -               | 185,559,455       | -                                                     | 185,559,455   |
| Other Comprehensive Income for the year | -                    | -               | (3,144,157)       | 473,825                                               | (2,670,332)   |
| Total Comprehensive Income for the year | -                    | -               | 179,139,181       | 473,825                                               | 179,613,006   |
| Final Dividend on Ordinary shares       | -                    | -               | (57,421,876)      | -                                                     | (57,421,876)  |
| Tax on Dividends                        | -                    | -               | (11,803,236)      | -                                                     | (11,803,236)  |
| Balance as at March 31, 2020            | 65,625,000           | 327,499,006     | 2,043,791,825     | 1,380,897                                             | 2,438,296,728 |
| Bonus shares issued during the year     | -                    | (98,437,500)    | -                 | -                                                     | (98,437,500)  |
| Profit for the year                     | -                    | -               | 851,569,309       | -                                                     | 851,569,309   |
| Other Comprehensive Income for the year | -                    | -               | 3,030,997         | (112,373)                                             | 2,918,624     |
| Total Comprehensive Income for the year | -                    | (98,437,500)    | 854,600,306       | (112,373)                                             | 756,050,433   |
| Final Dividend on Ordinary shares       | -                    | -               | (106,640,626)     | -                                                     | (106,640,626) |
| Tax on Dividends                        | -                    | -               | -                 | -                                                     | -             |
| Balance as at March 31, 2021            | 65,625,000           | 229,061,506     | 2,791,751,505     | 1,268,524                                             | 3,087,706,535 |

The accompanying notes are an integral part of the financial statements - 1 to 25

As per our report attached  
For KALYANIWALLA & MISTRY LLP  
Chartered Accountants  
Registration No.: 104607W / W100166

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

Sd/-  
Roshni R. Marfatia  
Partner  
Membership No.:106548



Sd/-  
Rajiv Sabharwal  
Chairman  
[DIN : 00057333]

Sd/-  
Prathit Bhohe  
CEO & Managing Director  
[DIN:08136926]

Sd/-  
Hormuz A. Bulsara  
CFO & Company Secretary

Mumbai  
26 April 2021



## TATA ASSET MANAGEMENT LIMITED

### Notes to the financial statements for the year ended 31st March, 2021

#### 1) Corporate Information

Tata Asset Management Limited ('the Company') is a public company limited by shares incorporated in India on 15 March 1994 under the Companies Act, 1956 with its registered office in Mumbai, Maharashtra, India. Its shares are not listed on any of the stock exchanges in India. 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 is primarily engaged to act as an investment manager to Tata Mutual Fund ('the Fund') and Alternate Investment Funds ('the AIF'), to provide portfolio management services ('PMS') to clients and advisory services.

The functional and presentation currency of the Company is the Indian Rupee which is the currency of the primary economic environment in which the Company operates.

Tata Sons Private Limited is the ultimate parent of the Company. Information on other related party relationships of the Company is provided in Note 14

The financial statements of the Company for the year ended 31st March, 2021 were approved and authorised for issue by Board of Directors on 26 April 2021.

#### 2) Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

##### a) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act. The accounting policies are applied consistently to all the years presented in the financial statements.

##### b) Basis of preparation and presentation of Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments measured at fair value at the end of each reporting period as explained in accounting policies below.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 11.

#### COVID 19 – Risk and Impact assessment

The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and commensurately unfavourable decline in global and India's economic activities.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity, recoverability of carrying amounts of financial and non-financial assets and ability to repay its obligations as and when due. Based on the management assessment of liquidity position of the Company, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time during the current period and for the period going forward. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.



**c) Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make judgments, estimates and assumptions. These judgments, estimates and assumptions affect the reported amounts of assets and liabilities, disclosures including disclosures of contingent assets and contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are:

**(i) Fair value measurements**

When the fair value of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured at the quoted price in the active markets, their fair value is measured using the valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values, judgments includes consideration of inputs such as liquidity risk, credit risk and volatility.

**(ii) Provisions, liabilities and contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgments to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

**(iii) Recognition and Measurement of defined benefit obligation**

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(iv) Impairment of financial assets**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

**d) Ind AS 116 Leases**

The company has applied Ind AS 116 using the modified retrospective approach.

**As a lessee**

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the government securities rate at the commencement date of the lease for the estimated term of the obligation.



Lease payments included in the measurement of the lease liability comprise the amounts expected to be payable over the period of the lease. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **Short-term leases:**

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **e) Revenue recognition**

#### **(i) Interest Income**

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

#### **(ii) Dividend income**

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

#### **(iii) Leasing**

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

#### **Company as a lessor**

Leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit or loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.



**(iv) Recognition of income**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

**Step 1 :** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2 :** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3 :** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4 :** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5 :** Recognise revenue when (or as) the Company satisfies a performance obligation.

**Investment management fees**

Investment management fees (net of goods and services tax) is recognised at a point in time when performance obligation is satisfied in accordance with the Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996, as amended from time to time based on an agreed percentage of the daily assets under management of Tata Mutual Fund schemes.

**Portfolio management fees**

Portfolio management fees are fees charged for management of portfolios and are recognised at a point in time when the performance obligation is satisfied at an agreed percentage of the daily portfolio values in accordance with Portfolio Management Agreement entered into with respective clients.

**Alternate investment management fees**

Alternate investment management fees are fees charged for management of alternate investment funds and are recognised at a point in time when the performance obligation is satisfied at an agreed percentage of the daily portfolio values in accordance with Investment Management Agreement entered into Alternate Investment Funds.

**Advisory fees**

Advisory fees are recognised on satisfaction of a performance obligation at a point in time in accordance with the respective terms of contract with counterparties.

**f) Foreign currency transactions and translation**

The management of the Company has determined Indian Rupee ("INR") as the functional currency of the Company. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

**g) Taxation**

Income tax expense comprises both current and deferred tax. Current and deferred taxes are recognised in the statement of profit and loss.



Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow for all or part of the deferred tax asset to be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### Classification

Financial assets, other than equity, are classified into financial assets at fair value through other comprehensive income (FVOCI) or fair value through profit and loss account (FVTPL) or at amortised cost. Financial assets that are equity instruments are classified as FVTPL or FVOCI. Financial liabilities are classified as amortised cost category and FVTPL.

Classification and measurement of financial assets depends on the business model and results of SPPI test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test. Based on the above, financial assets are either classified as:

1. Amortised cost,
2. Fair value through other comprehensive income and
3. Fair value through profit and loss.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.



Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

Financial assets and financial liabilities are initially recognised on the trade date i.e. the date when the Company becomes a party to the contractual provisions of the instruments. At initial recognition, the Company measures trade receivables at their transaction price if the trade receivables do not contain a significant financing component.

**Subsequent measurement:**

**Financial assets at amortised cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company measures bank balances, loans and financial investments at amortised cost.

**Equity Instruments at FVOCI :**

The Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 'Financial Instruments: Presentation' and are not held for trading.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends from these equity investments are recognised in the statement of profit and loss when the right to receive the payment has been established.

**Fair value through Profit and loss account:**

Financial assets are measured at FVTPL unless it is measured at amortised cost or at FVOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

**Financial Liabilities and equity instruments:**

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and These are subsequently measured at amortised cost using effective interest rate method where the time value of money is significant. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**Reclassification of Financial assets and Financial liabilities:**

The Company does not re-classify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances when the Company changes its business model for managing such financial assets. The Company does not re-classify its financial liabilities.

**Impairment of financial assets:**

The Company recognizes a loss allowance for expected credit losses on a financial asset that is at amortized cost or fair value through OCI. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.



**Trade receivables:**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

**Derecognition of Financial assets and Financial liabilities:**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

A financial liability is derecognised when, and only when, the obligation under the liability is discharged, cancelled or expired.

**Derivative financial instruments:**

The Company trades in derivative financial instruments which are in the nature of equity-related future contracts. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. Derivatives are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of such derivative financial instruments are taken directly to statement of profit and loss and included in net gain on fair value changes. The Company has not designated any derivative instruments as a hedging instrument.

**i) Determination of fair value:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

**j) Cash and cash equivalents :**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**k) Property, Plant and Equipment**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Cost includes all expenses incidental to the acquisition of the property, plant and equipment and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

**Capital work in progress and Capital advances**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed in Other Non-Financial Assets.

**Depreciation of property, plant and equipment**

Depreciation on property, plant and equipment, other than premises and leasehold improvements, is provided on a written down value basis. Premises are depreciated over its estimated useful life on a straight line basis. Leasehold improvements are amortised over the primary period of lease on a straight line basis or useful life whichever is less.



As per the requirement of the Act, the Company has evaluated the useful lives of its property, plant and equipment 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 property, plant and equipment of the Company is different from useful life prescribed in Schedule II of the Act.

| Nature of property, plant and equipment | 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 INR 5,000/- 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.

The residual values, estimated useful lives and method of depreciation of property, plant and equipment are reviewed at end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

#### 1) Investment Property:

Properties held to earn rentals and/or capital appreciation are classified as investment properties and are measured and reported at cost, including transaction costs less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses incidental to the acquisition of the investment property and any attributable cost of bringing the asset to the condition for its intended use. Subsequent costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Investment property are depreciated over its estimated useful life on a straight line basis as prescribed in Schedule II to the Companies Act, 2013.

The useful life of such investment property is determined to be sixty years as per provisions of Part C of Schedule II of the Act.



An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss in the same period in which the property is derecognised.

**m) Intangible Assets:**

Intangible assets are carried at cost less accumulated amortisation.

**Capital work in progress and Capital advances**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of intangible assets outstanding at each Balance Sheet date are disclosed in Other Non-Financial Assets.

**Amortisation of intangible assets**

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. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of intangible asset is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

**n) Impairment of non - financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent from other assets or Group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the statement of profit and loss in the period in which impairment takes place.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

**o) Employee benefits**

**Defined contribution plans**

**(i) Provident fund & Family Pension Fund**

The Company contributes to a recognised provident fund and family pension 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. The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund. The contributions made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.



#### **(ii) Superannuation Fund**

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.

#### **Defined Benefit Plan**

##### **(i) 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 discount rate used for determining the present value is based on the Indian Government Securities yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements arising from defined benefit plans, comprising of actuarial gains and losses, the return on plan assets in excess of what has been estimated and the effect of the asset ceiling, if any, in case of over funded plans are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. All other expenses related to defined benefit plans is recognised in employee benefit expenses in statement of profit and loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

##### **(ii) Compensated absences**

Compensated absences are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The Company's liability towards compensated absences is determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss.

#### **Other Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. 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.

#### **Long term incentive plan (LTIP)**

The company has also launched LTIP series IV, LTIP series V and LTIP series VI for the year end 31 March 2019, 31 March 2020 and 31 March 2021 respectively, the grant value of which will vest on the completion of their respective three years, which is a defined benefit and is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

#### **p) Cost Recognition**

Costs and expenses are recognized when incurred and are classified according to their nature.

#### **Scheme expenses**

In pursuance to SEBI circular dated 22 October 2018, all expenses relating and identified for a scheme should be charged to the scheme. For expenses which are common across schemes and is not possible to apportion / bifurcate them scheme wise, the same can be borne by the AMC. The Company has incurred such expenses for which identification of scheme is not possible and the same has been charged to the statement of profit and loss.



**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.

**q) Accounting for provisions, contingent liabilities and contingent assets**

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by third party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the Company settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. In the statement of profit and loss, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Contingent liabilities are not recognised in the financial statements. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise contingent asset.

**r) 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 period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive are included.

**s) Dividends on ordinary shares**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a final dividend is authorised when it is approved by the shareholders in the annual general meeting. A corresponding amount is recognised directly in equity.



# TATA ASSET MANAGEMENT LIMITED

## Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

### 3.1 Cash and cash equivalents

|                                                      | As at<br>31-Mar-21        | As at<br>31-Mar-20        |
|------------------------------------------------------|---------------------------|---------------------------|
| Cash on hand                                         | 10,000                    | 51,200                    |
| Balances with Banks                                  |                           |                           |
| - in current accounts                                | 1,88,90,924               | 3,80,99,964               |
| - Bank deposits with maturity less than three months | 5,00,27,534               | -                         |
| <b>Total</b>                                         | <b><u>6,89,28,458</u></b> | <b><u>3,81,51,164</u></b> |

The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above .

