

Deutsche Asset Management (India) Private Limited

Financial Statements for the year ended 31 March 2014
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 2014

Deutsche Asset Management (India) Private Limited

Financial statements together with Auditors' Report

for the year ended 31 March

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B S R & Co. LLP

Chartered Accountants

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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 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

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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:

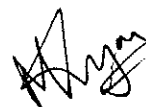
- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

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 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, 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. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
21 July 2014

Deutsche Asset Management (India) Private Limited

Annexure to Independent Auditors' Report - 31 March 2014

(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) There were no disposals of fixed assets during the year.
- (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 generally 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 service tax, sales tax, wealth tax, customs duty, cess, investor education and protection fund and employees' state insurance, to the extent applicable as at 31 March 2014.



Deutsche Asset Management (India) Private Limited

Annexure to the Independent Auditors' Report – 31 March 2014 (Continued)

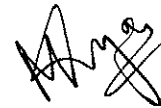
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales tax, wealth tax, customs duty, cess, investor education and employees' state insurance and other material statutory dues were in arrears as at 31 March 2014 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 provident fund, income-tax, service tax, sales tax, wealth tax, customs duty, cess, investor education and employees' state insurance and other material statutory dues 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, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (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 the Independent Auditors' Report – 31 March 2014 (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. LLP**
Chartered Accountants
Firm's Registration No: 101248W//W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
21 July 2014

Deutsche Asset Management (India) Private Limited

Balance sheet

as at 31 March

(Currency: Indian rupee in thousands)

	<i>Notes</i>	2014	2013
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	250,000	250,000
(b) Reserves and Surplus	4	879,663	709,999
		<u>1,129,663</u>	<u>959,999</u>
(2) NON-CURRENT LIABILITIES			
(a) Long-term provisions	5	5,652	9,329
		<u>5,652</u>	<u>9,329</u>
(3) CURRENT LIABILITIES			
(a) Trade payables	6	129,884	119,957
(b) Other current liabilities	7	14,878	5,233
(c) Short-term provisions	8	80,390	74,710
		<u>225,152</u>	<u>199,900</u>
TOTAL		<u><u>1,360,467</u></u>	<u><u>1,169,228</u></u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	9.i	4,126	3,788
(ii) Intangible assets	9.ii	421	389
(b) Deferred tax assets (net)	22.6	7,727	7,227
(c) Long-term loans and advances	10	258,129	328,012
(d) Other non-current assets	11	483,134	432,715
		<u>753,537</u>	<u>772,131</u>
(2) CURRENT ASSETS			
(a) Current investments	12	311,404	145,875
(b) Trade receivables	13	122,827	90,759
(c) Cash and bank balances	14	1,864	5,751
(d) Short-term loans and advances	15	40,188	21,946
(e) Other current assets	16	130,647	132,766
		<u>606,930</u>	<u>397,097</u>
Total		<u><u>1,360,467</u></u>	<u><u>1,169,228</u></u>

Significant accounting policies and notes to the financial statements

2 to 22

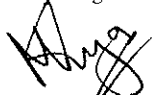
The accompanying notes form an integral part of this balance sheet

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No: 046882

Mumbai
21 July 2014

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



Director



Director

Mumbai
21 July 2014



Company Secretary

Deutsche Asset Management (India) Private Limited

Statement of profit and loss

for the year ended 31 March

(Currency: Indian rupee in thousands)

	Notes	2014	2013
I. Revenue from operations			
Fee Income	17	724,929	581,504
II. Other Income	18	64,234	64,129
III. Total Revenue (I + II)		<u>789,163</u>	<u>645,633</u>
IV. Expenses :			
Employee benefits expense	19	224,892	220,923
Finance costs	20	-	74
Depreciation and amortization expense	9	1,957	1,138
Other expenses	21	304,150	283,164
IV. Total Expenses		<u>530,999</u>	<u>505,299</u>
V. PROFIT BEFORE TAX		<u>258,164</u>	<u>140,334</u>
VI. Tax expenses :			
(1) Current Tax		89,000	32,000
(2) Deferred Tax	22.6	(500)	12,301
		<u>88,500</u>	<u>44,301</u>
VII. PROFIT FOR THE YEAR AFTER TAX		<u>169,664</u>	<u>96,033</u>
VIII. Earning per equity share (face value Rs.10 per share):	22.5		
(1) Basic		6.79	3.84
(2) Diluted		6.79	3.84

