

Deutsche Asset Management (India) Private Limited

Financial Statements for the year ended 31 March 2013
together with Auditor's Report



**Deutsche Asset Management (India)
Private Limited**

Financial Statements
together with the
Independent Auditors' Report
for the year ended 31 March 2013

Deutsche Asset Management (India) Private Limited

Financial statements together with Auditors' Report

for the year ended 31 March 2013

<i>Contents</i>	<i>Page</i>
Auditors' Report	3 – 7
Balance sheet	8
Statement of profit and loss	9
Cash flow statement	10
Notes to the financial statements	11 – 35

Independent Auditors' Report

To the Members of Deutsche Asset Management (India) Private Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Independent Auditors' Report (*Continued*)

Deutsche Asset Management (India) Private Limited

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper, books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **BSR & Co.**
Chartered Accountants
Firm's Registration No: 101248W



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
18 July 2013

Deutsche Asset Management (India) Private Limited

Annexure to Independent Auditors' Report - 31 March 2013

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
- (ii) The Company is a service Company, primarily rendering asset management services and investment advisory services to its customers. Accordingly paragraph 4(ii) of the Order is not applicable.
- (iii) According to the information and explanation given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraph 4(iii) of the order is not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets and sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Act.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A, Section 58AA or any other relevant provisions of the Act and the rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
- (viii) The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Act for any of the activities conducted/services rendered by the Company. Accordingly para 4(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, customs duty, excise duty, cess, investor education and protection fund and employees' state insurance, to the extent applicable as at 31 March 2013.

Deutsche Asset Management (India) Private Limited

Annexure to Independent Auditors' Report - 31 March 2013 (Continued)

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, custom duty, wealth tax, excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Accordingly paragraph 4(xiii) of the Order is not applicable.
- (xiv) According to the information and explanations given to us, in respect of dealing and trading in securities, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The securities have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) Based on our examination of the records of the Company and based on the information and explanation given to us, the Company has not taken any term loans during the year and accordingly paragraph 4 (xvi) of the order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company has not raised any funds on short-term basis for the purpose of long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to companies/ firms/parties covered in the register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, the Company did not have any outstanding debentures during the year.



Deutsche Asset Management (India) Private Limited

Annexure to Independent Auditors' Report - 31 March 2013 (Continued)

- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **B S R & Co.**
Chartered Accountants
Firm's Registration No: 101248W



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
18 July 2013

Deutsche Asset Management (India) Private Limited

Balance sheet

as at 31 March 2013

(Currency: Indian rupee in thousands)

	Notes	31-Mar-13	31-Mar-12
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	250,000	250,000
(b) Reserves and Surplus	4	709,999	750,528
		<u>959,999</u>	<u>1,000,528</u>
(2) NON-CURRENT LIABILITIES			
(a) Long-term provisions	5	9,329	7,485
		<u>9,329</u>	<u>7,485</u>
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	6	-	30,500
(b) Trade payables	7	5,412	7,942
(c) Other current liabilities	8	119,060	77,860
(d) Short-term provisions	9	13,176	7,025
		<u>137,648</u>	<u>123,327</u>
TOTAL		<u><u>1,106,976</u></u>	<u><u>1,131,340</u></u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	10.i	3,788	3,950
(ii) Intangible assets	10.ii	389	777
(b) Deferred tax assets (net)	23.6	7,227	19,528
(c) Long-term loans and advances	11	164,493	68,562
(d) Other non-current assets	12	534,700	96,491
		<u>710,597</u>	<u>189,308</u>
(2) CURRENT ASSETS			
(a) Current investments	13	145,875	83
(b) Trade receivables	14	90,759	12,225
(c) Cash and bank balances	15	5,751	817,200
(d) Short-term loans and advances	16	21,946	6,875
(e) Other current assets	17	132,048	105,649
		<u>396,379</u>	<u>942,032</u>
Total		<u><u>1,106,976</u></u>	<u><u>1,131,340</u></u>

Significant accounting policies and notes to the financial statements

2 to 23

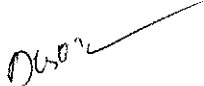
The accompanying notes form an integral part of this balance sheet


As per our report of even date attached.

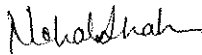
For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W


Manoj Kumar Vijai
Partner
Membership No: 046882

For and on behalf of the Board of Directors of
Deutsche Asset Management (India) Private Limited


Suresh Soni
Director


K. M. Gherda
Director


Nehal Shah
Company Secretary

Mumbai
18 July 2013

Mumbai
18 July 2013

Deutsche Asset Management (India) Private Limited

Statement of profit and loss

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

	Notes	31-Mar-13	31-Mar-12
I. Revenue from operations			
Fee Income	18	581,504	401,355
II. Other Income	19	64,129	67,973
III. Total Revenue (I + II)		<u>645,633</u>	<u>469,328</u>
IV. Expenses :			
Employee benefits expense	20	220,923	172,364
Finance costs	21	74	754
Depreciation and amortization expense	10	1,138	2,621
Other expenses	22	283,164	203,761
IV. Total Expenses		<u>505,299</u>	<u>379,500</u>
V. PROFIT BEFORE TAX		<u>140,334</u>	<u>89,828</u>
VI. Tax expenses :			
(1) Current Tax		32,000	43,100
(2) Deferred Tax	23.6	12,301	(14,268)
		<u>44,301</u>	<u>28,832</u>
VII. PROFIT FOR THE YEAR AFTER TAX		<u>96,033</u>	<u>60,996</u>
VIII. Earning per equity share (face value Rs.10 per share):	23.5		
(1) Basic		<u>3.84</u>	<u>2.44</u>
(2) Diluted		<u>3.84</u>	<u>2.44</u>

Significant accounting policies and notes to the financial statements

2 to 23

The accompanying notes form an integral part of Statement of profit and loss

As per our report of even date attached.