### 3.2 Receivables

|                                                                     | As at<br>31-Mar-21         | As at<br>31-Mar-20        |
|---------------------------------------------------------------------|----------------------------|---------------------------|
| <b>Unsecured - considered good</b>                                  |                            |                           |
| Management Fee Receivable                                           | 15,32,07,702               | 6,37,68,738               |
| Portfolio Management Fee and Other Advisory Services Fee Receivable | 1,46,98,123                | 1,28,04,652               |
| <b>Total</b>                                                        | <b><u>16,79,05,825</u></b> | <b><u>7,65,73,390</u></b> |

All trade receivables are non-interest bearing and are recoverable within 5 to 15 working days from the date of raising the invoice, except in case of one strategy under portfolio management services where the Market Linked Debentures (MLD) portfolio will repay the fees on sale of the MLD security before maturity i.e. approximately 19 months.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.



## TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

## 3.3 Loan (at amortised cost)

|                                  | As at<br>31-Mar-21 | As at<br>31-Mar-20 |
|----------------------------------|--------------------|--------------------|
| Unsecured and considered good    |                    |                    |
| Loans to employees paid in India | 42,60,630          | 55,81,943          |
| <b>Total</b>                     | <b>42,60,630</b>   | <b>55,81,943</b>   |

## 3.4 Investments

| Investments                   | Amortised cost | At Fair Value                      |                        |                                                 | Others      | Total          |
|-------------------------------|----------------|------------------------------------|------------------------|-------------------------------------------------|-------------|----------------|
|                               |                | Through other comprehensive income | Through profit or loss | Designated at fair value through profit or loss |             |                |
| As at 31.03.2021              |                |                                    |                        |                                                 |             |                |
| Investments                   |                |                                    |                        |                                                 |             |                |
| Mutual funds                  | -              | -                                  | 2,81,15,61,970         | -                                               | -           | 2,81,15,61,970 |
| Debt securities               | 15,48,18,167   | -                                  | -                      | -                                               | -           | 15,48,18,167   |
| Equity instruments            | -              | 21,95,164                          | -                      | -                                               | -           | 21,95,164      |
| Alternate Investment Funds    | -              | -                                  | 16,68,94,037           | -                                               | -           | 16,68,94,037   |
| Subsidiaries                  | -              | -                                  | -                      | -                                               | 3,51,14,206 | 3,51,14,206    |
| Total                         | 15,48,18,167   | 21,95,164                          | 2,97,84,56,007         | -                                               | 3,51,14,206 | 3,17,05,83,544 |
| (i) Investments outside India | -              | -                                  | -                      | -                                               | 3,26,14,206 | 3,26,14,206    |
| (ii) Investments in India     | 15,48,18,167   | 21,95,164                          | 2,97,84,56,007         | -                                               | 25,00,000   | 3,13,79,69,338 |
| Total                         | 15,48,18,167   | 21,95,164                          | 2,97,84,56,007         | -                                               | 3,51,14,206 | 3,17,05,83,544 |
| As at 31.03.2020              |                |                                    |                        |                                                 |             |                |
| Investments                   |                |                                    |                        |                                                 |             |                |
| Mutual funds                  | -              | -                                  | 1,85,26,59,089         | -                                               | -           | 1,85,26,59,089 |
| Debt securities               | 5,11,61,465    | -                                  | -                      | -                                               | -           | 5,11,61,465    |
| Equity instruments            | -              | 23,45,334                          | -                      | -                                               | -           | 23,45,334      |
| Alternate Investment Funds    | -              | -                                  | 11,87,27,476           | -                                               | -           | 11,87,27,476   |
| Subsidiaries                  | -              | -                                  | -                      | -                                               | 3,51,14,206 | 3,51,14,206    |
| Total                         | 5,11,61,465    | 23,45,334                          | 1,97,13,86,565         | -                                               | 3,51,14,206 | 2,06,00,07,570 |
| (i) Investments outside India | -              | -                                  | -                      | -                                               | 3,26,14,206 | 3,26,14,206    |
| (ii) Investments in India     | 5,11,61,465    | 23,45,334                          | 1,97,13,86,565         | -                                               | 25,00,000   | 2,02,73,93,364 |
| Total                         | 5,11,61,465    | 23,45,334                          | 1,97,13,86,565         | -                                               | 3,51,14,206 | 2,06,00,07,570 |

Investment - others comprises of investment in subsidiaries which are held at cost.

The breakup of investments can be found in note 4. More information regarding the valuation methodologies can be found in note 12.

Investment in Equity Instruments designated at fair value through other comprehensive income

The company has elected to designate the investment in equity shares, which are neither held for trading nor received as contingent consideration in business combination, at fair value through other comprehensive income (FVOCI). The company chose the option of designating these investments to be recognised as FVOCI, as these equity instruments are not held for trading and management has elected to classify the same irrevocably as equity instruments at FVOCI.

Reclassification

During the current or previous reporting periods the company has not reclassified any investments since its initial classification. The company has not transferred any Financial assets which are transferred but are not derecognised in books of accounts.



# TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

## 3.5 Other Financial Assets

|                                      | As at<br>31-Mar-21  | As at<br>31-Mar-20  |
|--------------------------------------|---------------------|---------------------|
| <b>Unsecured and considered good</b> |                     |                     |
| Security deposits (Refer note below) | 4,93,92,242         | 4,55,56,853         |
| Advance to employees paid in India   | -                   | 30,000              |
| Others                               | 7,44,02,700         | 32,41,40,247        |
| <b>Total</b>                         | <b>12,37,94,942</b> | <b>36,97,27,100</b> |

Note: Security deposits include deposits with related parties as under :

|                         | As at<br>31-Mar-21 | As at<br>31-Mar-20 |
|-------------------------|--------------------|--------------------|
| Tata Industries Limited | 71,22,326          | 66,36,222          |
| Voltas Limited          | 3,44,741           | 3,24,270           |
| <b>Total</b>            | <b>74,67,067</b>   | <b>69,60,492</b>   |

## 3.6 Investment property

| Description of Assets                                      | Premises           | Total              |
|------------------------------------------------------------|--------------------|--------------------|
| <b>I. Gross Block</b>                                      |                    |                    |
| Balance as at March 31, 2019                               | 3,55,51,198        | 3,55,51,198        |
| Additions                                                  | -                  | -                  |
| Transfer from owner-occupied property due to change in use | 5,11,06,900        | 5,11,06,900        |
| Disposals                                                  | -                  | -                  |
| <b>Balance as at March 31, 2020</b>                        | <b>8,66,58,098</b> | <b>8,66,58,098</b> |
| Additions                                                  | -                  | -                  |
| Transfer from owner-occupied property due to change in use | -                  | -                  |
| Disposals                                                  | -                  | -                  |
| <b>Balance as at March 31, 2021</b>                        | <b>8,66,58,098</b> | <b>8,66,58,098</b> |
| <b>II. Accumulated depreciation</b>                        |                    |                    |
| Balance as at March 31, 2019                               | 1,22,97,661        | 1,22,97,661        |
| Charge for the year                                        | 5,80,539           | 5,80,539           |
| Transfer from owner-occupied property due to change in use | 1,82,69,674        | 1,82,69,674        |
| <b>Balance as at March 31, 2020</b>                        | <b>3,11,47,874</b> | <b>3,11,47,874</b> |
| Charge for the year                                        | 12,62,907          | 12,62,907          |
| Transfer from owner-occupied property due to change in use | -                  | -                  |
| <b>Balance as at March 31, 2021</b>                        | <b>3,24,10,781</b> | <b>3,24,10,781</b> |
| <b>III. Net block (I-II)</b>                               |                    |                    |
| Balance as at March 31, 2021                               | 5,42,47,317        | 5,42,47,317        |
| Balance as at March 31, 2020                               | 5,55,10,224        | 5,55,10,224        |
| <b>IV. Fair Value</b>                                      |                    |                    |
| Balance as at March 31, 2021                               | 26,15,39,454       | 26,15,39,454       |
| Balance as at March 31, 2020                               | 26,00,72,065       | 26,00,72,065       |

- (a) The company has given office premises and residential flats on operating lease which forms part of its premises at Mulla House and "The Peregrine", respectively at Mumbai. Refer note 8 for details of leasing arrangements. There are no restrictions imposed on the realisability of investment property lease.



- (b) The fair value of the investment properties as at March 31, 2021 and March 31, 2020 has been arrived at on the basis of a valuation carried out on the respective dates by Anmol Sekri Consultants Private Limited, independent valuer registered with the authority which governs the valuers in India. They have appropriate qualifications and experience in the valuation of properties in the location. All fair value estimates for investment properties are included in Level 1 as the input used is the Mumbai Stamp Duty Ready Reckoner.

(i) Reconciliation of Fair Value

| Particulars                                 | Amount in INR |
|---------------------------------------------|---------------|
| Balance as at March 31, 2020                | 26,00,72,065  |
| Fair value differences                      | 14,67,389     |
| Transfer from Property, plant and equipment | -             |
| Purchases                                   | -             |
| Balance as at March 31, 2021                | 26,15,39,454  |

(ii) Amounts recognised in profit and loss for investment properties

| Particulars                                                                   | 31-Mar-21        | 31-Mar-20        |
|-------------------------------------------------------------------------------|------------------|------------------|
| Rental income derived from investment properties                              | 96,96,960        | 48,33,650        |
| Direct operating expenses from properties generating rental income            | (9,13,417)       | (4,60,882)       |
| Direct operating expenses from properties that did not generate rental income | -                | -                |
| <b>Profit arising from investment properties before depreciation</b>          | <b>87,83,543</b> | <b>43,72,768</b> |
| Depreciation for the year                                                     | (12,62,907)      | (5,80,539)       |
| <b>Profit arising from investment properties</b>                              | <b>75,20,636</b> | <b>37,92,229</b> |



**TATA ASSET MANAGEMENT LIMITED**

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

**3.7 Property, Plant and Equipment**

| Description                                          | Premises    | Furniture and<br>Fixtures | Vehicles    | Office Equipments | Computers   | Leasehold<br>Improvements -<br>Furniture and<br>Fixtures | Total        |
|------------------------------------------------------|-------------|---------------------------|-------------|-------------------|-------------|----------------------------------------------------------|--------------|
| <b>I. Gross Block</b>                                |             |                           |             |                   |             |                                                          |              |
| Balance as at March 31, 2019                         | 7,45,41,882 | 3,51,09,403               | 4,69,11,684 | 3,47,88,764       | 6,62,04,182 | 5,48,29,145                                              | 31,23,85,060 |
| Additions                                            | -           | 1,17,02,525               | 42,99,516   | 59,57,501         | 1,37,72,588 | 26,39,310                                                | 3,83,71,440  |
| Transfer to investment property due to change in use | 5,11,06,900 | -                         | -           | -                 | -           | -                                                        | 5,11,06,900  |
| Disposals                                            | -           | 25,42,606                 | 93,13,163   | 37,88,053         | 29,70,848   | 6,29,222                                                 | 1,92,43,892  |
| Balance as at March 31, 2020                         | 2,34,34,982 | 4,42,69,322               | 4,18,98,037 | 3,69,58,212       | 7,70,05,922 | 5,68,39,233                                              | 28,04,05,708 |
| Additions                                            | -           | 10,34,539                 | 38,04,389   | 12,12,818         | 1,01,35,494 | 5,14,136                                                 | 1,67,01,376  |
| Transfer to investment property due to change in use | -           | -                         | -           | -                 | -           | -                                                        | -            |
| Disposals                                            | -           | 24,00,533                 | 43,90,080   | 19,10,357         | 34,48,267   | 5,73,185                                                 | 1,27,22,422  |
| Balance as at March 31, 2021                         | 2,34,34,982 | 4,29,03,328               | 4,13,12,346 | 3,62,60,673       | 8,36,93,149 | 5,67,80,184                                              | 28,43,84,662 |
| <b>II. Accumulated Depreciation and impairment</b>   |             |                           |             |                   |             |                                                          |              |
| Balance as at March 31, 2019                         | 2,43,49,269 | 1,76,04,659               | 2,31,30,597 | 2,64,55,853       | 4,87,77,951 | 64,74,648                                                | 14,67,92,977 |
| Depreciation / amortisation charge for the year      | 10,52,639   | 63,35,974                 | 99,72,347   | 52,26,709         | 1,19,57,231 | 1,19,34,863                                              | 4,64,79,763  |
| Transfer to investment property due to change in use | 1,82,69,674 | -                         | -           | -                 | -           | -                                                        | 1,82,69,674  |
| Eliminated on disposal of assets                     | -           | 21,09,704                 | 75,69,196   | 34,58,156         | 28,28,445   | 6,29,222                                                 | 1,65,94,723  |
| Balance as at March 31, 2020                         | 71,32,234   | 2,18,30,929               | 2,55,33,748 | 2,82,24,406       | 5,79,06,737 | 1,77,80,289                                              | 15,84,08,343 |
| Depreciation / amortisation charge for the year      | 3,70,271    | 59,31,908                 | 68,93,425   | 38,73,310         | 1,21,27,489 | 1,20,81,922                                              | 4,12,78,325  |
| Transfer to investment property due to change in use | -           | -                         | -           | -                 | -           | -                                                        | -            |
| Eliminated on disposal of assets                     | -           | 21,64,139                 | 38,09,142   | 17,28,322         | 32,33,360   | 5,73,185                                                 | 1,15,08,148  |
| Balance as at March 31, 2021                         | 75,02,505   | 2,55,98,698               | 2,86,18,031 | 3,03,69,394       | 6,68,00,866 | 2,92,89,026                                              | 18,81,78,520 |
| <b>III. Net block (I-II)</b>                         |             |                           |             |                   |             |                                                          |              |
| Balance as at March 31, 2021                         | 1,59,32,477 | 1,73,04,630               | 1,26,94,315 | 58,91,279         | 1,68,92,283 | 2,74,91,158                                              | 9,62,06,142  |
| Balance as at March 31, 2020                         | 1,63,02,748 | 2,24,38,393               | 1,63,64,289 | 87,33,806         | 1,90,99,185 | 3,90,58,944                                              | 12,19,97,365 |



# TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

## 3.8 Right of use assets

| Description                         | Premises            | Total               |
|-------------------------------------|---------------------|---------------------|
| <b>I. Gross Block</b>               |                     |                     |
| Opening Effect of Right Of Use      | 30,99,13,314        | 30,99,13,314        |
| Additions                           | 3,59,79,234         | 3,59,79,234         |
| Disposals                           | 30,35,598           | 30,35,598           |
| <b>Balance as at March 31, 2020</b> | <b>34,28,56,950</b> | <b>34,28,56,950</b> |
| Additions                           | 5,20,33,485         | 5,20,33,485         |
| Disposals                           | 2,54,371            | 2,54,371            |
| <b>Balance as at March 31, 2021</b> | <b>39,46,36,064</b> | <b>39,46,36,064</b> |
| <b>II. Accumulated amortisation</b> |                     |                     |
| Balance as at March 31, 2019        | -                   | -                   |
| Amortisation charge for the year    | 8,06,98,812         | 8,06,98,812         |
| Eliminated on disposal of assets    | 30,35,597           | 30,35,597           |
| <b>Balance as at March 31, 2020</b> | <b>7,76,63,215</b>  | <b>7,76,63,215</b>  |
| Amortisation charge for the year    | 8,67,65,163         | 8,67,65,163         |
| Eliminated on disposal of assets    | -                   | -                   |
| <b>Balance as at March 31, 2021</b> | <b>16,44,28,378</b> | <b>16,44,28,378</b> |
| <b>III. Net block (I-II)</b>        |                     |                     |
| Balance as at March 31, 2021        | 23,02,07,686        | 23,02,07,686        |
| Balance as at March 31, 2020        | 26,51,93,735        | 26,51,93,735        |

Effective April 01, 2019, the Company had adopted Ind AS 116 - Leases and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method.

Consequently, the cumulative adjustment has been taken to retained earnings on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 309,913,314 (including INR 18,002,376 reclassified from other non-financial assets) and a lease liability of INR 296,485,794. The cumulative effect of applying the standard resulted in INR 3,276,117 (net of accrued leases payments recognised till 31.Mar.2019 INR 1,298,740) being debited to retained earnings. The effect of this adoption was not material to the profit for the year ended 31st March, 2020 and earnings per share as on 31st March, 2020.

ROU has been disclosed separately and Lease Liability has been included under 'Other Financial Liabilities' in the Balance Sheet.



# TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

## 3.9 Other Intangible assets

| Description                         | Software           | Licenses and franchise | Total               |
|-------------------------------------|--------------------|------------------------|---------------------|
| <b>I. Gross Block</b>               |                    |                        |                     |
| Balance as at March 31, 2019        | 5,04,23,219        | 3,24,89,918            | 8,29,13,137         |
| Additions                           | 2,21,52,332        | -                      | 2,21,52,332         |
| Disposals                           | 1,66,530           | -                      | 1,66,530            |
| <b>Balance as at March 31, 2020</b> | <b>7,24,09,021</b> | <b>3,24,89,918</b>     | <b>10,48,98,939</b> |
| Additions                           | 57,06,323          | -                      | 57,06,323           |
| Disposals                           | 1,36,243           | -                      | 1,36,243            |
| <b>Balance as at March 31, 2021</b> | <b>7,79,79,101</b> | <b>3,24,89,918</b>     | <b>11,04,69,019</b> |
| <b>II. Accumulated amortisation</b> |                    |                        |                     |
| Balance as at March 31, 2019        | 4,23,57,492        | 3,22,93,528            | 7,46,51,020         |
| Amortisation charge for the year    | 48,97,890          | 1,96,390               | 50,94,280           |
| Eliminated on disposal of assets    | 1,66,530           | -                      | 1,66,530            |
| <b>Balance as at March 31, 2020</b> | <b>4,70,88,852</b> | <b>3,24,89,918</b>     | <b>7,95,78,770</b>  |
| Amortisation charge for the year    | 73,09,532          | -                      | 73,09,532           |
| Eliminated on disposal of assets    | 1,36,243           | -                      | 1,36,243            |
| <b>Balance as at March 31, 2021</b> | <b>5,42,62,141</b> | <b>3,24,89,918</b>     | <b>8,67,52,059</b>  |
| <b>III. Net block (I-II)</b>        |                    |                        |                     |
| Balance as at March 31, 2021        | 2,37,16,960        | -                      | 2,37,16,960         |
| Balance as at March 31, 2020        | 2,53,20,169        | -                      | 2,53,20,169         |

## 3.10 Other non-financial assets

|                                      | As at<br>31-Mar-21 | As at<br>31-Mar-20 |
|--------------------------------------|--------------------|--------------------|
| <b>Unsecured and considered good</b> |                    |                    |
| Capital advances                     | 1,89,26,096        | 81,81,448          |
| Prepaid Expenses (Refer note below)  | 4,06,70,838        | 4,03,34,219        |
| Balances with statutory authorities  | 1,00,203           | 1,58,541           |
| <b>Total</b>                         | <b>5,96,97,137</b> | <b>4,86,74,208</b> |

Note: Prepaid expenses to related parties

| Particulars                                | As at<br>31-Mar-21 | As at<br>31-Mar-20 |
|--------------------------------------------|--------------------|--------------------|
| Tata AIG General Insurance Company Limited | 49,82,952          | 48,66,235          |
| Tata AIA Life Insurance Company Limited    | 11,55,548          | 9,98,573           |
| Tata Communications Limited                | 7,46,554           | 10,36,987          |
| Voltas Limited                             | 43,625             | 4,267              |
| <b>Total</b>                               | <b>69,28,679</b>   | <b>69,06,062</b>   |



# TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

## 3.11 Payables

|                                                                                             | As at<br>31-Mar-21  | As at<br>31-Mar-20 |
|---------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>(I) Trade Payables</b>                                                                   |                     |                    |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 29,22,596           | 2,23,200           |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 10,13,86,842        | 7,48,71,430        |
| <b>(II) Other Payables</b>                                                                  | -                   | -                  |
| <b>Total</b>                                                                                | <b>10,43,09,438</b> | <b>7,50,94,630</b> |

Disclosure of amounts due to Micro, Small and Medium enterprises is based on information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006' (MSMED). This has been relied upon by the auditors.

Trade payables are recognised at their original invoice amounts which represents their fair values on initial recognition. Trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

## 3.12 Deposits (at amortised cost)

|                               | As at<br>31-Mar-21 | As at<br>31-Mar-20 |
|-------------------------------|--------------------|--------------------|
| Security deposits from others | 37,94,870          | 36,78,441          |
| <b>Total</b>                  | <b>37,94,870</b>   | <b>36,78,441</b>   |

The Company has not accepted any deposit from directors / key management personnel. The deposits have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of deposits and interest thereon.

## 3.13 Other Financial Liabilities

|                                     | As at<br>31-Mar-21  | As at<br>31-Mar-20  |
|-------------------------------------|---------------------|---------------------|
| Payable for capital expenditure     | 1,98,920            | 68,77,999           |
| Lease liability due to Right Of Use | 23,07,84,165        | 26,16,24,857        |
| Prepaid Income                      | 5,09,925            | 6,40,118            |
| Others                              | 35,00,000           | 25,78,355           |
| <b>Total</b>                        | <b>23,49,93,010</b> | <b>27,17,21,329</b> |

## 3.14 Provisions

|                                         | As at<br>31-Mar-21  | As at<br>31-Mar-20 |
|-----------------------------------------|---------------------|--------------------|
| <b>Provisions for employee benefits</b> |                     |                    |
| Gratuity (funded)                       | 19,09,275           | 49,34,100          |
| Compensated absences (funded)           | 2,86,69,931         | 2,02,36,765        |
| Long term incentive plan (unfunded)     | 7,66,58,668         | 6,07,86,448        |
| <b>Total</b>                            | <b>10,72,37,874</b> | <b>8,59,57,313</b> |

## 3.15 Other Non-Financial Liabilities

|                                   | As at<br>31-Mar-21  | As at<br>31-Mar-20  |
|-----------------------------------|---------------------|---------------------|
| Statutory liabilities             | 5,05,83,138         | 3,36,60,397         |
| Employee related expenses payable | 22,53,74,246        | 20,49,10,863        |
| <b>Total</b>                      | <b>27,59,57,384</b> | <b>23,85,71,260</b> |



**TATA ASSET MANAGEMENT LIMITED**

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

**3.16 Equity share capital**

| Particulars                                            | As at<br>31-Mar-21 |                     | As at<br>31-Mar-20 |                     |
|--------------------------------------------------------|--------------------|---------------------|--------------------|---------------------|
|                                                        | No. of Shares      | Amount              | No. of Shares      | Amount              |
| <b>Authorised Capital</b>                              |                    |                     |                    |                     |
| Equity Shares of par value INR 10/- each               | 5,50,00,000        | 55,00,00,000        | 2,50,00,000        | 25,00,00,000        |
|                                                        | <u>5,50,00,000</u> | <u>55,00,00,000</u> | <u>2,50,00,000</u> | <u>25,00,00,000</u> |
| <b>Issued, subscribed and fully paid up</b>            |                    |                     |                    |                     |
| Equity Shares of par value INR 10/- each fully paid up | 2,62,50,000        | 26,25,00,000        | 1,64,06,250        | 16,40,62,500        |
|                                                        | <u>2,62,50,000</u> | <u>26,25,00,000</u> | <u>1,64,06,250</u> | <u>16,40,62,500</u> |

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year**

| Particulars                                              | As at<br>31-Mar-21 |                     | As at<br>31-Mar-20 |                     |
|----------------------------------------------------------|--------------------|---------------------|--------------------|---------------------|
|                                                          | No. of Shares      | Amount              | No. of Shares      | Amount              |
| <b>Equity Shares of par value INR 10/- fully paid up</b> |                    |                     |                    |                     |
| Outstanding at the beginning of the year                 | 1,64,06,250        | 16,40,62,500        | 1,64,06,250        | 16,40,62,500        |
| Add: Bonus issued during the year                        | 98,43,750          | 9,84,37,500         |                    |                     |
| Outstanding at the end of the year                       | <u>2,62,50,000</u> | <u>26,25,00,000</u> | <u>1,64,06,250</u> | <u>16,40,62,500</u> |

During the year, the Company allotted 98,43,750 equity shares as fully paid bonus shares of Rs. 10 each, to the equity shareholders whose names appear in the Register of Members of the Company as on March 30, 2021, in the ratio of 3:5 by capitalisation of reserves.

**(b) Rights, preferences and restrictions attached to shares each class of shares including restrictions on the distribution of dividends and the repayment of capital:**

The Company has a single class of equity shares having a par value of INR 10/- per share. 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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.