Significant accounting policies and notes to the financial statements 2 to 22

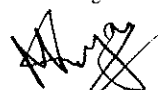
The accompanying notes form an integral part of Statement of profit and loss

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022




Manoj Kumar Vijai

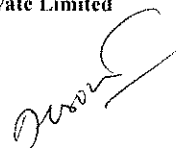
Partner

Membership No: 046882

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



Director



Director

Mumbai
21 July 2014

Mumbai
21 July 2014


Nehal Shah
Company Secretary

Deutsche Asset Management (India) Private Limited

Cash flow statement

for the year ended 31 March

(Currency: Indian rupee in thousands)

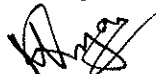
	2014	2013
A Cash flow from operating activities		
Profit before taxation	258,164	140,334
Adjustments for		
Depreciation	1,957	1,138
Interest income on investments	(9,884)	(11,452)
Interest income on fixed deposits	(41,095)	(39,194)
Interest expense	-	74
Gain on sale of investments	(13,255)	(10,275)
Dividend received from Mutual fund	-	(2,982)
Operating cash flow before working capital changes	<u>195,887</u>	<u>77,643</u>
Adjustments for		
(Increase) / decrease in trade receivables	(32,068)	(78,534)
(Increase) / decrease in short-term loans and advances	(18,242)	(15,071)
(Increase) / decrease in other assets	(21,574)	(89,496)
Decrease / (Increase) in long-term loans and advances	95,799	(95,931)
Increase / (decrease) in trade payables	9,927	(2,530)
(Decrease) / increase in other current liabilities	9,719	41,274
Increase / (decrease) in provisions	2,003	7,995
Cash generated from operations	<u>241,451</u>	<u>(154,650)</u>
Income taxes paid	(114,917)	(38,731)
Net cash (used) / provided by operating activities - A	<u>126,534</u>	<u>(193,381)</u>
B Cash flow from Investing Activities		
Interest received on fixed deposit	14,369	74,764
Purchase of mutual fund unit	(1,944,250)	(1,615,207)
Sale of mutual fund units	1,791,976	1,482,672
Purchase of fixed assets	(2,327)	(589)
Purchase of commercial paper	(440,116)	(238,548)
Sale of commercial paper	450,000	250,000
Investment in fixed deposit	-	(429,500)
Redemption of fixed deposit	-	829,000
Net cash provided / (used) by investing activities - B	<u>(130,348)</u>	<u>352,592</u>
C Cash flow from financing activities		
Repayment / (proceeds) of short term borrowings	-	(30,500)
Interim Dividend paid	-	(117,500)
Tax on interim dividend	-	(19,062)
Interest paid	(73)	(98)
Net cash provided by financing activities - C	<u>(73)</u>	<u>(167,160)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(A+B+C) (3,887)</u>	<u>(7,949)</u>
Cash and cash equivalents as at the beginning of the year (refer note 14)	5,751	13,700
Cash and cash equivalents as at the end of the year (refer note 14)	1,864	5,751

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No: 046882

Mumbai
21 July 2014

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

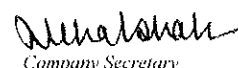


Director



Director

Mumbai
21 July 2014



Company Secretary

Deutsche Asset Management (India) Private Limited

Notes to financial statements

for the year ended 31 March 2014

(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 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 Deutsche Bank 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

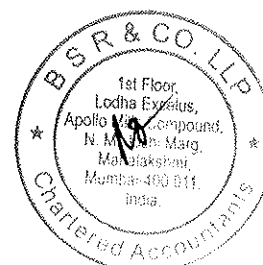
2.1 Basis of preparation of financial statements

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 2014

(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.

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:

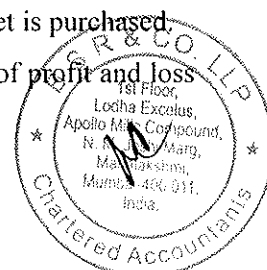
Class of asset	Rate of depreciation
Furniture, fixtures and office equipment	10%
Telecommunications equipment	20%
Computer (Hardware)	25%
Computer (Software)	33.33%

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 2014

(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.

2.6 Current-noncurrent classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the criteria:

It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle.

It is held primarily for the purpose of being traded.

It is expected to be realised within 12 months after the reporting date, or

It is Cash or cash equivalent unless it is restricted from being exchange or used to settled a liability for atleast 12 months after the reporting date.

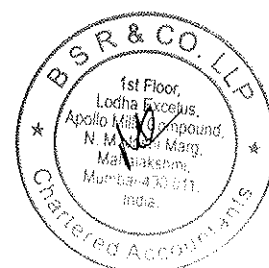
Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria.