For BSR & Co.

Chartered Accountants

Firm's Registration No: 101248W




Manoj Kumar Vijai

Partner

Membership No: 046882

Mumbai
18 July 2013

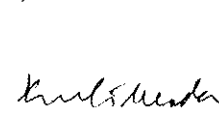
For and on behalf of the Board of Directors of
Deutsche Asset Management (India) Private Limited



Suresh Soni

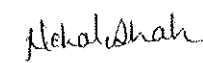
Director

Mumbai
18 July 2013



K. M. Gherda

Director



Nehal Shah
Company Secretary

Deutsche Asset Management (India) Private Limited

Cash flow statement

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

	31-Mar-13	31-Mar-12
A Cash flow from operating activities		
Profit before taxation	140,334	89,828
Adjustments for		
Depreciation	1,138	2,621
Interest income on investments	(11,452)	(5,114)
Interest income on fixed deposits	(39,194)	(61,384)
Interest expense	74	24
Gain on sale of investments	(10,275)	-
Dividend received from Mutual fund	(2,982)	(933)
Operating cash flow before working capital changes	77,643	25,042
Adjustments for		
(Increase) / decrease in trade receivables	(78,534)	989
(Increase) / decrease in short-term loans and advances	(15,071)	11,202
Increase in other assets	(89,496)	(44,983)
Increase in long-term loans and advances	(95,931)	(52,405)
(Decrease) / increase in trade payables	(2,530)	946
Increase in other current liabilities	41,274	14,121
Increase / (decrease) in provisions	7,995	(1,867)
Cash generated from operations	(154,650)	(46,955)
Income taxes paid	(38,731)	(48,560)
Net cash (used) / provided by operating activities - A	(193,381)	(95,515)
B Cash flow from Investing Activities		
Interest received on fixed deposit	74,764	35,093
Purchase of mutual fund unit	(1,615,207)	(113,251)
Sale of mutual fund units	1,482,672	114,100
Purchase of fixed assets	(589)	(2,748)
Purchase of commercial paper	(238,548)	-
Sale of commercial paper	250,000	200,000
Investment in fixed deposit	(429,500)	(270,500)
Redemption of fixed deposit	829,000	100,000
Net cash provided / (used) by investing activities - B	352,592	62,694
C Cash flow from financing activities		
Repayment / (proceeds) of short term borrowings	(30,500)	30,500
Interim Dividend paid	(117,500)	-
Tax on interim dividend	(19,062)	-
Interest paid	(98)	-
Net cash provided by financing activities - C	(167,160)	30,500
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7,949)	(2,321)
Cash and cash equivalents as at the beginning of the year (refer note 15)	13,700	16,021
Cash and cash equivalents as at the end of the year (refer note 15)	5,751	13,700

As per our report of even date attached.

For BSR & Co.

Chartered Accountants

Firm's Registration No: 101248W

Manoj Kumar Vijai

Partner

Membership No: 046882

Mumbai
18 July 2013

For and on behalf of the Board of Directors of
Deutsche Asset Management (India) Private Limited

Suresh Soni
Director

K. M. Gherda
Director

Mumbai
18 July 2013

Nehal Shah
Company Secretary

Deutsche Asset Management (India) Private Limited

Notes to financial statements

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

1 Background

Deutsche Asset Management (India) Private Limited ('the Company') was incorporated on 21 March 2002 as a private limited company under the Companies Act, 1956. The Company has obtained registration from the Securities and Exchange Board of India ('SEBI') to function as an Asset Management Company for the Deutsche Mutual Fund ('the Fund') with effect from 29 October 2002. The Company has also been granted a Certificate of Registration as 'Portfolio Manager' by SEBI on 16 January 2008, to carry on Portfolio Management Services ('PMS').

The Company acts as an investment manager to 'the Fund'. Further, it also provides investment advisory and marketing advisory services to various entities including group entities.

Deutsche India Holdings Private Limited ('DIHPL'), a company incorporated in India, and its nominees hold 100% of the share capital of the Company.

2 Significant accounting policies

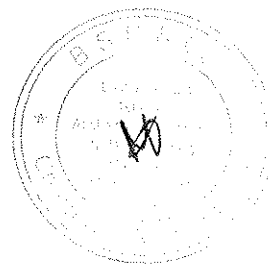
2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated and comply with the Accounting Standards prescribed by Companies (Accounting Standard) Rules, 2006 to the extent applicable and in accordance with the Generally Accepted Accounting Principles ('GAAP') and the provisions of the Companies Act, 1956 as adopted consistently by the Company to the extent applicable.

The financial statements have been prepared in accordance with the revised schedule VI notified under the Companies Act 1956.

2.2 Use of estimates

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



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

2 Significant accounting policies (Continued)

2.3 Revenue recognition

Management fees

Investment management fees are recognised monthly on an accrual basis, net of service tax, based on the daily Net Assets under Management of the mutual fund schemes of the Fund in accordance with the terms of contract entered into between the Company and the Board of Trustees of the Fund and is in line with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Advisory fees

Marketing advisory fees and Investment advisory fees are recognised on an accrual basis in accordance with the terms of the contracts entered into between the Company and the counterparties.

Portfolio management fees

Portfolio management fees are recognized on an accrual basis in accordance with portfolio management agreements entered into with respective clients.