**(c) Shares held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:**

| Particulars                                                            | Name & Nature of Relationship                                             | As at<br>31-Mar-21 | As at<br>31-Mar-20 |
|------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------|--------------------|
|                                                                        |                                                                           | Amount             | Amount             |
| 17,825,269 (March 31, 2020: 11,140,793) equity shares of INR 10/- each | Tata Sons Private Limited, Holding Company and its nominees               | 17,82,52,690       | 11,14,07,930       |
| 8,424,731 (March 31, 2020: 5,265,457) equity shares of INR 10/- each   | Tata Investment Corporation Limited, Fellow Subsidiary of Holding Company | 8,42,47,310        | 5,26,54,570        |

**(d) Details of the Shareholders holding more than 5 % of the shares in the Company:**

| Particulars                                                              | As at<br>31-Mar-21 |                    | As at<br>31-Mar-20 |                    |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                          | % of Holding       | No. of Shares held | % of Holding       | No. of Shares held |
| <b>Equity Shares</b>                                                     |                    |                    |                    |                    |
| Tata Sons Private Limited Holding Company and its nominees               | 67.91%             | 1,78,25,269        | 67.91%             | 1,11,40,793        |
| Tata Investment Corporation Limited Fellow Subsidiary of Holding Company | 32.09%             | 84,24,731          | 32.09%             | 52,65,457          |

**(e) Shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts - NIL**

**(f) For the period of five years immediately preceding the date at which the Balance Sheet is prepared:**

- Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - NIL.
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares - 9,843,750 equity shares issued as bonus
- Aggregate number and class of shares bought back - NIL.



# TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

## 3.17 Other Equity

| Particulars                                                                                                                                  | As at<br>31-Mar-21   | As at<br>31-Mar-20   |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Securities Premium account                                                                                                                   | 65,625,000           | 65,625,000           |
| General reserve                                                                                                                              | 229,061,506          | 327,499,006          |
| Retained Earnings                                                                                                                            | 2,792,555,242        | 2,047,626,559        |
| <b>Items of other comprehensive income</b>                                                                                                   |                      |                      |
| Equity instrument through other comprehensive income                                                                                         | 1,695,163            | 1,845,333            |
| Remeasurement of defined benefit plans                                                                                                       | (1,074,055)          | (5,124,458)          |
| Tax on remeasurement of defined benefit plans                                                                                                | 270,318              | 1,289,724            |
| Deferred tax relating to gain / (loss) arising on revaluation of equity instruments carried at fair value through other comprehensive income | (426,639)            | (464,436)            |
|                                                                                                                                              | <b>3,087,706,535</b> | <b>2,438,296,728</b> |

### Nature of reserves

#### a) Securities premium reserve

Securities premium reserve represent premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013. There is no movement in securities premium reserve during the current and previous years.

#### b) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. During the current year there has been issue of bonus shares out of the General Reserve - INR 98,437,500/-. There is no movement in General Reserve during the previous year.

#### c) Equity instrument through other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

#### e) Dividends

The final dividend is recommended by the Board of Directors and is recorded in the books of account upon its approval by the shareholders. For the year ended March 31, 2020 dividend per share of INR 6.50 per equity share of INR 10 each was declared and for the year ended March 31, 2021 dividend per share of INR 16.30 per equity share of INR 10 each has been proposed by the Board of Directors.



**TATA ASSET MANAGEMENT LIMITED**

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

**3.18 Interest Income**

| Particulars                                                   | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Interest income on financial asset measured at amortised cost |                         |                         |
| - Interest on bonds                                           | 38,82,672               | 36,31,080               |
| - Interest on deposits with banks                             | 27,534                  | 2,05,480                |
| - Interest on security deposits                               | 27,22,938               | 24,59,811               |
| - Interest on staff loan                                      | 3,54,160                | 3,84,278                |
| - Interest on income tax refund                               | 70,37,555               | 32,07,655               |
| <b>Total</b>                                                  | <b>1,40,24,859</b>      | <b>98,88,304</b>        |

**3.19 Dividend Income**

| Particulars                            | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|----------------------------------------|-------------------------|-------------------------|
| Dividend on investments - Mutual Funds | 2,44,689                | 2,52,29,948             |
| <b>Total</b>                           | <b>2,44,689</b>         | <b>2,52,29,948</b>      |

**3.20 Fee and commission Income**

| Particulars                                        | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|----------------------------------------------------|-------------------------|-------------------------|
| Management fees from mutual fund                   | 2,25,76,63,684          | 1,87,22,29,880          |
| Management fees from offshore operations           | 10,90,84,397            | 10,96,51,923            |
| Management fees from portfolio management services | 3,79,47,354             | 2,67,58,793             |
| Management fees from alternate investment funds    | 5,36,05,415             | 3,49,62,293             |
| Advisory fees                                      | 84,64,442               | 1,41,30,352             |
| <b>Total</b>                                       | <b>2,46,67,65,292</b>   | <b>2,05,77,33,241</b>   |

**3.21 Net gain / (loss) on fair value changes**

| Particulars                                                                    | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| Net gain/ (loss) on financial instruments at fair value through profit or loss |                         |                         |
| (i) On trading portfolio                                                       |                         |                         |
| - Derivatives / commodities                                                    | -                       | 9,62,687                |
| (ii) On financial instruments designated at fair value through profit or loss  | 31,60,06,501            | (20,02,500)             |
| <b>Total Net (loss) / gain on fair value changes</b>                           | <b>31,60,06,501</b>     | <b>(10,39,813)</b>      |
| Fair Value changes:                                                            |                         |                         |
| -Realised                                                                      | 2,35,21,698             | 33,88,073               |
| -Unrealised                                                                    | 29,24,84,803            | (44,27,886)             |
| <b>Total Net (loss) / gain on fair value changes</b>                           | <b>31,60,06,501</b>     | <b>(10,39,813)</b>      |

**3.22 Other income**

| Particulars                                 | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|---------------------------------------------|-------------------------|-------------------------|
| Miscellaneous income                        | 93,36,397               | 48,08,626               |
| Gain on foreign currency transactions (net) | -                       | 1,23,791                |
| <b>Total</b>                                | <b>93,36,397</b>        | <b>49,32,417</b>        |



**TATA ASSET MANAGEMENT LIMITED**

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

**3.23 Fee and Commission expenses**

| Particulars                                          | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|------------------------------------------------------|-------------------------|-------------------------|
| Brand subscription fees to Tata Sons Private Limited | 61,76,045               | 48,70,203               |
| Brokerage and incentives                             | 6,72,72,863             | 3,47,50,904             |
| <b>Total</b>                                         | <b>7,34,48,908</b>      | <b>3,96,21,107</b>      |

**3.24 Employee benefits**

| Particulars                                               | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Salaries and wages                                        | 87,12,09,396            | 89,54,07,883            |
| Expenses related to post-employment defined benefit plans | 70,23,274               | 67,34,774               |
| Contribution to provident and other funds                 | 3,63,21,718             | 3,73,71,762             |
| Long term incentive plan                                  | 4,06,88,220             | 2,98,62,151             |
| Staff welfare expenses                                    | 1,06,12,868             | 1,98,39,291             |
| <b>Total</b>                                              | <b>96,58,55,476</b>     | <b>98,92,15,861</b>     |

**3.25 Finance Cost**

| Particulars                  | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|------------------------------|-------------------------|-------------------------|
| Finance cost on right of use | 1,99,09,432             | 2,29,99,427             |
| Interest on security deposit | 1,16,429                | 9,408                   |
| Interest on income tax       | -                       | 1,90,787                |
| <b>Total</b>                 | <b>2,00,25,861</b>      | <b>2,31,99,622</b>      |

**3.26 Depreciation, amortization and impairment**

| Particulars                                   | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|-----------------------------------------------|-------------------------|-------------------------|
| Depreciation on property, plant and equipment | 4,12,78,325             | 4,64,79,763             |
| Depreciation on investment property           | 12,62,907               | 5,80,539                |
| Depreciation on right of use                  | 8,67,65,163             | 8,06,98,812             |
| Amortisation on intangible assets             | 73,09,532               | 50,94,280               |
| <b>Total</b>                                  | <b>13,66,15,927</b>     | <b>13,28,53,394</b>     |

**3.27 Other expenses**

| Particulars                                       | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|---------------------------------------------------|-------------------------|-------------------------|
| Rent                                              | 3,54,954                | 40,46,354               |
| Electricity                                       | 64,54,998               | 97,70,488               |
| Repairs and maintenance :<br>Equipment            | 47,08,080               | 53,03,613               |
| Premises                                          | 1,31,10,301             | 2,03,56,936             |
| Insurance                                         | 1,65,34,716             | 1,53,14,143             |
| Legal and professional fees                       | 7,19,96,269             | 8,73,92,636             |
| Information technology                            | 4,34,39,523             | 4,35,53,538             |
| Travelling and conveyance                         | 1,03,50,751             | 4,43,84,420             |
| Communication expenses                            | 1,94,69,355             | 2,57,42,573             |
| Goods and services tax                            | 74,61,854               | 2,24,04,458             |
| Rates and taxes                                   | 6,71,278                | 9,12,591                |
| Books, periodicals and subscriptions              | 3,82,40,759             | 3,26,25,969             |
| Net loss on sale of property, plant and equipment | 3,18,751                | 3,02,742                |
| Training expenses                                 | 49,66,370               | 1,02,59,660             |
| Printing and stationery                           | 29,39,053               | 1,46,63,570             |
| Marketing and sales promotion                     | 7,85,69,174             | 5,61,27,624             |
| Directors expenses                                | 94,53,789               | 93,82,506               |
| Auxiliary services                                | 3,24,06,637             | 3,54,28,036             |
| Scheme expenses                                   | 9,54,19,209             | 21,21,59,027            |
| PMS expenses                                      | 19,17,326               | 50,74,212               |
| AIF expenses                                      | 53,84,781               | 20,63,620               |
| Corporate Social Responsibility (Refer note 17)   | 62,50,000               | 76,25,000               |
| Loss on foreign currency transactions (net)       | 16,07,912               | -                       |
| Payments to auditors                              | -                       | -                       |
| As an auditor                                     | -                       | -                       |
| Audit fees                                        | 18,60,000               | 18,60,000               |
| Tax Audit Fees                                    | 3,15,000                | 3,15,000                |
| Limited review                                    | 3,00,000                | 3,00,000                |
| In other capacity                                 | -                       | -                       |
| Certification Fee                                 | 25,000                  | 60,000                  |
| Reimbursement of out of pocket expenses           | -                       | 33,767                  |
| Miscellaneous expenses                            | 44,08,761               | 67,04,127               |
| <b>Total</b>                                      | <b>47,89,34,601</b>     | <b>67,41,66,600</b>     |



# TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency : Indian Rupees)

## 3.28 Tax reconciliations

### A Tax expense from continuing operations

| Particulars                                                    | Year Ended<br>31-Mar-21 | Year Ended<br>31-Mar-20 |
|----------------------------------------------------------------|-------------------------|-------------------------|
| <b>Current tax</b>                                             |                         |                         |
| - Current period                                               | 22,44,50,000            | 6,74,00,000             |
| - Changes in estimates related to prior years                  | (1,74,412)              | 12,95,452               |
| <b>Deferred tax</b>                                            | 6,59,02,731             | (1,13,15,279)           |
| <b>Total</b>                                                   | <b>29,01,78,319</b>     | <b>5,73,80,173</b>      |
| <b>Effective tax rate reconciliation</b>                       |                         |                         |
| Profit before tax                                              | 1,14,17,47,628          | 24,29,39,628            |
| Company's domestic tax rate:                                   | 25.168%                 | 25.168%                 |
| <b>Tax using the Company's domestic tax rate</b>               | <b>28,73,55,043</b>     | <b>6,11,43,046</b>      |
| Adjustment in respect of current income tax of prior years     | (1,74,412)              | 12,95,452               |
| <b>Effect of:</b>                                              |                         |                         |
| Non-deductible expenses                                        | 18,90,300               | 15,94,812               |
| Tax exempt income                                              | -                       | (63,49,873)             |
| Change in unrecognised temporary differences                   | 11,07,388               | 18,81,429               |
| Effect of changes in income tax rates on deferred tax balances | -                       | (24,46,393)             |
| Capital gain                                                   | -                       | 2,61,700                |
| <b>TOTAL</b>                                                   | <b>29,01,78,319</b>     | <b>5,73,80,173</b>      |