It is expected to be settled in the company's normal operating cycle.

It is held primarily for the purpose of being traded.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

2 Significant accounting policies (Continued)

2.6 Current-noncurrent classification (Continued)

It is due to be settled within 12 months after the reporting date, or

The company does not have an unconditional right to defer the settlement of the liability for atleast 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current

2.7 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.

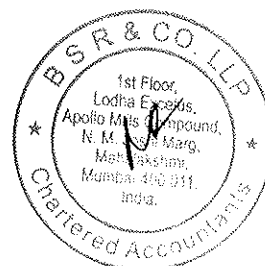
2.8 Staff benefits

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.

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.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (*Continued*)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

2 Significant accounting policies (*Continued*)

2.8 Staff benefits (*Continued*)

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.

2.9 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.

Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

2 Significant accounting policies (Continued)

2.9 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.

2.10 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.

2.11 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.

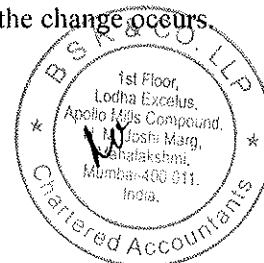
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing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

2.12 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 2014

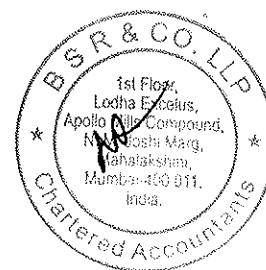
(Currency: Indian rupee in thousands)

2 Significant accounting policies (Continued)

2.13 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

(Currency: Indian rupee in thousands)

	2014	2013
--	------	------

3. Share capital

Authorised

50,000,000 (Previous year: 50,000,000) equity shares of Rs.10 each

500,000	500,000
---------	---------

Issued, subscribed and paid up

25,000,000 (Previous year: 25,000,000) equity shares of Rs. 10 each, fully paid up

250,000	250,000
---------	---------

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

25,000	25,000
--------	--------

At the end of the reporting year

25,000	25,000
--------	--------

Reconciliation for the amount of share capital

At the beginning of the reporting year

250,000	250,000
---------	---------

At the end of the reporting year

250,000	250,000
---------	---------

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

9,603	-
-------	---

Additions during the year - transfer from statement of profit and loss

-	9,603
---	-------

Closing balance

9,603	9,603
-------	-------

*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

700,396	750,528
---------	---------

Add: Profit for the current year

169,664	96,033
---------	--------

Appropriation during the year

Less: Transfer to general reserve

-	(9,603)
---	---------

Less: Interim dividend paid

-	(17,500)
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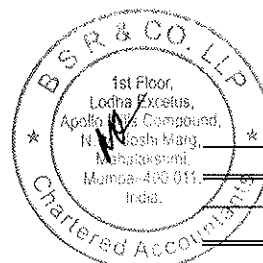
Less: Tax on interim dividend

-	(19,062)
---	----------

Balance in the Statement of profit and loss

870,060	700,396
---------	---------

879,663	709,999
---------	---------



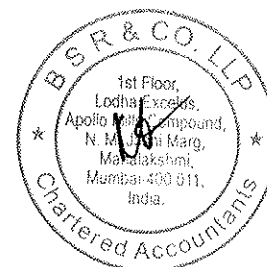
Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March

(Currency: Indian rupee in thousands)

	2014	2013
5. Long-term provisions		
Provisions for employee benefits		
- Gratuity	-	745
- Compensated absences	3,708	6,295
- Long service award	819	840
- Equity based and global shares purchase plan	1,125	1,449
	<u>5,652</u>	<u>9,329</u>
6. Trade payables		
Provision for accrued expenses	43,581	4,224
Payable to group companies	86,303	115,733
There are no amounts due to small scale industrial undertakings. (Previous year: Rs. Nil)	<u>129,884</u>	<u>119,957</u>
7. Other current liabilities		
Other liabilities (Includes statutory dues payable and others)	14,878	5,233
	<u>14,878</u>	<u>5,233</u>
8. Short-term provisions		
Provisions for employee benefits		
- Compensated absences	319	172
- Long service award	254	-
- Equity based and global shares purchase plan	1,809	1,435
- Bonus	16,474	11,569
Others		
Provision for income tax (net of advance tax Rs. 255,746 (Previous year Rs. 255,746))	61,534	61,534
	<u>80,390</u>	<u>74,710</u>