Interest income is recognised on accrual basis.

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

2.4 Fixed assets and depreciation

Fixed assets are stated at historical cost of acquisition less accumulated depreciation. The historical cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged on straight line basis at rates higher than the rates prescribed by XIV to the Act, based on management's estimate of the useful life of fixed assets as given below:

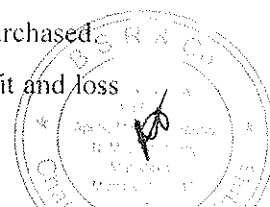
Class of asset	Rate of depreciation
Furniture, fixtures and office equipment	10%
Telecommunications equipment	20%
Computer (Hardware)	25%
Computer (Software)	33.33%

Leasehold improvements are depreciated over the residual period of the lease or over a period of 10 years or over the useful life of the leased assets, whichever is shorter.

Depreciation for the entire month is charged in the month of sale if the asset is sold after 15th day of the month. Depreciation is not provided for the month of sale if the asset is sold on or before 15th of the month.

Depreciation for the entire month is charged in the month in which the asset is purchased.

Assets individually costing upto Rs.30 are fully charged to the statement of profit and loss in the year of purchase.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (*Continued*)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

2 Significant accounting policies (*Continued*)

2.4 Fixed assets and depreciation (*Continued*)

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.5 Investments

Accounting for investments is done on a trade date basis.

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

Non-current investments are carried at cost less any diminution in value other than temporary in nature, determined separately for each individual investment.

Current Investments are valued at the lower of cost or net realisable value.

Current investments under each category are valued scrip-wise and depreciation / appreciation are aggregated for each category. Net depreciation, for each category, if any, is provided for and net appreciation, if any, is ignored.

2.6 Foreign currency transactions

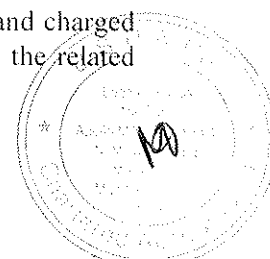
Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss for the year.

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

2.7 Staff benefits

Provident Fund

The provident fund contribution is classified as defined contribution plan which is the post – employment contribution plan under which the entity contributes 12% of basic salary as employer's contribution towards Provident Fund maintained with Employees Provident Fund Organisation. The Company's contribution is recognised as an expense and charged to statement of profit and loss during the year in which the employee renders the related service.



Notes to financial statements (*Continued*)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

2 Significant accounting policies (*Continued*)

2.7 Staff benefits (*Continued*)

Gratuity

The Company recognises all actuarial gains and losses arising from defined benefits plans immediately in the statement of profit and loss. The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Company Contributory Gratuity Scheme bestows benefits to employees which are generally higher than those under the Payment of Gratuity Act, 1972. The Company makes contributions to a separate gratuity fund at the rate of 8.33% of the basic salary on monthly basis subject to the adjustment based on an actuarial valuation. This fund is recognised by the Income-tax authorities and administered by a trust. Gratuity Scheme is treated as defined benefit plan and provision for gratuity expenses are made based on independent actuarial valuation conducted by a qualified actuary using projected unit credit method at year-end.

Other benefits

Provision for compensated absences, pre-retirement leave and long-term awards are made based on independent actuarial valuation conducted by a qualified actuary using projected unit credit method at year-end. Provision for compensated absences includes provision for pre-retirement leave.

The Company recognises all actuarial gains and losses arising from defined benefits plans immediately in the statement of profit and loss.

Stock Award

The eligible employees of the Company have been granted stock awards under various plans of equity shares of the ultimate holding company, Deutsche Bank AG. As per the various plans, these stock awards vest in instalments (tranches) over multi year periods. During the year, the Company has charged an amount pertaining to these under the head "Employee benefits expenses" as compensation cost.

2.8 Taxation

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

The deferred tax charge or credit and the corresponding deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are only recognised if there is reasonable certainty that they will be realised, except for deferred tax assets in respect of unabsorbed depreciation and carry forward losses, which are recognised only to the extent that there is virtual certainty they will be realised. These assets are reviewed for appropriateness of their carrying value at each balance sheet date.

Notes to financial statements (*Continued*)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

2 Significant accounting policies (*Continued*)

2.8 Taxation (*Continued*)

Minimum Alternative Tax (MAT) under the provisions of the Income tax act 1961 is recognised as current tax in the statement of profit and loss. The credit available under the act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.9 Leases

Lease of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss. Operating lease charges are recognised as an expense in the statement of profit and loss on straight line basis over the lease period for non cancellable leases.

2.10 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

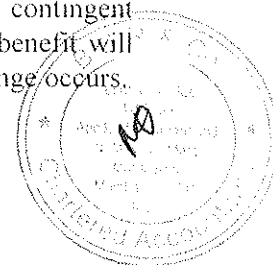
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing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

2.11 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (*Continued*)

for the year ended 31 March 2013

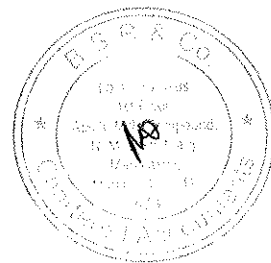
(Currency: Indian rupee in thousands)

2 Significant accounting policies (*Continued*)

2.12 Scheme related expenses

Expenses incurred by the Fund over and above the expense limit as specified in the offer document of the scheme are required to be borne by the Company and are disclosed under the head Administrative and other expenses as 'scheme related expenses'.