### B Deferred tax liabilities (net)

| Particulars                                                                      | As at<br>31-Mar-21    | As at<br>31-Mar-20   |
|----------------------------------------------------------------------------------|-----------------------|----------------------|
| <b>Tax effect of items constituting deferred tax liabilities</b>                 |                       |                      |
| Unrealised gain on securities carried at fair value through profit or loss / OCI | (10,22,00,797)        | (2,86,26,016)        |
| Intangible assets                                                                | (40,58,562)           | -                    |
|                                                                                  | <b>(10,62,59,359)</b> | <b>(2,86,26,016)</b> |
| <b>Tax effect of items constituting deferred tax assets</b>                      |                       |                      |
| Property, plant and equipment                                                    | 87,64,211             | 26,66,003            |
| Intangible assets                                                                | -                     | 7,05,099             |
| Provision for compensated absences, gratuity and other employee benefits         | 2,69,89,628           | 2,16,33,736          |
|                                                                                  | <b>3,57,53,839</b>    | <b>2,50,04,838</b>   |
| <b>Deferred tax liabilities (net)</b>                                            | <b>(7,05,05,520)</b>  | <b>(36,21,178)</b>   |
| <b>Reconciliation</b>                                                            |                       |                      |
| Opening Balance of Deferred tax                                                  | (36,21,178)           | (1,60,94,027)        |
| Credit / (charge) to Profit & Loss/ retained earnings                            | (6,59,02,731)         | 1,13,15,279          |
| Recognised in/ reclassified from other comprehensive income                      | (9,81,611)            | 11,57,570            |
| <b>Closing balance of Deferred tax</b>                                           | <b>(7,05,05,520)</b>  | <b>(36,21,178)</b>   |



## TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency - Indian Rupees)

4

## Investment details

| Name of the body corporate                                       | Subsidiary / Others | Face Value    | No. of Shares / Units  | Amount                | No. of Shares / Units  | Amount                |
|------------------------------------------------------------------|---------------------|---------------|------------------------|-----------------------|------------------------|-----------------------|
|                                                                  |                     |               |                        |                       |                        |                       |
|                                                                  |                     |               | 31-Mar-21              |                       | 31-Mar-20              |                       |
| <b>Investment in equity instruments (unquoted)</b>               |                     |               |                        |                       |                        |                       |
| Tata Asset Management (Mauritius) Private Limited                | Subsidiary          | USD 1         | 6,60,100.000           | 3,26,14,206           | 6,60,100.000           | 3,26,14,206           |
| Tata Pension Management Limited                                  | Subsidiary          | INR 10        | 2,50,000.000           | 25,00,000             | 2,50,000.000           | 25,00,000             |
| MF Utilities India Private Limited                               | Others              | INR 1         | 5,00,000.000           | 21,95,164             | 5,00,000.000           | 23,45,334             |
| <b>Investment in bonds (quoted)</b>                              |                     |               |                        |                       |                        |                       |
| Rural Electrification Corporation Limited - 7.22% tax free bonds | Others              | INR 1,000     | 50,000.000             | 5,11,73,669           | 50,000.000             | 5,11,61,465           |
| 7.74% State Bank of India SR. I Perpetual Bond (Call 9/9/2025)   | Others              | INR 1,000,000 | 100.000                | 10,36,44,496          | -                      | -                     |
| <b>Investments in mutual funds (quoted)</b>                      |                     |               |                        |                       |                        |                       |
| Tata FMP Series 53 Scheme A Direct Growth                        | Others              | INR 10        | 50,00,000.000          | 6,27,76,500           | 50,00,000.000          | 5,89,70,500           |
| Tata FMP Series 53 Scheme B Direct Growth                        | Others              | INR 10        | 70,00,000.000          | 8,76,66,600           | 70,00,000.000          | 8,23,50,800           |
| Tata FMP Series 54 Scheme A Direct Growth                        | Others              | INR 10        | 1,00,00,000.000        | 12,66,91,000          | 1,00,00,000.000        | 11,86,15,000          |
| Tata FMP Series 55 Scheme A Direct Growth                        | Others              | INR 10        | 70,00,000.000          | 8,82,66,500           | 70,00,000.000          | 8,26,45,500           |
| Tata FMP Series 55 Scheme B Direct Growth                        | Others              | INR 10        | 70,00,000.000          | 8,67,03,400           | 70,00,000.000          | 8,11,13,200           |
| Tata FMP Series 56 Scheme D Direct Growth                        | Others              | INR 10        | 1,00,000.000           | 12,50,390             | 1,00,000.000           | 11,53,950             |
| <b>Investments in mutual funds (unquoted)</b>                    |                     |               |                        |                       |                        |                       |
| Tata Arbitrage Fund Direct Growth                                | Others              | INR 10        | 93,20,932.622          | 10,69,11,097          | 79,68,240.765          | 8,73,60,604           |
| Tata Balanced Advantage Fund Direct Growth                       | Others              | INR 10        | 4,98,524.368           | 67,82,574             | 4,98,524.368           | 47,83,092             |
| Tata Banking And Financial Services Fund Direct Growth           | Others              | INR 10        | 5,00,230.106           | 1,25,80,987           | 5,00,230.106           | 76,69,378             |
| Tata Banking And PSU Debt Fund Direct Growth                     | Others              | INR 10        | 4,98,628.771           | 56,22,688             | 4,98,628.771           | 51,82,099             |
| Tata Corporate Bond Fund Direct Growth Segregated                | Others              | INR 1000      | 2,838.796              | 5,68,280              | 2,838.796              | 6,69,784              |
| Tata Digital India Fund Direct Growth                            | Others              | INR 10        | 4,56,749.350           | 1,29,68,987           | 4,56,749.350           | 61,48,668             |
| Tata Dynamic Bond Fund Direct Growth                             | Others              | INR 10        | 2,50,096.02            | 87,41,606.22          | 2,50,096.021           | 81,31,722             |
| Tata Equity P/E Fund Direct Growth                               | Others              | INR 10        | 63,856.350             | 1,13,12,076           | 63,856.350             | 66,86,283             |
| Tata Equity Savings Fund Direct Growth                           | Others              | INR 10        | 1,21,685.908           | 50,43,917             | 1,21,685.908           | 40,45,679             |
| Tata Ethical Fund Direct Growth                                  | Others              | INR 10        | 44,372.175             | 1,07,56,206           | 44,372.175             | 64,02,927             |
| Tata Focused Equity Fund Direct Growth                           | Others              | INR 10        | 5,00,746.112           | 63,14,959             | 5,00,746.112           | 36,24,200             |
| Tata Gilt Securities Fund Direct Growth                          | Others              | INR 10        | 3,54,535.261           | 2,33,98,725           | 3,54,535.261           | 2,21,87,029           |
| Tata Hybrid Equity Fund Direct Growth                            | Others              | INR 10        | 1,92,873.332           | 5,39,70,414           | 1,48,31,7894           | 2,71,64,511           |
| Tata Income Fund Direct Growth                                   | Others              | INR 10        | 1,25,662.824           | 87,39,372             | 1,25,662.824           | 80,83,349             |
| Tata Index Fund Nifty Direct Growth                              | Others              | INR 10        | 10,922.613             | 10,38,059             | 10,922.613             | 6,09,541              |
| Tata Index Fund Sensex Direct Growth                             | Others              | INR 10        | 8,640.188              | 10,97,567             | 8,640.188              | 6,54,953              |
| Tata India Consumer Fund Direct Growth                           | Others              | INR 10        | 4,94,476.695           | 1,16,70,540           | 4,94,476.695           | 77,49,785             |
| Tata India Pharma And Healthcare Fund Direct Growth              | Others              | INR 10        | 5,02,255.126           | 80,67,222             | 5,02,255.126           | 48,20,343             |
| Tata India Tax Savings Fund Direct Growth                        | Others              | INR 10        | 4,77,017.685           | 1,20,35,967           | 4,77,017.685           | 70,97,928             |
| Tata Infrastructure Fund Direct Growth                           | Others              | INR 10        | 1,32,656.496           | 1,00,53,227           | 1,32,656.496           | 54,74,309             |
| Tata Large and Mid Cap Fund Direct Growth                        | Others              | INR 10        | 1,61,724.348           | 4,93,31,069           | 1,61,724.348           | 2,81,80,597           |
| Tata Large Cap Fund Direct Growth                                | Others              | INR 10        | 33,476.162             | 1,00,81,165           | 33,476.162             | 59,94,908             |
| Tata Liquid Fund Direct Daily Dividend                           | Others              | INR 1000      | -                      | -                     | 7,81,443.510           | 78,26,30,288          |
| Tata Liquid Fund Direct Growth                                   | Others              | INR 1000      | 16,602.854             | 5,39,19,988           | 10,183.105             | 3,18,93,329           |
| Tata Medium Term Fund Direct Growth                              | Others              | INR 10        | 40,05,408.068          | 12,24,44,123          | 40,05,408.068          | 11,15,57,424          |
| Tata Medium Term Fund Direct Growth Segregated                   | Others              | INR 10        | 2,43,435.590           | 2,03,829              | 2,43,435.590           | 2,71,869              |
| Tata Mid Cap Fund Direct Growth                                  | Others              | INR 10        | 60,132.842             | 1,27,20,032           | 60,132.842             | 69,08,770             |
| Tata Money Market Fund Direct Growth                             | Others              | INR 1000      | 3,689.270              | 1,35,39,155           | 3,689.270              | 1,27,87,586           |
| Tata Multi Asset Opportunities Fund Direct Growth                | Others              | INR 10        | 5,23,653.425           | 70,98,436             | 5,23,653.425           | 47,18,955             |
| Tata Multicap Fund Direct Growth                                 | Others              | INR 10        | 90,61,752.867          | 12,77,52,592          | 65,23,594.245          | 5,79,55,611           |
| Tata Nifty Exchange Traded Fund Direct Growth                    | Others              | INR 10        | 50,000.000             | 75,30,495             | 50,000.000             | 43,63,925             |
| Tata Nifty Private Bank Exchange Traded Fund Direct Growth       | Others              | INR 10        | 15,000.000             | 26,83,035             | 1,56,280.000           | 1,60,05,276           |
| Tata Overnight Fund Direct Growth                                | Others              | INR 1000      | 40,578.901             | 4,40,65,951           | 4,998.327              | 52,66,669             |
| Tata Quant Fund Direct Growth                                    | Others              | INR 10        | 4,99,370.793           | 49,80,824             | 4,99,370.793           | 34,60,190             |
| Tata Resources And Energy Fund Direct Growth                     | Others              | INR 10        | 1,99,618.728           | 49,62,342             | 1,99,618.728           | 24,87,329             |
| Tata Retirement Savings Fund Conservative Direct Growth          | Others              | INR 10        | 3,89,401.578           | 1,01,55,632           | 3,89,401.578           | 84,75,909             |
| Tata Retirement Savings Fund Moderate Direct Growth              | Others              | INR 10        | 69,104.242             | 28,91,708             | 69,104.242             | 19,30,600             |
| Tata Retirement Savings Fund Progressive Direct Growth           | Others              | INR 10        | 2,85,272.725           | 1,19,85,848           | 2,85,272.725           | 76,03,545             |
| Tata Short Term Bond Fund Direct Growth                          | Others              | INR 10        | 9,68,026.357           | 3,91,53,859           | 9,68,026.357           | 3,62,03,992           |
| Tata Small Cap Fund Direct Growth                                | Others              | INR 10        | 4,96,825.286           | 79,28,487             | 4,96,825.286           | 39,62,828             |
| Tata Treasury Advantage Fund Direct Growth                       | Others              | INR 1000      | 4,60,706.662           | 1,43,68,65,436        | 2,510.060              | 73,35,987             |
| Tata Treasury Advantage Fund Direct Growth Segregated            | Others              | INR 1000      | 2,510.060              | 78,984                | 2,510.060              | 99,479                |
| Tata Ultra Short Term Fund Direct Growth                         | Others              | INR 10        | 52,79,669.989          | 6,03,87,281           | 52,79,669.989          | 5,74,90,854           |
| Tata Young Citizens' Fund Direct Growth                          | Others              | INR 10        | 2,65,629.133           | 97,72,841             | 2,65,629.133           | 56,78,035             |
| <b>Investments in alternate investment funds (unquoted)</b>      |                     |               |                        |                       |                        |                       |
| Tata Absolute Return Fund                                        | Others              | INR 1000      | 20,000.000             | 2,20,98,390           | 20,000.000             | 2,16,18,046           |
| Tata Equity Plus Absolute Returns Fund                           | Others              | INR 1000      | 1,08,509.330           | 14,47,95,647          | 1,00,000.000           | 9,71,09,430           |
| <b>TOTALS</b>                                                    |                     |               | <b>7,53,78,000.009</b> | <b>3,17,05,83,544</b> | <b>7,18,56,511.347</b> | <b>2,06,00,07,570</b> |