Deutsche Asset Management (India) Private Limited

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

(Currency: Indian rupee in thousands)

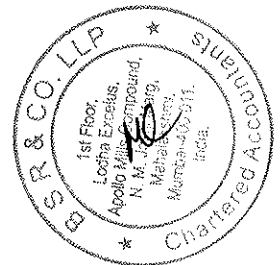
9. Fixed assets

i) Tangible assets

Description	As at			Gross Block			Depreciation			Net Carrying Value		
	1 April 2013	31 March 2014	1 April 2013	Additions	Deductions	31 March 2014	Charge for the year	Deductions	31 March 2014	As at 31 March 2014	As at 31 March 2013	
Leasehold improvements	2,283	2,283	912	-	-	2,283	248	-	1,160	1,123	1,371	
Furniture, fixtures and office equipment	6,122	6,122	5,162	-	-	6,122	457	-	5,619	503	960	
Telecommunications equipment	1,865	1,865	1,820	-	-	1,865	23	-	1,843	22	45	
Computer (hardware)	8,655	10,461	7,243	1,806	-	10,461	740	-	7,983	2,478	1,412	
TOTAL	18,925	20,731	15,137	1,806	-	20,731	1,468	-	16,605	4,126	3,788	
Previous year	19,977	18,925	16,028	589	1,641	18,925	750	1,641	15,137	3,788		

ii) Intangible assets

Description	As at			Gross Block			Amortisation			Net Carrying Value		
	1 April 2013	31 March 2014	1 April 2013	Additions	Deductions	31 March 2014	Charge for the year	Deductions	31 March 2014	As at 31 March 2014	As at 31 March 2013	
Computer software	4,783	5,304	4,394	521	-	5,304	489	-	4,883	421	389	
Licenses	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	4,783	5,304	4,394	521	-	5,304	489	-	4,883	421	389	
Previous year	4,783	4,783	4,006	-	-	4,783	388	-	4,394	389		



Deutsche Asset Management (India) Private Limited

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

(Currency: Indian Rupee in Thousands)

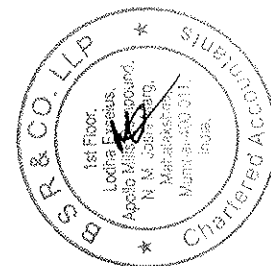
9. Fixed assets (Continued)

i) Tangible assets (Previous year)

Description	As at 1 April 2012			Gross Block			Depreciation			Net Carrying Value		
	As at 1 April 2012	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	As at 31 March 2012	As at 31 March 2012	
Leasehold improvements	2,283	2,283	863	-	-	2,283	49	-	912	1,371	1,420	
Furniture, fixtures and office equipment	6,122	6,122	4,811	-	-	6,122	351	-	5,162	960	1,311	
Telecommunications equipment	1,865	1,865	1,735	-	-	1,865	85	-	1,820	45	150	
Computer (hardware)	9,707	8,655	8,619	589	1,641	8,655	265	1,641	7,243	1,412	1,088	
TOTAL	19,977	18,925	16,028	589	1,641	18,925	750	1,641	15,137	3,788	3,949	
Previous year	18,882	19,977	14,284	1,583	488	19,977	2,232	488	16,028	-	3,949	

ii) Intangible assets (Previous year)

Description	As at 1 April 2012			Gross Block			Amortisation			Net Carrying Value		
	As at 1 April 2012	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	As at 31 March 2012	As at 31 March 2012	
Computer software	4,783	4,783	4,006	-	-	4,783	388	-	4,394	389	777	
Licenses	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	4,783	4,783	4,006	-	-	4,783	388	-	4,394	389	777	
Previous year	3,618	4,783	3,618	1,165	-	4,783	388	-	4,006	777	-	



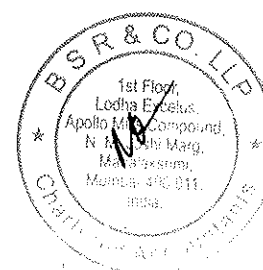
Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March

(Currency: Indian rupee in thousands)