Expenses incurred such as fund accounting fees, advertisement, brokerage expenses, etc on behalf of schemes of the Fund are recognised in the statement of profit and loss in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian rupee in thousands)

	31-Mar-13	31-Mar-12
3. Share capital		
Authorised		
50,000,000 (Previous year: 50,000,000) equity shares of Rs.10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up		
25,000,000 (Previous year: 25,000,000) equity shares of Rs. 10 each, fully paid up	<u>250,000</u>	<u>250,000</u>
100% (Previous year: 100%) 25,000,000 (Previous Year: 25,000,000) equity shares of Rs.10 each are held by Deutsche India Holdings Private Limited, the holding company and it's nominees and Deutsche Bank AG is the ultimate holding company.		
Reconciliation of the number of shares		
At the beginning of the reporting year	<u>25,000</u>	<u>25,000</u>
At the end of the reporting year	<u>25,000</u>	<u>25,000</u>
Reconciliation for the amount of share capital		
At the beginning of the reporting year	<u>250,000</u>	<u>250,000</u>
At the end of the reporting year	<u>250,000</u>	<u>250,000</u>

Terms / rights attached to Equity Shares

The Company has only one class of equity shares having Face Value of Rs. 10 each. Each holder of an equity share is entitled to one vote per share.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

There are no restrictions on the rights of the equity shareholders

4. Reserves and surplus

Other Reserves

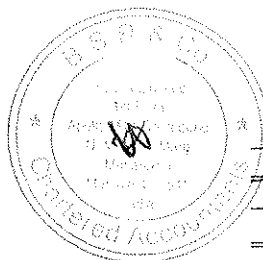
General Reserve*

Opening balance	-	-
Additions during the year - transfer from statement of profit and loss	<u>9,603</u>	-
Closing balance	<u>9,603</u>	-

*It represents reserve created under Companies (transfer of Profit to Reserves) Rules, 1975, whereby Company is required to transfer a certain percentage of its profit after tax as disclosed in the statement of profit and loss to general reserve, before declaring any dividend.

Balance in the Statement of profit and loss

Opening balance	750,528	689,532
Add: Profit for the current year	96,033	60,996
Appropriation during the year		
Less: Transfer to general reserve	(9,603)	-
Less: Interim dividend paid	(117,500)	-
Less: Tax on interim dividend	(19,062)	-
Balance in the Statement of profit and loss	<u>700,396</u>	<u>750,528</u>
	<u>709,999</u>	<u>750,528</u>



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian rupee in thousands)

	31-Mar-13	31-Mar-12
5. Long-term provisions		
Provisions for employee benefits		
- Gratuity	745	-
- Compensated absences	6,295	4,900
- Long service award	840	1,288
- Equity based and global shares purchase plan	1,449	1,297
	<u>9,329</u>	<u>7,485</u>
6. Short-term borrowings		
Secured		
Loans from related parties (secured by fixed deposits)	-	30,500
	<u>-</u>	<u>30,500</u>
7. Trade payables		
Provision for accrued expenses	4,224	7,942
Provision for expenses payable to group company	1,188	-
There are no amounts due to small scale industrial undertakings. (Previous year: Rs. Nil)	<u>5,412</u>	<u>7,942</u>
8. Other current liabilities		
Payable to group companies	114,545	70,327
Other liabilities (Includes statutory dues payable and others)	4,515	7,509
Interest accrued but not due on borrowings	-	24
	<u>119,060</u>	<u>77,860</u>
9. Short-term provisions		
Provisions for employee benefits		
- Compensated absences	172	131
- Long service award	-	411
- Equity based and global shares purchase plan	1,435	648
- Bonus	11,569	5,835
	<u>13,176</u>	<u>7,025</u>



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian rupee in thousands)

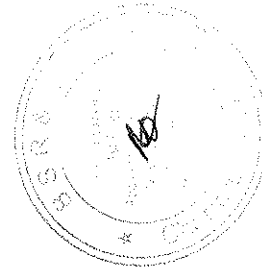
10. Fixed assets

i) Tangible assets

Description	Gross Block				Depreciation			Net Carrying Value As at 31 March 2013
	As at 1 April 2012	Additions	Deductions	As at 31 March 2013	Charge for the year	Deductions	As at 31 March 2013	
Leasehold improvements	2,283	-	-	2,283	49	-	912	1,371
Furniture, fixtures and office equipment	6,122	-	-	6,122	551	-	5,162	960
Telecommunications equipment	1,865	-	-	1,865	85	-	1,820	45
Computer (hardware)	9,707	589	1,641	8,655	265	1,641	7,243	1,412
TOTAL	19,977	589	1,641	18,925	750	1,641	15,137	3,788

ii) Intangible assets

Description	Gross Block				Amortisation			Net Carrying Value As at 31 March 2013
	As at 1 April 2012	Additions	Deductions	As at 31 March 2013	Charge for the year	Deductions	As at 31 March 2013	
Computer software	4,783	-	-	4,783	388	-	4,394	389
TOTAL	4,783	-	-	4,783	388	-	4,394	389



Deutsche Asset Management (India) Private Limited

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

(Currency: Indian Rupee in Thousands)

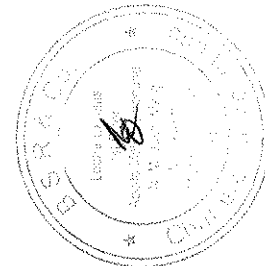
10. Fixed assets (Continued)

i) Tangible assets (Previous year)