## TATA ASSET MANAGEMENT LIMITED

## Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

|                                                                                                                                | Year ended<br>31-Mar-21 | Year ended<br>31-Mar-20 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>5 Earnings per share ('EPS')</b>                                                                                            |                         |                         |
| The computation of EPS is given below :                                                                                        |                         |                         |
| Profit after tax                                                                                                               | 85,15,69,309            | 18,55,59,455            |
| Weighted average number of equity shares outstanding during the year (in units)                                                | 1,64,33,219             | 1,64,06,250             |
| Basic and diluted EPS of face value INR 10 each (in INR)                                                                       | <u>51.82</u>            | <u>11.31</u>            |
| <b>6 Contingent liabilities</b><br>(to the extent not provided for)                                                            |                         |                         |
| There is no contingent liability as at 31st March, 2021 (Previous year INR Nil).                                               |                         |                         |
| <b>7 Capital commitments</b><br>(to the extent not provided for)                                                               | As at<br>31-Mar-21      | As at<br>31-Mar-20      |
| Estimated value of contracts in capital account to be executed and not provided for (net of capital advances and net of taxes) | 1,23,82,615             | 93,97,200               |
| <b>8 Operating leases - Ind AS 116</b>                                                                                         |                         |                         |
| <b>Assets taken on Lease :</b>                                                                                                 |                         |                         |
| <b>Maturity Analysis of Lease Liabilities</b>                                                                                  |                         |                         |
| The Company has taken office premises and residential flats for employee on operating lease.                                   |                         |                         |
| <b>Contractual undiscounted cash flows</b>                                                                                     | As at<br>31-Mar-21      | As at<br>31-Mar-20      |
| In less than a year                                                                                                            | 9,68,48,426             | 9,30,19,693             |
| In 1 year to 5 years                                                                                                           | 14,02,55,454            | 37,20,78,772            |
| In more than 5 years                                                                                                           | <u>18,71,047</u>        | <u>25,20,000</u>        |
| <b>Total undiscounted lease liabilities at 31st March, 2021</b>                                                                | <b>23,89,74,927</b>     | <b>46,76,18,465</b>     |
| <b>Lease liabilities included in the statement of financial position at 31 March 2021</b>                                      |                         |                         |
| Current                                                                                                                        | 23,07,84,165            | 26,16,24,857            |
| Non-current                                                                                                                    | 7,10,84,481             | 7,00,20,266             |
|                                                                                                                                | <u>15,96,99,684</u>     | <u>19,16,04,591</u>     |
| <b>Amount recognised in profit or loss</b>                                                                                     |                         |                         |
| <b>Particulars</b>                                                                                                             | Year ended<br>31-Mar-21 | Year ended<br>31-Mar-20 |
| Depreciation on right-of-use asset                                                                                             | 8,67,65,163             | 8,06,98,812             |
| Interest on lease liabilities                                                                                                  | 1,99,09,432             | 2,29,99,427             |
| Expenses relating to short-term leases                                                                                         | <u>2,94,954</u>         | <u>37,23,229</u>        |
|                                                                                                                                | <b>10,69,69,549</b>     | <b>10,74,21,468</b>     |

**Assets given on Lease :**

The Company has given office premises and residential flats 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 |      |
|-------------------------------------|---------------------|-----------|----------------------|-------------|----------------------|------|
|                                     | 2021                | 2020      | 2021                 | 2020        | 2021                 | 2020 |
| Total future minimum lease receipts | 83,66,960           | 97,56,966 | 1,86,21,720          | 2,46,59,690 | -                    | -    |

The total rent receipts recognized in the statement of profit and loss towards the above referred leases amount to INR 9,696,960 (previous year INR 3,834,541).



## TATA ASSET MANAGEMENT LIMITED

## Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

## 9 Employee retirement benefits

## A. Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Family Pension Fund and Superannuation Fund which is a defined contribution plan. The Company has no obligations other than these three funds to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund, Family Pension Fund and Superannuation Fund for the year are summarised below.

|                                   | 31-Mar-21         | 31-Mar-20         |
|-----------------------------------|-------------------|-------------------|
| <b>Company's contribution to:</b> |                   |                   |
| Provident Fund                    | 17,235,038        | 17,165,326        |
| Family Pension Fund               | 6,685,620         | 6,745,042         |
| Superannuation Fund               | 9,279,228         | 10,011,024        |
| National Pension Scheme           | 1,777,121         | 1,919,195         |
|                                   | <b>34,977,007</b> | <b>35,840,587</b> |

## B. Defined benefit plan

## Retirement Gratuity (Funded)

The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The benefits under the plan are in form of a lump sum fully settled on cessation of service of the employee. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

|                                                                         | 31-Mar-21                                                | 31-Mar-20                                                |
|-------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Principal actuarial assumptions at the balance sheet date :</b>      |                                                          |                                                          |
| Mortality table                                                         | Indian Assured<br>Lives Mortality<br>(2012-14) Ult table | Indian Assured<br>Lives Mortality<br>(2012-14) Ult table |
| Discount rate                                                           | 6.55%                                                    | 6.60%                                                    |
| Salary escalation (p.a.)                                                | 7.00%                                                    | 7.00%                                                    |
| Employee attrition rate                                                 | 15% upto age 44<br>and 5% thereafter                     | 15% upto age 44<br>and 5% thereafter                     |
| <b>Changes in the defined benefit obligation :</b>                      |                                                          |                                                          |
| Opening defined benefit obligation                                      | 61,674,666                                               | 52,371,329                                               |
| Current service cost                                                    | 6,796,623                                                | 6,352,341                                                |
| Past service cost                                                       | -                                                        | -                                                        |
| Interest on defined benefit obligation                                  | 3,844,698                                                | 3,688,633                                                |
| Remeasurements due to:                                                  |                                                          |                                                          |
| Actuarial loss / (gain) arising from changes in financial assumptions   | 244,899                                                  | 4,003,911                                                |
| Actuarial loss / (gain) arising from changes in demographic assumptions | -                                                        | -                                                        |
| Actuarial loss / (gain) arising on account of experience changes        | (4,148,883)                                              | 545,976                                                  |
| Benefits paid                                                           | (3,709,568)                                              | (5,287,524)                                              |
| Closing defined benefit obligation                                      | <b>64,702,435</b>                                        | <b>61,674,666</b>                                        |
| <b>Change in fair value of plan assets :</b>                            |                                                          |                                                          |
| Opening fair value of plan assets                                       | 56,740,566                                               | 47,852,953                                               |
| Contribution by employer                                                | 5,997,696                                                | 10,482,103                                               |
| Interest on plan asset                                                  | 3,618,047                                                | 3,462,255                                                |
| Remeasurements due to:                                                  |                                                          |                                                          |
| Actual return on plan assets less interest on plan assets               | 146,419                                                  | 230,779                                                  |
| Benefits paid                                                           | (3,709,568)                                              | (5,287,524)                                              |
| Fair value of plan assets as at end of the year                         | <b>62,793,160</b>                                        | <b>56,740,566</b>                                        |
| <b>Amount recognised in Balance Sheet :</b>                             |                                                          |                                                          |
| Present value of funded defined benefit obligation                      | 64,702,435                                               | 61,674,666                                               |
| Fair value of plan assets                                               | (62,793,160)                                             | (56,740,566)                                             |
| <b>Net liability recognised in Balance Sheet</b>                        | <b>1,909,275</b>                                         | <b>4,934,100</b>                                         |
| <b>Profit and loss account expense :</b>                                |                                                          |                                                          |
| Current service cost                                                    | 6,796,623                                                | 6,352,341                                                |
| Past service cost                                                       | -                                                        | -                                                        |
| Interest on net defined liability                                       | 226,651                                                  | 226,378                                                  |
| <b>Total expense charged to profit and loss account</b>                 | <b>7,023,274</b>                                         | <b>6,578,719</b>                                         |



# TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

## Amount recorded in Other Comprehensive Income (OCI)

### Remeasurements during the period due to:

|                                                         |                    |                  |
|---------------------------------------------------------|--------------------|------------------|
| Changes in financial assumptions                        | 244,899            | 4,003,911        |
| Changes in demographic assumptions                      | -                  | -                |
| Experience adjustments                                  | (4,148,883)        | 545,976          |
| Actual return on plan assets less return on plan assets | (146,419)          | (230,779)        |
| <b>Amount recognised in OCI</b>                         | <b>(4,050,403)</b> | <b>4,319,108</b> |

### Category of Assets

Investments quoted in active market

### Unquoted investments:

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Insurer managed funds | 62,793,160        | 56,740,566        |
|                       | <b>62,793,160</b> | <b>56,740,566</b> |

### Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

|                                                                                               | 31-Mar-21  | 31-Mar-20  |
|-----------------------------------------------------------------------------------------------|------------|------------|
| Defined benefit obligation on increase in 50 basis points in Rate of Discounting              | 62,319,819 | 59,395,542 |
| Impact of increase in 50 basis points on defined benefit obligation in Rate of Discounting    | -3.68%     | -3.70%     |
| Defined benefit obligation on decrease in 50 basis points in Rate of Discounting              | 67,236,912 | 64,101,093 |
| Impact of decrease in 50 basis points on defined benefit obligation in Rate of Discounting    | 3.92%      | 3.93%      |
| Defined benefit obligation on increase in 50 basis points in Salary Escalation Rate           | 66,695,363 | 63,535,193 |
| Impact of increase in 50 basis points on defined benefit obligation in Salary Escalation Rate | 3.08%      | 3.02%      |
| Defined benefit obligation on decrease in 50 basis points in Salary Escalation Rate           | 62,756,960 | 59,851,949 |
| Impact of decrease in 50 basis points on defined benefit obligation in Salary Escalation Rate | -3.01%     | -2.96%     |

These sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

### Projected Plan Cash Flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

#### Maturity Profile

|                                         |            |            |
|-----------------------------------------|------------|------------|
| Expected benefits for year 1            | 6,387,350  | 6,843,336  |
| Expected benefits for year 2            | 8,655,275  | 5,847,184  |
| Expected benefits for year 3            | 5,396,228  | 8,456,546  |
| Expected benefits for year 4            | 5,814,057  | 4,786,094  |
| Expected benefits for year 5            | 5,322,982  | 5,208,850  |
| Expected benefits for year 6            | 4,600,284  | 4,712,572  |
| Expected benefits for year 7            | 5,014,370  | 4,120,653  |
| Expected benefits for year 8            | 9,272,524  | 4,555,069  |
| Expected benefits for year 9            | 5,122,878  | 8,531,656  |
| Expected benefits for year 10 and above | 60,588,056 | 58,815,683 |

The Group expects to contribute INR 3,000,000 to the fund in the next financial year. The weighted average duration to the payment of these cash flows is 7.59 years.

### Risk Associated with Defined Benefit Plan

Gratuity is a defined benefit plan and Group is exposed to the Following Risks:

**Interest Rate Risk:** A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salary growth rate and leaving service rates. The future expectations on salary growth and leaving service rates are largely dependent on future market conditions of the industry in which Group operates as well as Group's own compensation and retention policies. As such, an increase in any of the above parameters, more than assumed level, will increase the plan's liability.

**Investment Risk & Asset Liability Risk:** The trustees of the plan have outsourced the investment management of the fund to an insurance Group. The insurance Group in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

During the year, there were no plan amendments, curtailments and settlements.