	2014	2013
10. Long-term loans and advances		
(Unsecured, considered good)		
Others		
Security deposits	5,044	3,109
Advance brokerage	63,650	161,384
Advance tax (net of provision Rs. 311,207 (Previous year: Rs. 222,207))	189,435	163,519
	258,129	328,012
11. Other non-current assets		
Fixed deposit	404,000	404,000
Interest accrued on fixed deposits	43,742	17,016
Defined benefits gratuity fund	2,447	-
Prepaid expenses	32,945	11,699
	483,134	432,715
12. Current investments		
Current Investments (unquoted)		
Non Trade (Unquoted)		
2,763,113.252 units (Previous year: 1,410,815.876 units) of DWS Insta Cash Plus Fund	311,404	145,875
Total	311,404	145,875
Aggregated Market value of unquoted investment	316,674	147,784
2,763,113.252 Units of Rs.114.6076 each (Previous year: 1,410,815.876 units of Rs.104.7252) valued at Net Asset Value		



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March

(Currency: Indian rupee in thousands)

	2014	2013
13. Trade receivables		
(Less than six months - unsecured, considered good)		
From related party		
Investment advisory fees receivable - offshore	18,394	12,185
Others		
Portfolio management fees	255	1,404
Investment management fees	103,513	76,580
Investment advisory fees receivable - domestic	665	590
	<u>122,827</u>	<u>90,759</u>
14. Cash and bank balances		
Cash and cash equivalents		
- Balance with bank in current account	1,798	5,714
- Cash on hand	66	37
	<u>1,864</u>	<u>5,751</u>
15. Short-term loans and advances		
(Unsecured, considered good)		
Others		
Convat credit receivable	3,989	14,445
Prepaid expenses	36,199	7,501
	<u>40,188</u>	<u>21,946</u>
16. Other current assets		
Advance brokerage	128,894	128,928
Other receivables	1,230	989
Receivable from group companies	523	2,849
	<u>130,647</u>	<u>132,766</u>



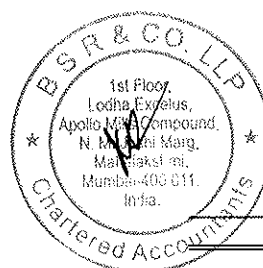
Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March

(Currency: Indian rupee in thousands)

	2014	2013
17. Fee Income		
Portfolio management services	1,716	2,789
Investment management fees	673,921	524,874
Investment advisory fees - offshore	43,467	48,441
Investment advisory fees - domestic	5,825	5,400
	<u>724,929</u>	<u>581,504</u>
18. Other income		
Dividend income	-	2,982
Gain on sale of investments	13,255	10,275
Interest income on fixed deposits	41,095	39,194
Interest income on investments	9,884	11,452
Miscellaneous income	-	226
	<u>64,234</u>	<u>64,129</u>
19. Employee benefits expense		
Salaries, bonus and allowances	218,929	206,695
Contribution to provident and other funds*	634	7,991
Expense on Employee stock award plan	2,350	2,528
Staff welfare expenses	2,979	3,709
	<u>224,892</u>	<u>220,923</u>
*Includes refund of Rs. 5,900/- from closed pension fund.		
20. Finance cost		
Interest expense		
- Borrowings	-	74
	<u>-</u>	<u>74</u>
21. Other expenses		
Rent	28,648	28,328
Repairs and maintenance - others	6,600	5,051
Insurance	783	1,408
Rates and taxes	557	352
Marketing, advertising and publicity	1,944	622
Scheme related expenses	79,441	34,549
Communication expenses	6,822	6,491
Global management charges	61,323	94,177
System and infrastructure support	49,859	52,116
Travel expenses	6,301	5,875
Professional and legal fees	40,491	41,458
Payments to the auditor		
As Auditor		
Statutory audit	536	465
Tax audit	231	201
For Other services	160	-
For Reimbursement of expenses	20	-
Service Tax	117	82
Directors sitting fees	210	195
Net loss on foreign currency transaction	15,906	4,661
Miscellaneous expenses	4,201	7,133
	<u>304,150</u>	<u>283,164</u>



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts

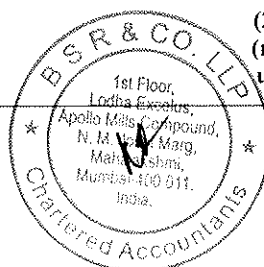
22.1 Staff benefits

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-14	31-Mar-13
Present value of defined benefit obligations at beginning of the year	9,255	7,123
Current service cost	1,498	1,160
Interest cost	723	564
Benefits paid	(198)	(1,379)
Actuarial loss / (gain) on obligations	(1,772)	1,787
Present value of defined benefit obligations at end of the year	9,506	9,255
Fair value of the plan assets at beginning of the year	8,510	7,413
Expected return on plan assets	790	603
Contributions	2,938	1,635
Benefits paid	(198)	(1,379)
Actuarial gain (loss) plan assets	(86)	238
Fair value of the plan assets at end of the year	11,953	8,510
Cost recognised for the period		
Current service cost	1,498	1,160
Interest cost	723	563
Expected return on plan assets	(790)	(603)
Net Actuarial (gain)/loss recognised in year	(1,686)	1,549
Expenses recognised in the statement of profit & loss	(255)	2,669
Actuarial assumptions used		
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	9.25% p.a.	7.90% 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 (based on past service)		10%
0 – 5 years	20%	
6 -10 years	15%	
Above 10 years	5%	
Mortality rate	IALM (2006-08) (modified ultimate)	IALM (2006-08) (modified ultimate)