Description	Gross Block			Depreciation			Net Carrying Value	
	As at 1 April 2011	Additions	Deductions	As at 31 March 2012	1 April 2011	Charge for the year	As at 31 March 2012	As at 31 March 2012
Leasehold improvements	2,283	-	-	2,283	615	248	863	1,420
Furniture, fixtures and office equipment	6,122	-	-	6,122	4,205	606	4,811	1,311
Telecommunications equipment	1,845	38	16	1,865	1,622	129	1,735	130
Computer (hardware)	8,634	1,545	472	9,707	7,842	1,249	8,619	1,088
TOTAL	18,882	1,583	488	19,977	14,284	2,232	16,028	3,950

ii) Intangible assets (Previous year)

Description	Gross Block			Amortisation			Net Carrying Value	
	As at 1 April 2011	Additions	Deductions	As at 31 March 2012	1 April 2011	Charge for the year	As at 31 March 2012	As at 31 March 2012
Computer software	3,618	1,165	-	4,783	3,618	388	4,006	777
TOTAL	3,618	1,165	-	4,783	3,618	388	4,006	777



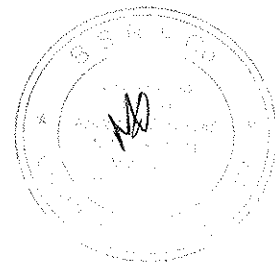
Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian rupee in thousands)

	31-Mar-13	31-Mar-12
11. Long-term loans and advances		
(Unsecured, considered good)		
Others		
Security deposits	3,109	3,462
Advance brokerage	161,384	65,100
	<u>164,493</u>	<u>68,562</u>
12. Other non-current assets		
Advance tax (net of provision Rs. 535,956 (Previous year. Rs. 503,956))	101,985	95,303
Fixed deposit	404,000	-
Interest accrued on fixed deposits	17,016	-
Prepaid expenses	11,699	1,188
	<u>534,700</u>	<u>96,491</u>



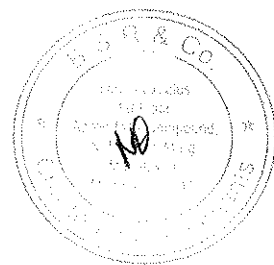
Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian rupee in thousands)

	31-Mar-13	31-Mar-12
13. Current investments		
Current Investments (unquoted)		
1,410,816 units (Previous year: 8,266 units) of DWS Insta Cash Plus Fund	145,875	83
Total	<u>145,875</u>	<u>83</u>
Book value of investments	145,875	83



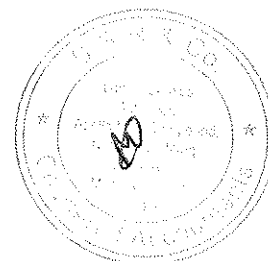
Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2013

(Currency: Indian rupee in thousands)

	31-Mar-13	31-Mar-12
14. Trade receivables		
(Less than six months - unsecured, considered good)		
From related party		
Investment advisory fees receivable - offshore	12,185	509
Others		
Portfolio management fees	1,404	470
Investment management fees	76,580	10,621
Investment advisory fees receivable - domestic	590	625
	<u>90,759</u>	<u>12,225</u>
15. Cash and bank balances		
Cash and cash equivalents		
- Balance with bank in current account	5,714	13,281
- Cheques on hand	-	349
- Cash on hand	37	70
Other bank balances		
- Fixed deposit	-	803,500
	<u>5,751</u>	<u>817,200</u>
Balance in deposit account includes Rs. Nil (Previous year Rs. 35,000) under lien with bank.		
16. Short-term loans and advances		
(Unsecured, considered good)		
Others		
Cenvat credit receivable	14,445	2,812
Prepaid expenses	7,501	4,063
	<u>21,946</u>	<u>6,875</u>
17. Other current assets		
Interest accrued on fixed deposits	-	52,586
Advance brokerage	128,928	51,785
Other receivables	271	780
Receivable from group companies	2,849	498
	<u>132,048</u>	<u>105,649</u>



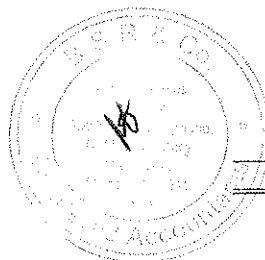
Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

	31-Mar-13	31-Mar-12
18. Fee Income		
Portfolio management services	2,789	2,028
Investment management fees	524,874	391,121
Investment advisory fees - offshore	48,441	5,131
Investment advisory fees - domestic	5,400	3,075
	<u>581,504</u>	<u>401,355</u>
19. Other income		
Dividend income	2,982	933
Gain on sale of investments	10,275	-
Interest income on fixed deposits	39,194	61,384
Interest income on investments	11,452	5,114
Miscellaneous income	226	542
	<u>64,129</u>	<u>67,973</u>
20. Employee benefits expense		
Salaries, bonus and allowances	206,695	160,577
Contribution to provident and other funds	7,991	4,944
Expense on Employee stock award plan	2,528	1,886
Staff welfare expenses	3,709	4,957
	<u>220,923</u>	<u>172,364</u>
21. Finance cost		
Interest expense		
- Borrowings	74	24
- Others	-	730
	<u>74</u>	<u>754</u>
22. Other expenses		
Rent	28,328	30,144
Repairs and maintenance - others	5,051	5,884
Insurance	1,408	782
Rates and taxes	2,052	5,901
Marketing, advertising and publicity	622	710
Scheme related expenses	32,848	17,574
Communication expenses	6,491	6,260
Global management charges	94,177	45,165
System and infrastructure support	52,116	32,164
Travel expenses	5,875	6,606
Professional and legal fees	41,458	39,564
Payments to the auditor		
As Auditor		
Statutory audit	523	512
Tax audit	226	221
Directors sitting fees	195	180
Net loss on foreign currency transaction	4,661	7,480
Miscellaneous expenses	7,133	4,614
	<u>283,164</u>	<u>203,761</u>