### C. Other long term benefits

- 1) Amount recognised as a liability in respect of compensated leave absence as per actuarial valuation as on 31st March, 2021 is INR 28,669,931 (previous year INR 20,236,765).
- 2) Amount recognised as a liability in respect of long term incentive plan as per management estimates / actuarial valuation as on 31st March, 2021 is INR 76,658,668 (previous year INR 60,786,448)



10 Disclosures pursuant to Ind AS 115 "Revenue from Contracts with Customers"

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to profit and loss account:

| Contract balances:                                                    | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|-----------------------------------------------------------------------|---------------------------|---------------------------|
| Trade receivables                                                     | 16,79,05,825              | 7,65,73,390               |
| Contract assets                                                       | -                         | -                         |
| Contract liabilities                                                  | -                         | -                         |
| <b>Revenue recognised in the period from:</b>                         |                           |                           |
| Amounts included in contract liability at the beginning of the period | -                         | -                         |
| Performance satisfied in previous periods                             | -                         | -                         |

Trade receivables are non-interest bearing and are generally on terms of 5 to 15 working days from the date of raising the invoice, except in case of one strategy under portfolio management services where the MLD portfolio will repay the dues on sale of the MLD security before maturity i.e. approximately 19 months. There is INR Nil recognised as provision for expected credit losses on trade receivables as on 31st March, 2021 and 31st March 2020.



**TATA ASSET MANAGEMENT LIMITED**

Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

**11 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars                                                                                 | As at March 31, 2021 |                       |                       | As at March 31, 2020 |                       |                       |
|---------------------------------------------------------------------------------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
|                                                                                             | Within 12 months     | After 12 months       | Total                 | Within 12 months     | After 12 months       | Total                 |
| <b>Financial Assets</b>                                                                     |                      |                       |                       |                      |                       |                       |
| Cash and cash equivalents                                                                   | 6,89,28,458          | -                     | 6,89,28,458           | 3,81,51,164          | -                     | 3,81,51,164           |
| Trade receivables                                                                           | 16,69,94,995         | 9,10,830              | 16,79,05,825          | 7,62,15,462          | 3,57,928              | 7,65,73,390           |
| Loans                                                                                       | 10,44,235            | 32,16,395             | 42,60,630             | 14,09,544            | 41,72,399             | 55,81,943             |
| Investments                                                                                 | 45,33,54,390         | 2,71,72,29,154        | 3,17,05,83,544        | -                    | 2,06,00,07,570        | 2,06,00,07,570        |
| Other financial assets                                                                      | 6,50,84,857          | 5,87,10,085           | 12,37,94,942          | 25,74,48,397         | 11,22,78,703          | 36,97,27,100          |
| <b>Non-financial assets</b>                                                                 |                      |                       |                       |                      |                       |                       |
| Current tax assets (net)                                                                    | -                    | 14,74,55,990          | 14,74,55,990          | -                    | 21,42,66,511          | 21,42,66,511          |
| Investment Property                                                                         | -                    | 5,42,47,317           | 5,42,47,317           | -                    | 5,55,10,224           | 5,55,10,224           |
| Property Plant and Equipments                                                               | -                    | 9,62,06,142           | 9,62,06,142           | -                    | 12,19,97,365          | 12,19,97,365          |
| Right to Use the asset                                                                      | -                    | 23,02,07,686          | 23,02,07,686          | -                    | 26,51,93,735          | 26,51,93,735          |
| Other Intangible assets                                                                     | -                    | 2,37,16,960           | 2,37,16,960           | -                    | 2,53,20,169           | 2,53,20,169           |
| Other non-financial assets                                                                  | 5,96,97,137          | -                     | 5,96,97,137           | 4,86,74,208          | -                     | 4,86,74,208           |
| <b>Total Assets</b>                                                                         | <b>81,51,04,072</b>  | <b>3,33,19,00,559</b> | <b>4,14,70,04,631</b> | <b>42,18,98,775</b>  | <b>2,85,91,04,604</b> | <b>3,28,10,03,379</b> |
| <b>Financial Liabilities</b>                                                                |                      |                       |                       |                      |                       |                       |
| Trade payables                                                                              |                      |                       |                       |                      |                       |                       |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 29,22,596            | -                     | 29,22,596             | 2,23,200             | -                     | 2,23,200              |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 10,13,86,842         | -                     | 10,13,86,842          | 7,48,71,430          | -                     | 7,48,71,430           |
| Deposits                                                                                    | -                    | 37,94,870             | 37,94,870             | -                    | 36,78,441             | 36,78,441             |
| Other financial liabilities                                                                 | 7,47,83,401          | 16,02,09,609          | 23,49,93,010          | 8,01,16,738          | 19,16,04,591          | 27,17,21,329          |
| <b>Non-financial liabilities</b>                                                            |                      |                       |                       |                      |                       |                       |
| Provisions                                                                                  | 3,85,63,000          | 6,86,74,874           | 10,72,37,874          | 2,48,16,000          | 6,11,41,313           | 8,59,57,313           |
| Deferred Tax Liabilities                                                                    | -                    | 7,05,05,520           | 7,05,05,520           | -                    | 36,21,178             | 36,21,178             |
| Other non-financial liabilities                                                             | 27,59,57,384         | -                     | 27,59,57,384          | 23,85,71,260         | -                     | 23,85,71,260          |
| <b>Total Liabilities</b>                                                                    | <b>49,36,13,223</b>  | <b>30,31,84,873</b>   | <b>79,67,98,096</b>   | <b>41,85,98,628</b>  | <b>26,00,45,523</b>   | <b>67,86,44,151</b>   |
| <b>Net</b>                                                                                  | <b>32,14,90,849</b>  | <b>3,02,87,15,686</b> | <b>3,35,02,06,535</b> | <b>33,00,147</b>     | <b>2,59,90,59,081</b> | <b>2,60,23,59,228</b> |



## TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

## 12 Disclosure on Financial Instruments

## A. Accounting classification and fair values

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020

As at March 31, 2021

| Particulars                                                                                 | Financial instruments at amortised cost | Fair value through profit or loss | Equity Investments - Fair value through other comprehensive income | Total          |
|---------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|--------------------------------------------------------------------|----------------|
| <b>Financial Assets</b>                                                                     |                                         |                                   |                                                                    |                |
| Cash and cash equivalents                                                                   | 6,89,28,458                             | -                                 | -                                                                  | 6,89,28,458    |
| Trade receivables                                                                           | 16,79,05,825                            | -                                 | -                                                                  | 16,79,05,825   |
| Loans                                                                                       | 42,60,630                               | -                                 | -                                                                  | 42,60,630      |
| Investments                                                                                 | 18,99,32,373                            | 2,97,84,56,007                    | 21,95,164                                                          | 3,17,05,83,544 |
| Other financial assets                                                                      | 12,37,94,942                            | -                                 | -                                                                  | 12,37,94,942   |
|                                                                                             | 55,48,22,228                            | 2,97,84,56,007                    | 21,95,164                                                          | 3,53,54,73,399 |
| <b>Financial Liabilities</b>                                                                |                                         |                                   |                                                                    |                |
| Trade payables                                                                              |                                         |                                   |                                                                    |                |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 29,22,596                               | -                                 | -                                                                  | 29,22,596      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 10,13,86,842                            | -                                 | -                                                                  | 10,13,86,842   |
| Deposits                                                                                    | 37,94,870                               | -                                 | -                                                                  | 37,94,870      |
| Other financial liabilities                                                                 | 23,49,93,010                            | -                                 | -                                                                  | 23,49,93,010   |
|                                                                                             | 34,30,97,318                            | -                                 | -                                                                  | 34,30,97,318   |

As at March 31, 2020

| Particulars                                                                                 | Financial instruments at amortised cost | Fair value through profit or loss | Equity Investments - Fair value through other comprehensive income | Total          |
|---------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|--------------------------------------------------------------------|----------------|
| <b>Financial Assets</b>                                                                     |                                         |                                   |                                                                    |                |
| Cash and cash equivalents                                                                   | 3,81,51,164                             | -                                 | -                                                                  | 3,81,51,164    |
| Trade receivables                                                                           | 7,65,73,390                             | -                                 | -                                                                  | 7,65,73,390    |
| Loans                                                                                       | 55,81,943                               | -                                 | -                                                                  | 55,81,943      |
| Investments                                                                                 | 8,62,75,671                             | 1,97,13,86,565                    | 23,45,334                                                          | 2,06,00,07,570 |
| Other financial assets                                                                      | 36,97,27,100                            | -                                 | -                                                                  | 36,97,27,100   |
|                                                                                             | 57,63,09,268                            | 1,97,13,86,565                    | 23,45,334                                                          | 2,55,00,41,167 |
| <b>Financial Liabilities</b>                                                                |                                         |                                   |                                                                    |                |
| Trade payables                                                                              |                                         |                                   |                                                                    |                |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 2,23,200                                | -                                 | -                                                                  | 2,23,200       |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 7,48,71,430                             | -                                 | -                                                                  | 7,48,71,430    |
| Deposits                                                                                    | 36,78,441                               | -                                 | -                                                                  | 36,78,441      |
| Other financial liabilities                                                                 | 27,17,21,329                            | -                                 | -                                                                  | 27,17,21,329   |
|                                                                                             | 35,04,94,400                            | -                                 | -                                                                  | 35,04,94,400   |

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss.



## B. Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

**Level 1 - Quoted prices in an active market:** This level of hierarchy includes financial assets and liabilities that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 - Valuation techniques with observable inputs:** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3 - Valuation techniques with significant unobservable inputs:** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the net worth approach to arrive at their fair value. The net worth of unquoted investments approximates the fair value because there is a wide range of possible fair value measurements and the net worth represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis:

### As at March 31, 2021

|                                   | Level 1 | Level 2        | Level 3   |
|-----------------------------------|---------|----------------|-----------|
| <b>Financial Assets</b>           |         |                |           |
| Investments in mutual funds       | -       | 2,97,84,56,007 | -         |
| Investments in equity instruments | -       | -              | 21,95,164 |
|                                   | -       | 2,97,84,56,007 | 21,95,164 |

### As at March 31, 2020

|                                   | Level 1 | Level 2        | Level 3   |
|-----------------------------------|---------|----------------|-----------|
| <b>Financial Assets</b>           |         |                |           |
| Investments in mutual funds       | -       | 1,97,13,86,565 | -         |
| Investments in equity instruments | -       | -              | 23,45,334 |
|                                   | -       | 1,97,13,86,565 | 23,45,334 |

The following table shows the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

| Type                              | Valuation technique       |
|-----------------------------------|---------------------------|
| Investments in mutual funds       | Published Net Asset Value |
| Investments in equity instruments | Net Worth                 |

There have been no transfers between Level 1 and Level 2 for the years ended 31st March, 2021 and 31st March, 2020.



# TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

## 13 Financial instruments and associated risks

The Company has exposure to the following risks from its use of financial instruments:

- a) market risk
- b) credit risk
- c) liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the related impact in the financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

### a) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The primary market risk of the company is foreign exchange risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Foreign currency exchange rate risk

The Company's functional currency is Indian Rupees (INR). The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. Volatility in exchange rates affects the Company's revenue from offshore services.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

#### Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

|                              |     | As at<br>31-Mar-21 |                    | As at<br>31-Mar-20 |                  |
|------------------------------|-----|--------------------|--------------------|--------------------|------------------|
|                              |     | FCY                | INR                | FCY                | INR              |
| <b>Financial assets</b>      |     |                    |                    |                    |                  |
| Trade Receivables            | AUD | 6,572              | 3,65,946           | 10,225             | 4,75,217         |
|                              | YEN | -                  | -                  | 15,64,844          | 10,89,914        |
|                              | USD | 1,65,182           | 1,21,41,628        | 48,449             | 36,52,390        |
| <b>TOTAL</b>                 |     | <b>1,71,754</b>    | <b>1,25,07,574</b> | <b>16,23,518</b>   | <b>52,17,521</b> |
| <b>Financial liabilities</b> |     |                    |                    |                    |                  |
| Trade Payables               | USD | -                  | -                  | 38,223             | 28,33,083        |
|                              | GBP | 1,69,872           | 1,71,48,765        | 75,117             | 70,17,160        |
| <b>TOTAL</b>                 |     | <b>1,69,872</b>    | <b>1,71,48,765</b> | <b>1,13,340</b>    | <b>98,50,243</b> |

#### Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | Year ended<br>31-Mar-21 |            | Year ended<br>31-Mar-20 |           |
|-------------|-------------------------|------------|-------------------------|-----------|
|             | 1%                      | 1%         | 1%                      | 1%        |
|             | strengthening           | weakening  | strengthening           | weakening |
| AUD         | 3,659                   | (3,659)    | 4,752                   | (4,752)   |
| YEN         | -                       | -          | 10,899                  | (10,899)  |
| USD         | 1,21,416                | (1,21,416) | 8,193                   | (8,193)   |
| GBP         | (1,71,488)              | 1,71,488   | (70,172)                | 70,172    |