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (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:

	2014	2013	2012	2011	2010
Defined benefit obligation	9,506	9,255	7,123	6,881	6,310
Plan assets	11,953	8,510	7,413	7,036	6,550
Surplus/(Deficit)	2,447	(745)	290	155	240
Experience adjustment on plan liabilities	(1,772)	1,549	(1,800)	(1,252)	1,818
Experience adjustment on plan assets	86	238	108	76	815

22.2 Segment Reporting

Primary Segment

The Company considers business segment (i.e. the Company acts as an investment manager to 'the Fund', it provides investment advisory and marketing advisory activity) as its primary segment considering the risks and rewards of the services offered, nature of services, management structure and system of financial reporting. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements.

Secondary Segment

Since business operations of the Company are substantially concentrated in India, and therefore there is no material reportable geographical segment.

22.3 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:

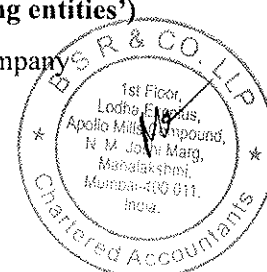
(A) Names of related parties by whom control is exercised ('Controlling entities')

Deutsche Bank AG (and its branches)

Ultimate Holding company

Deutsche India Holdings Private Limited

Holding company



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

(B) Key management personnel ('KMP')

Suresh Soni, Chief Executive Officer

(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

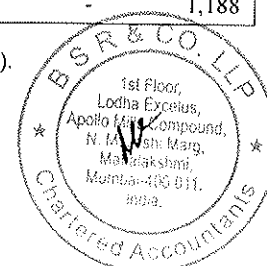
Nature of Related Party Transaction	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
Revenues/ Expenses				
Interest Income	41,095	9,884	39,194	11,452
Investment advisory fees – offshore	-	43,467	-	48,441
Reimbursement of expenses paid	-	-	-	247
Global management charges	51,587	9,736	81,358	12,819
Legal and professional charges received	-	-	-	2,576
System and Infrastructure support*	44,956	4,675	43,004	7,821
Rent paid	20,160	-	15,711	-
Interest expense	-	-	74	-
Scheme related expenses	-	6,744	-	1,188
Bank charges	49	-	20	-
Dividend paid	-	-	117,500	-

*Includes the various services offered by the group entities to the Company through service level agreement ('SLA').

(E) Balance outstanding as at 31 March 2014

Nature of outstanding	As at 31 March 2014		As at 31 March 2013	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
Receivable/ payables				
Interest accrued on fixed deposits	43,742	-	17,016	-
Balance in current account	1,736	-	5,622	-
Fixed deposit	404,000	-	404,000	-
Investment advisory fee Receivable – offshore	-	18,394	-	12,185
Payable to Group Companies*	72,793	24,669	92,068	24,802
Receivable from Group Companies	-	595	75	2,924
Equity based & global shares purchase plan	-	1,492	-	-
Fund accounting expense payable	-	618	-	1,188

* Payable to group companies are gross amount before Tax deducted at source (TDS).



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

22.3 Related parties (Continued)

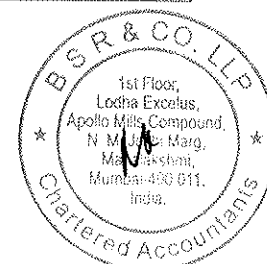
(F) Managerial remuneration

Particulars	2014	2013
Salary, bonus and allowances	32,908	29,964
Contribution to provident fund and other funds	663	613
Total	33,571	30,577

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:

	2014		2013	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Transactions with related parties				
Interest Income				
Deutsche Bank AG India Branches	41,095	-	39,194	-
Deutsche Investments India Private Limited	-	9,884	-	11,452
Investment advisory fees – offshore				
DWS Investment GmbH	-	43,467	-	48,441
Global management charges				
Deutsche Bank AG Frankfurt	28,580	-	20,125	-
Deutsche Bank AG Singapur	6,824	-	53,110	-
Deutsche Bank AG Hongkong	9,617	-	8,505	-
Deutsche Bank AG London	5,848	-	-	-
Deutsche Asset Management Group Limited	-	-	-	2,650
Deutsche Group Services Pty Limited	-	6,375	-	5,181
DWS Investment GmbH	-	-	-	4,913
Deutsche Bank (Suisse) SA	-	2,999	-	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

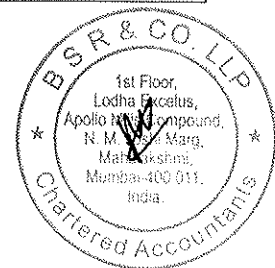
(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

22.3 Related parties (Continued)

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

	2014		2013	
	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	40,699		39,488	-
DBOI Global Services Private Limited		4,377	-	6,317
DB Services New Jersey, Inc.	-	-	-	1,982
Interest expense on Short term Borrowing				
Deutsche Bank AG India Branches	-	-	74	-
Rent				
Deutsche Bank AG India Branches	20,160	-	15,711	-
Reimbursement of expenses paid				
Deutsche Trustee Services (India) Private Limited	-	-	-	247
Scheme related expenses				
Deutsche Investor Services Private Limited	-	6,744	-	1,188
Bank charges				
Deutsche Bank AG India Branches	49	-	20	-
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 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

22.3 Related parties (Continued)

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

	2014		2013	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Balances with related parties				
Interest accrued on Bank deposits				
Deutsche Bank AG India Branches	43,742	-	17,016	-
Balance in Current Account				
Deutsche Bank AG India Branches	1,736	-	5,622	-
Equity based & global shares purchase plan				
DB Group Services (EURO)	-	1,492	-	-
Fixed deposit				
Deutsche Bank AG India Branches	404,000	-	404,000	-
Fund accounting expense payable				
Deutsche Investor Services Private Limited	-	618	-	1,188
Payable to group Companies				
Deutsche Bank AG Frankfurt	9,170	-	12,012	-
Deutsche Bank Aktiengesellschaft, Filiale Singapur	19,588	-	57,082	-
Deutsche Bank AG India Branches	27,973	-	11,608	-
Deutsche Bank Aktiengesellschaft, Filiale Hongkong	9,220	-	9,652	-
DBOI Global Services Private Limited	-	5,396	-	5,744
Deutsche Asset Management Group Limited	-	3,315	-	2,650
Deutsche Group Services Pty Limited	-	7,393	-	6,188
DWS Investment GmbH	-	2,623	-	7,589
Deutsche Bank (Suisse) SA	-	2,999	-	-
Receivable from Group Companies				
Deutsche Trustee Services (India) Private Limited	-	497	-	2,827
Investment advisory fees - offshore				
DWS Investment GmbH	-	18,394	-	12,185



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

22.4 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	2014	2013
Minimum lease payments for non cancellable lease		
- not later than one year	5,777	986
- later than one year and not later than five years	2,965	1,144
Total	8,742	2,130
Total of minimum lease payments recognised in statement of profit and loss	6,201	1,571

22.5 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.

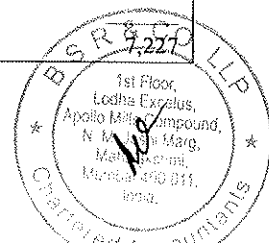
	2014	2013
a) Profit after tax (as per statement of profit and loss)	169,664	96,033
b) Weighted average number of equity shares (par value of Rs.10 each)		
Number of shares at the beginning of the year	25,000,000	25,000,000
Number of shares issued during the year	-	-
Total number of equity shares outstanding 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)	6.79	3.84

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

22.6 Deferred tax asset (net)

The major components of deferred taxes are as follows:

	2014	2013
Deferred tax asset		
Difference in written down value of fixed assets	712	844
Provision for bonus	5,599	3,932
Provision for Gratuity	-	253
Provision for compensated absence	1,369	2,198
Provision for accrued expenses	34	-
Deferred rental expenses	13	-
Deferred tax asset	7,727	7,227



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

22.7 Contingent liabilities and Capital Commitment

The capital commitment as on 31 March 2014 is Rs. Nil (Previous Year: Rs. Nil).

The Company has contingent liability towards Income Tax demands of Rs. 7,303 as of 31 March 2014 (Previous Year: Rs. 7,895).