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

23 Notes to the accounts

23.1 Staff benefits

Gratuity:

The following disclosures have been set out in accordance with the requirements of Accounting Standard 15 (revised 2005) on "Employee Benefits" prescribed by the Companies Accounting Standards Rules, 2006.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below

Change in defined benefit obligations as at	31-Mar-13	31-Mar-12
Present value of defined benefit obligations at beginning of the year	7,123	6,881
Current service cost	1,160	1,762
Interest cost	564	589
Benefits paid	(1,379)	(309)
Actuarial loss / (gain) on obligations	1,787	(1,800)
Present value of defined benefit obligations at end of the year	9,255	7,123
Fair value of the plan assets at beginning of the year	7,413	7,036
Expected return on plan assets	603	578
Contributions	1,635	-
Benefits paid	(1,379)	(309)
Actuarial gain (loss) plan assets	238	108
Fair value of the plan assets at end of the year	8,510	7,413
Cost recognised for the period		
Current service cost	1,160	1,763
Interest cost	563	589
Expected return on plan assets	(603)	(578)
Net Actuarial (gain)/loss recognised in year	1,549	(1,908)
Expenses recognised in the statement of profit & loss	2,669	(136)
Actuarial assumptions used		
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	7.90% p.a.	8.75% p.a.
Expected return on plan assets	8% p.a.	8% p.a.
Salary escalation rate	10% p.a.	10% p.a.
Normal Retirement Age	60 Years	60 Years
Attrition rate	10%	10%
Mortality rate	IALM (2006-08) (modified ultimate)	LIC (94-96) Ultimate



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

23.1 Staff benefits (Continued)

a) Discount Rate

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

b) Salary escalation rate

The estimates of future salary increases is considered taking into account the inflation, seniority, promotion and other relevant factors.

c) Expected return on plan assets

This is based on our expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience adjustments of five years are given below:

	2013	2012	2011	2010	2009
Defined benefit obligation	9,255	7,123	6,881	6,310	2,442
Plan assets	8,510	7,413	7,036	6,550	3,816
Surplus/(Deficit)	(745)	290	155	240	1,374
Experience adjustment on plan liabilities	1,549	(1,800)	(1,252)	1,818	(2,820)
Experience adjustment on plan assets	238	108	76	815	(627)

23.2 Segment Reporting

In the opinion of the management, the Company is mainly engaged in the business of Asset Management Services. Segment information is not required to be disclosed since business segment and geographical segment are insignificant.

23.3 Related parties

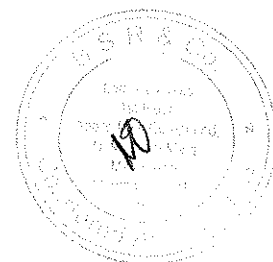
The disclosures regarding related parties as required by Accounting standard issued 18 "Related party disclosures" issued by the Companies (Accounting Standards) Rules 2006 are as under:

(A) Names of related parties by whom control is exercised ('Controlling entities')

Deutsche Bank AG (and its branches)	Ultimate Holding company
Deutsche India Holdings Private Limited	Holding company

(B) Key management personnel ('KMP')

Suresh Soni, Chief Executive Officer



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

23.3 Related parties (Continued)

(C) Fellow subsidiaries in India with whom transactions have taken place during the year:

Deutsche Trustee Services (India) Private Limited

DBOI Global Services Private Limited

Deutsche Investments India Private Limited

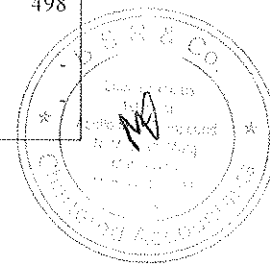
Deutsche Investor Services Private Limited

(D) Transactions with related parties

Nature of Related Party Transaction	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
Revenues/ Expenses				
Interest Income	39,194	11,452	61,384	5,115
Investment advisory fees – offshore	-	48,441	-	5,131
Reimbursement of expenses paid	-	247	-	-
Global management charges	81,358	12,819	41,963	3,202
Legal and professional charges received	-	2,576	-	-
System and Infrastructure support	43,004	7,821	25,306	6,144
Staff welfare	-	-	63	-
Rent paid	15,711	-	16,068	-
Interest expense	74	-	24	-
Scheme related expenses	-	1,188	-	-
Bank charges	20	-	15	-
Dividend paid	117,500	-	-	-

(E) Balance outstanding as at 31 March 2013

Nature of outstanding Receivable/ payables	As at 31 March 2013		As at 31 March 2012	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
Interest accrued on fixed deposits	17,016	-	52,586	-
Balance in current account	5,622	-	13,187	-
Fixed deposit	404,000	-	803,500	-
Interest Accrued but not due	-	-	24	-
Investment advisory fee Receivable – offshore	-	12,185	-	509
Payable to Group Companies	92,068	24,802	58,673	11,654
Receivable from Group Companies	75	2,924	-	498
Short term loan	-	-	30,500	-
Fund accounting expense payable	-	1,188	-	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

23.3 Related parties (Continued)

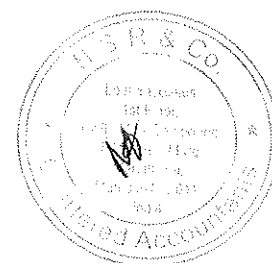
(F) Managerial remuneration

Particulars	2013	2012
Salary, bonus and allowances	29,964	20,964
Contribution to provident fund and other funds	613	522
Total	30,577	21,486

Note: Provision for leave encashment and gratuity is based on actuarial valuation done on an overall Company basis and hence, not included above.