**b) Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss to the Company. Company's credit risk arises principally from the trade receivables, loans receivable, advance receivable, investments and cash & cash equivalents. As the Company is an asset management company for Tata Mutual Fund and Alternate Investment Funds, its trade receivables and advances receivable is mainly from schemes. In addition, cash and cash equivalents are held with reputable financial institutions.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

The following are the contractual maturities of financial liabilities:

|                             | 31-Mar-21           |                           |                      | Total               |
|-----------------------------|---------------------|---------------------------|----------------------|---------------------|
|                             | Less than one year  | Between one to five years | More than five years |                     |
| Trade payables              | 10,43,09,438        | -                         | -                    | 10,43,09,438        |
| Deposits                    | -                   | 37,94,870                 | -                    | 37,94,870           |
| Other financial liabilities | 7,47,83,401         | 15,75,26,630              | 26,82,979            | 23,49,93,010        |
|                             | <u>17,90,92,839</u> | <u>16,13,21,500</u>       | <u>26,82,979</u>     | <u>34,30,97,318</u> |

|                             | 31-Mar-20           |                           |                      | Total               |
|-----------------------------|---------------------|---------------------------|----------------------|---------------------|
|                             | Less than one year  | Between one to five years | More than five years |                     |
| Trade payables              | 7,50,94,630         | -                         | -                    | 7,50,94,630         |
| Deposits                    | -                   | 36,78,441                 | -                    | 36,78,441           |
| Other financial liabilities | 8,01,16,738         | 18,96,86,570              | 19,18,021            | 27,17,21,329        |
|                             | <u>15,52,11,368</u> | <u>19,33,65,011</u>       | <u>19,18,021</u>     | <u>35,04,94,400</u> |



## TATA ASSET MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

### 14 Related party

#### Related parties where control exists :

Tata Sons Private Limited – Holding Company

#### Related parties having significant influence :

Tata Investment Corporation Limited

#### Wholly owned subsidiaries :

Tata Asset Management (Mauritius) Private Limited

Tata Pension Management Limited

#### Fellow subsidiaries with whom transactions have taken place :

Tata AIG General Insurance Company Limited

Tata Consultancy Services Limited

Tata Capital Financial Services Limited

Tata Teleservices (Maharashtra) Limited

Tata Teleservices Limited

Tata Trustee Company Limited

Tata International West Asia DMCC

Tata Communications Limited

Tata Capital Advisors PTE Limited

Tata Capital PLC

#### Other related entities :

Tata Industries Limited - Joint Venture of Tata Sons Private Limited

Tata AIA Life Insurance Company Limited - Joint Venture of Tata Sons Private Limited

Tata Motors Limited - Associate of Tata Sons Private Limited

The Indian Hotels Company Limited - Associate of Tata Sons Private Limited

Voltas Limited - Associate of Tata Sons Private Limited

The Associated Building Company Limited - Associate of Tata Sons Private Limited

#### Key management personnel :

Mr. Prathit Bhoje - CEO & Managing Director



**TATA ASSET MANAGEMENT LIMITED**

Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

**14 Related party (Continued)**

| Description                                       | Nature of expense / income            | Transaction Amount | Balance Outstanding Receivable / (Payable) | Transaction Amount | Balance Outstanding Receivable / (Payable) |
|---------------------------------------------------|---------------------------------------|--------------------|--------------------------------------------|--------------------|--------------------------------------------|
|                                                   |                                       | 2020-2021          | 2020-2021                                  | 2019-2020          | 2019-2020                                  |
| <b>Holding Company:</b>                           |                                       |                    |                                            |                    |                                            |
| Tata Sons Private Limited                         | Subscription paid                     | 61,76,045          |                                            | 48,70,203          |                                            |
|                                                   | Dividend paid                         | 7,24,15,155        | (57,04,394)                                | 3,89,92,776        | (43,83,182)                                |
|                                                   | Miscellaneous service availed         | 30,000             |                                            | 2,81,802           |                                            |
| <b>Parties having significant influence:</b>      |                                       |                    |                                            |                    |                                            |
| Tata Investment Corporation Limited               | Dividend paid                         | 3,42,25,471        | -                                          | 1,84,29,100        | -                                          |
| <b>Wholly owned subsidiaries:</b>                 |                                       |                    |                                            |                    |                                            |
| Tata Asset Management (Mauritius) Private Limited | Management fee income                 | -                  | -                                          | 10,59,99,532       | -                                          |
| <b>Fellow subsidiaries:</b>                       |                                       |                    |                                            |                    |                                            |
| Tata AIG General Insurance Company Limited        | Insurance paid                        | 4,42,913           |                                            | 8,08,992           |                                            |
|                                                   | Prepaid Insurance                     | 49,82,952          | -                                          | 44,82,230          | -                                          |
|                                                   | Insurance claims received             | 19,613             |                                            | -                  |                                            |
| Tata Consultancy Services Limited                 | Pension recovery                      | 45,00,228          |                                            | 45,00,228          | -                                          |
|                                                   | Purchase of licences                  | 44,76,264          | -                                          | -                  | -                                          |
| Tata Capital Financial Services Limited           | Professional services availed         | 44,03,622          | (13,07,779)                                | 3,74,42,731        | (3,76,492)                                 |
| Tata Teleservices (Maharashtra) Limited           | Miscellaneous service availed         | 14,76,035          | (11,15,803)                                | 32,12,395          | (6,83,587)                                 |
| Tata Teleservices Limited                         | Miscellaneous service availed         | 4,30,489           | (4,244)                                    | 7,63,507           | (48,779)                                   |
| Tata Trustee Company Limited                      | Deputation cost recovered             | 28,86,040          |                                            | 28,43,336          |                                            |
|                                                   | Rend received                         | 4,23,510           | -                                          | 4,07,626           | -                                          |
| Tata International West Asia DMCC                 | Professional services availed         | 31,58,924          | -                                          | 68,28,227          | (6,18,699)                                 |
| Tata Communications Limited                       | Miscellaneous service availed         | 31,60,993          |                                            | 39,94,337          |                                            |
|                                                   | Prepaid Miscellaneous service availed | 7,46,554           | -                                          | 10,36,987          | 4,14,756                                   |
| Tata Capital Advisors PTE Limited                 | Miscellaneous service availed         | 51,87,642          | -                                          | 1,08,96,680        | (22,14,384)                                |
| Tata Capital PLC                                  | Miscellaneous service availed         | 2,42,50,712        | (1,71,48,765)                              | 1,93,51,996        | (70,17,160)                                |
| <b>Other related entities:</b>                    |                                       |                    |                                            |                    |                                            |
| Tata Industries Limited                           | Rent and maintenance paid             | 5,76,000           | (1,57,16,000)                              | 4,61,625           | (1,55,60,000)                              |
| Tata AIA Life Insurance Company Limited           | Insurance paid                        | 11,70,128          |                                            | 10,16,678          |                                            |
|                                                   | Prepaid Insurance                     | 11,55,548          | -                                          | 9,98,573           | -                                          |
| Tata Motors Limited                               | Pension recovery                      | 17,48,952          | -                                          | 17,48,952          | -                                          |
| The Indian Hotels Company Limited                 | Professional services availed         | 67,076             | -                                          | 57,71,420          | (45,000)                                   |
| Voltas Limited                                    | Miscellaneous service availed         | 9,47,656           | (3,81,224)                                 | 9,36,831           | (4,500)                                    |
| The Associated Building Company Limited           | Miscellaneous service availed         | -                  |                                            | 600                | -                                          |
|                                                   | Rend received                         | 3,60,750           | (1,80,000)                                 | -                  | -                                          |
|                                                   | Security deposit received             | 1,80,000           |                                            | -                  | -                                          |
| <b>Key management personnel:</b>                  |                                       |                    |                                            |                    |                                            |
| Mr. Prathit Bhohe                                 | * Short term employee benefits        | 3,77,29,675        | (8,39,167)                                 | 4,38,40,635        | (45,00,000)                                |
|                                                   | Other long term benefits              | -                  |                                            | -                  |                                            |

**Notes:**

\* 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.  
During the year, there was no material transaction with any related parties as per the Related Party Transactions Policy of the Company and all the related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis.



# TATA ASSET MANAGEMENT LIMITED

## Notes to the financial statements for the year ended 31st March, 2021

(Currency: Indian Rupees)

### 15 Dividend not recognised at the end of the reporting period

In respect of the year ended 31st March, 2021, the directors propose that a dividend of INR 16.30 per share (Previous year INR 6.50 per share) be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is INR 427,875,000, including withholding tax of INR 42,787,500 (Previous year INR 106,640,625, including withholding tax of INR 7,998,049).

### 16 Provisions for loyalty incentives

|                                          | 31-Mar-21 | 31-Mar-20 |
|------------------------------------------|-----------|-----------|
| Opening balance as on 1st April          | 263,307   | 1,013,473 |
| Additional provision during the year     | 22,800    | (750,166) |
|                                          | 286,107   | 263,307   |
| Amount incurred and paid during the year | -         | -         |
| Closing balance as on 31st March         | 286,107   | 263,307   |

#### Nature of obligation

Loyalty incentives to unit holders for long term investment under Tata Gilt Securities Fund - Retirement Plan Series maturing on 28th 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. 28th February, 2025.

### 17 Corporate Social Responsibility (CSR)

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

- Gross amount required to be spent by the Company during the year was INR 6,244,644
- The following amounts were spent during the year on activities mentioned below:

| Nature of CSR activity                                                                                               | Amount Paid      |
|----------------------------------------------------------------------------------------------------------------------|------------------|
| 1. Village development program on education, livelihood, empowerment of women, housing, health, sanitation & hygiene | 1,000,000        |
| 2. Develop knowledge, perspectives and Computer and IT skills of grassroots youth from the social sector             | 700,000          |
| 3. Growing & strengthening value chains with 50 small and marginal families in Tribal Clusters                       | 2,000,000        |
| 4. Sightsavers Rural Eye Health Project in the district of Mahasamund in Chhattisgarh                                | 1,550,000        |
| 5. Financial assistance / grant to widows of our Soldiers and needy ex-servicemen as a welfare measure               | 1,000,000        |
| <b>Total CSR spend</b>                                                                                               | <b>6,250,000</b> |

### 18 Segment reporting

The Company is in the business of providing asset management services to the Tata Mutual Fund and Alternate Investment Fund and portfolio management services and advisory services 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 accordingly there is no separate reportable segment as per Ind AS 108, Operating Segment.

### 19 Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through equity and operating cash flows generated. The management monitors the return on capital and the board of directors monitors the level of dividends to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### 20 Due to micro and small suppliers

Sundry creditors includes 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.

|                                                                                                                                                                                                                  | 31-Mar-21 | 31-Mar-20 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Principal amount remaining unpaid to any supplier as at the year end                                                                                                                                             | 2,922,596 | 223,200   |
| Interest due thereon                                                                                                                                                                                             | -         | -         |
| 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                    | -         | -         |
| 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   | -         | -         |
| Amount of interest accrued and remaining unpaid at the end of the accounting year                                                                                                                                | -         | -         |
| 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 | -         | -         |



21 Particular of unhedged foreign currency exposures

| Particulars         | Currency | 31-Mar-21 |            | 31-Mar-20 |           |
|---------------------|----------|-----------|------------|-----------|-----------|
|                     |          | FCY       | INR        | FCY       | INR       |
| <b>Receivables:</b> |          |           |            |           |           |
| Trade receivables   | AUD      | 6,572     | 365,946    | 10,225    | 475,217   |
|                     | YEN      | -         | -          | 1,564,844 | 1,089,914 |
|                     | USD      | 165,182   | 12,141,628 | 48,449    | 3,652,390 |
| <b>Payables:</b>    |          |           |            |           |           |
| Trade payables      | USD      | -         | -          | 38,223    | 2,833,083 |
|                     | GBP      | 169,872   | 17,148,765 | 75,117    | 7,017,160 |

22 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.

23 Subsequent events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

24 The financial statements are authorised for issue by the Board of Directors on 26 April 2021.

25 Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date attached

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W/W100166

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

Sd/-

Roshni R. Marfatia

Partner

Membership No: 106548

Sd/-

Rajiv Sabharwal

Chairman

[DIN : 00057333]

Sd/-

Prathit Bhoje

CEO & Managing Director

[DIN : 08136926]

Sd/-

Hormuz A. Bulsara

CFO & Company Secretary

Mumbai

26 April 2021