22.8 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency:

	2014	2013
Expenditure incurred in foreign currency		
Global management charges	60,605	100,015
System and infrastructure support	4,553	5,045
Expense on employee stock award plan	2,350	2,528
Marketing, advertising and publicity	1,240	-
Total	68,748	107,588
Income earned in foreign currency		
Investment advisory fees – offshore	43,467	48,441
Total	43,467	48,441

Foreign currency exposure not covered by forward contracts:

		2014		2013	
		FCY Amount	INR Amount	FCY Amount	INR Amount
Receivables	EUR	220	18,394	172	12,185
Payables	EUR	634	52,566	1,275	93,413
	RUB	8	13	8	13
	SGD	135	6,452	110	4,455
	USD	43	2,560	39	2,102
	KRW	613	35	-	-
	JPY	121	71	-	-
	AUD	8	432	-	-

22.9 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.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

22.10 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.

22.11 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.

22.12 System and infrastructure support

System and infrastructure support included under Note 22.3 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.

22.13 Brokerage Expense (under Scheme related expenses)

The brokerage relating to open ended schemes of the new fund offer of mutual funds are charged in statement of profit and loss over the duration of load period and for close ended schemes it is recognised over the duration of the scheme.

22.14 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.

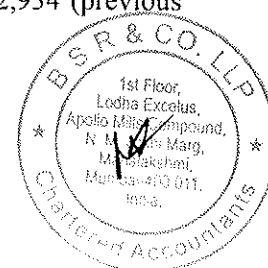
b. Nature and extent of Employee Share-based Payment Plans:

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. 2,350 (previous year Rs. 2,528) under Employee benefits expenses.

d. Liability on account of share based payment as at 31 March 2014 is Rs. 2,934 (previous year Rs. 2,884)



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

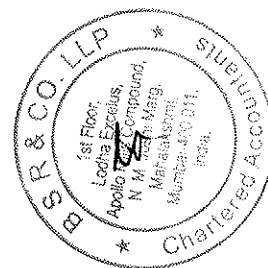
22.14 Share based payments (continued)

e. Reconciliation of number of shares during the year ended 31 March 2014 is as under

Vesting Schedule	2010: DB Restrictive Equity award Plan Equal vest in 9 tranches February, August, November 2011, 2012 and 2013	2011: DB Restrictive Equity award Plan Equal vest February 2012, 2013 and 2014	2012: DB Restrictive Equity award Plan Equal vest February 2013, 2014 and 2015	2013: DB Restrictive Equity award Plan Equal Vest February 2014, 2015 and 2016	2014 : DB Equity	2012: Global Share Purchase Plan	2013: Global Share Purchase Plan
Shares outstanding as on 1 April 2013	186.99	182.22	918.61	612.08	-	69.00	49.00
Granted during the year	-	-	-	-	519.54	-	-
Additional shares issued during the year	-	-	-	-	-	-	-
Vested during the year	186.99	182.22	459.30	204.07	-	69.00	-
Forfeited during the year	-	-	-	-	-	-	-
Shares outstanding as on 31 March 2014	-	-	459.30	408.01	519.54	-	49.00
Range of vesting price (Euro)	34.48 to 35.53	34.48 to 35.53	34.48 to 35.53	34.48 to 35.53	34.48 to 35.53	34.48 to 35.53	34.48 to 35.53

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

Vesting Schedule	2010: DB Restrictive Equity award Plan Equal vest in 9 tranches February, August, November 2011, 2012 and 2013	2011: DB Restrictive Equity award Plan Equal vest February 2012, 2013 and 2014	2012: DB Restrictive Equity award Plan Equal vest February 2013, 2014 and 2015	2013: DB Restrictive Equity award Plan Equal Vest February 2014, 2015 and 2016	2011: Global Share Purchase Plan	2012: Global Share Purchase Plan	2013: Global Share 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	38.493	-	-	69.00



Deutsche Asset Management (India) Private Limited

Notes to financial statements (*Continued*)

for the year ended 31 March 2014

(Currency: Indian rupee in thousands)

22 Notes to the accounts (*Continued*)

22.15 *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. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

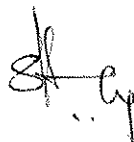


Manoj Kumar Vijai

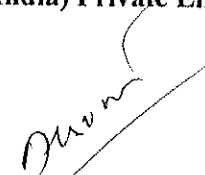
Partner

Membership No: 046882

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



Director



Director

Mumbai
21 July 2014

Mumbai
21 July 2014


Company Secretary