(G) Of items in (D) above, transactions in excess of 10% of the total related party transactions are as under:

	2013		2012	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Transactions with related parties				
Interest Income				
Deutsche Bank AG India Branches	39,194	-	61,384	-
Deutsche Investments India Private Limited	-	11,452	-	5,115
Investment advisory fees – offshore				
DWS Investment GmbH	-	48,441	-	5,130
Global management charges				
Deutsche Bank AG Frankfurt	20,125	-	18,560	-
Deutsche Bank AG Singapur	53,110	-	12,561	-
Deutsche Bank AG Hongkong	8,505	-	6,879	-
Deutsche Asset Management Group Limited	-	2,650	-	-
Deutsche Group Services Pty Limited	-	5,181	-	347
DWS Investment GmbH	-	4,913	-	2,665
Staff welfare				
Deutsche Bank AG India Branches	-	-	63	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

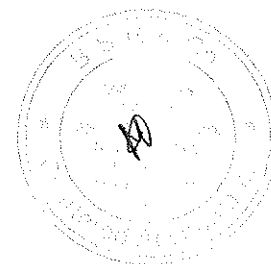
(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

23.3 Related parties (Continued)

(G) Of items in (D) above, transactions in excess of 10% of the total related party transactions are as under: (Continued)

	2013		2012	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Legal and professional charges				
Deutsche Trustee Services (India) Private Limited	-	2,576	-	-
System and Infrastructure support				
Deutsche Bank AG India Branches	39,488	-	24,034	-
DBOI Global Services Private Limited	-	6,317	-	5,611
DB Services New Jersey, Inc.	-	1,982	-	116
Interest expense on Short term Borrowing				
Deutsche Bank AG India Branches	74	-	24	-
Rent				
Deutsche Bank AG India Branches	15,711	-	16,068	-
Reimbursement of expenses paid				
Deutsche Trustee Services (India) Private Limited	-	247	-	-
Scheme related expenses				
Deutsche Investor Services Private Limited	-	1,188	-	-
Bank charges				
Deutsche Bank AG India Branches	20	-	15	-
Dividend paid				
Deutsche India Holdings Private Limited	117,500	-	-	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

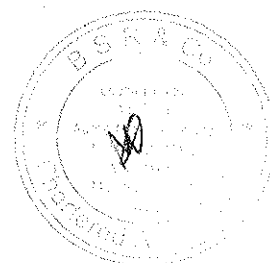
(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

23.3 Related parties (Continued)

(H) Of items in (G) above, balances in excess of 10% of the total related party transactions are as under:

	2013		2012	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Balances with related parties				
Interest accrued on Bank deposits				
Deutsche Bank AG India Branches	17,016	-	52,586	-
Balance in Current Account				
Deutsche Bank AG India Branches	5,622	-	13,187	-
Fixed deposit				
Deutsche Bank AG India Branches	404,000	-	803,500	-
Fund accounting expense payable				
Deutsche Investor Services Private Limited	-	1,188	-	-
Payable to group Companies				
Deutsche Bank AG Frankfurt	12,012	-	22,105	-
Deutsche Bank Aktiengesellschaft, Filiale Singapur	57,082	-	13,640	-
Deutsche Bank AG India Branches	11,608	-	9,518	-
Deutsche Bank Aktiengesellschaft, Filiale Hongkong	9,652	-	7,348	-
DBOI Global Services Private Limited	-	5,744	-	5,169
Deutsche Asset Management Group Limited	-	2,650	-	-
Deutsche Group Services Pty Limited	-	6,188	-	-
DWS Investment GmbH	-	7,589	-	5,444
Receivable from Group Companies				
Deutsche Trustee Services (India) Private Limited	-	2,827	-	498
Interest Accrued but not due				
Deutsche Bank AG India Branches	-	-	24	-
Short Term Loan				
Deutsche Bank AG India Branches	-	-	30,500	-
Investment advisory fees				
DWS Investment GmbH	-	12,185	-	509



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

23.4 Operating leases

Information required by Accounting Standard – 19 on Accounting of Leases issued by Companies (Accounting Standard) Rules, 2006 for future minimum lease payments for the non-cancellable operating lease are as follows :

Particulars	2013	2012
Minimum lease payments for non cancellable lease		
- not later than one year	986	1,467
- later than one year and not later than five years	1,144	1,210
Total	2,130	2,677
Total of minimum lease payments recognised in statement of profit and loss	1,571	1,306

23.5 Earning per share

In accordance with Accounting Standard 20 on Earnings Per Share prescribed in the Companies (Accounting Standard) Rules, 2006, the computation of earnings per share is set out below.

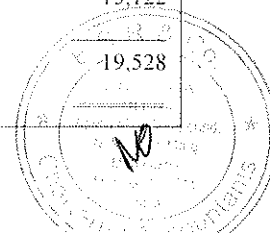
	2013	2012
a) Profit after tax (as per statement of profit and loss)	96,033	60,996
b) Weighted average number of equity shares (par value of Rs.10 each)		
Number of shares at the beginning of the year	25,000,000	25,000,000
Number of shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	25,000,000	25,000,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	25,000,000	25,000,000
c) Basic and diluted earnings per share (in Rupees) (a/b)	3.84	2.44

The basic and diluted earnings per share are the same as there is no dilutive/potential equity shares issued.

23.6 Deferred tax asset (net)

The major components of deferred taxes are as follows:

	2013	2012
<u>Deferred tax asset</u>		
Difference in written down value of fixed assets	844	881
Provision for bonus	3,932	1,893
Provision for Gratuity	253	-
Provision for compensated absence	2,198	1,632
Provision for accrued expenses	-	15,122
Deferred tax asset	7,227	-19,528



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

23.7 Contingent liabilities and Capital Commitment

The capital commitment as on 31 March 2013 is Rs. Nil (Previous Year: Rs. Nil).

The Company has contingent liability towards Income Tax demands of Rs. 7,895 as of 31 March 2013 (Previous Year: Rs. 2,500).

23.8 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency:

	2013	2012
Expenditure incurred in foreign currency		
Global management charges	100,015	44,560
System and infrastructure support	5,045	1,658
Total	105,060	46,218
Income earned in foreign currency		
Investment advisory fees – offshore	48,441	5,131
Total	48,441	5,131

Foreign currency exposure not covered by forward contracts:

		2013		2012	
		FCY Amount	INR Amount	FCY Amount	INR Amount
Receivables	EUR	172	12,185	8	509
Payables	EUR	1,275	93,413	862	54,523
	RUB	8	13	2	3
	SGD	110	4,455	50	1,815
	USD	39	2,102	2	116

23.9 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

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 and confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is NIL.



Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

23.10 Transfer pricing

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

23.11 Global management charges

Global management charges represent payments made by the Company to other Deutsche Bank Group entities for providing business level strategic and supervisory support.

23.12 System and infrastructure support

System and infrastructure support included under Note 22 primarily comprise of support for business management and other infrastructure functions received from Deutsche Bank Group Companies. These have been accounted for in accordance with the service level agreements.

23.13 Share based payments

a. Method adopted for valuation:

Stock compensation expenses under the "Fair Value Method" are determined based on the "Fair Value of the Share Awards" and amortized over the vesting period.

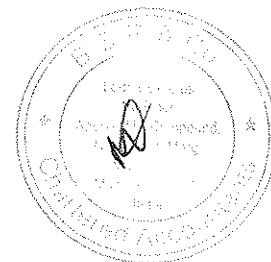
b. Nature and extent of Employee Share-based Payment Plans:

Certain employees selected at the discretion of Deutsche Bank AG may receive an annual award, usually referred to as a Restricted Equity Unit (REU) award under the DB Equity Plan. These equity awards vest in instalments (tranches) over multi year periods (typically 3-5 years). Upon settlement, the shares are transferred to its employees.

c. Expenses recognized on account of "Employees Share-based Payment"

During the year the Company has recognised an amount of Rs. 2,528 (previous year Rs. 1,886) under Employee benefits expenses.

d. Liability on account of share based payment as at 31 March 2013 is Rs. 2,884 (previous year Rs. 1,945)



Deutsche Asset Management (India) Private Limited

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

(Currency: Indian rupee in thousands)

23 Notes to the accounts (Continued)

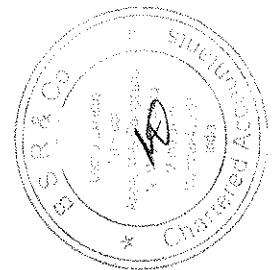
23.13 Share based payments (continued)

e. Reconciliation of number of shares during the year ended 31 March 2013 is as under

Vesting Schedule	2010: DB Restrictive	2011: DB Restrictive	2012: DB Restrictive	2013: DB Restrictive	2011 Global Share	2012 Global Share
	Equity award Plan	Equity award Plan	Equity award Plan	Equity award Plan	Purchase Plan	Purchase Plan
Shares outstanding as on 1 April 2012	467.45	364.45	1,377.92	-	51.00	69.00
Granted during the year	-	-	-	612.08	-	-
Additional shares issued during the year	-	-	-	-	-	-
Vested during the year	280.46	182.23	459.31	-	51.00	-
Forfeited during the year	-	-	-	-	-	-
Shares outstanding as on 31 March 2013	186.99	182.22	918.61	612.08	-	69.00
Range of vesting price (Euro)	24.59 to 38.493	38.493	38.493	-	-	-

f. Reconciliation of number of shares during the year ended 31 March 2012 is as under

Vesting Schedule	2010: DB Restrictive	2011: DB Restrictive	2012: DB Restrictive	2013: DB Restrictive	2011 Global Share	2012 Global Share
	Equity award Plan	Equity award Plan	Equity award Plan	Equity award Plan	Purchase Plan	Purchase Plan
Shares outstanding as on 1 April 2011	747.89	546.73	-	-	51.00	69.00
Granted during the year	-	-	1,377.92	-	-	-
Additional shares for right issue, if any	-	-	-	-	-	-
Vested during the year	280.44	182.28	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Shares outstanding as on 31 March 2012	467.45	364.45	1,377.92	-	51.00	69.00
Range of vesting price (Euro)	24.59 to 38.493	38.493	38.493	-	-	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2013

(Currency: Indian rupee in thousands)

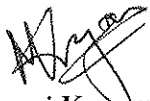
23 Notes to the accounts (Continued)

23.14 Previous comparatives

Previous year figures have been regrouped and reclassified wherever necessary to confirm with current year classification.

As per our report of even date attached

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
18 July 2013

For and on behalf of the Board of Directors of
Deutsche Asset Management (India) Private Limited




Suresh Soni
Director

Mumbai
18 July 2013



K.M. Gherda
Director


Nehal Shah
Company Secretary