

A member of
Deutsche Bank Group



Deutsche Asset Management (India) Private Limited

Financial Statements for the year ended 31 March 2012
together with Auditor's Report

Deutsche Asset Management (India) Private Limited

Financial statements together with Auditors' Report

for the year ended 31 March 2012

<i>Contents</i>	<i>Page</i>
Auditors' Report	3 – 6
Balance sheet	7
Statement of profit and loss	8
Cash flow statement	9
Notes to the financial statements	10 – 30

Auditors' Report**To The Members of
Deutsche Asset Management (India) Private Limited**

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

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

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

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

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

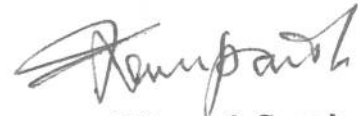


Auditors' Report (Continued)

Deutsche Asset Management (India) Private Limited

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

For **B S R & Co.**
Chartered Accountants
Firm's Registration No: 128032W



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
4 July 2012

Deutsche Asset Management (India) Private Limited

Annexure to Auditors' Report – 31 March 2012

(Referred to in our report of even date)

We report the following:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of 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. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
2. The Company's nature of operations does not require it to hold inventories. Accordingly, paragraph 4(ii) of the Order is not applicable.
3. According to the information and explanations 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.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the 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.
5. In our opinion and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Act.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Act, for any services rendered by the Company. Accordingly paragraph 4(viii) of the Order is not applicable.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Service tax, Cess 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 Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth tax, Customs duty and Excise duty as at 31 March 2012.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

Deutsche Asset Management (India) Private Limited

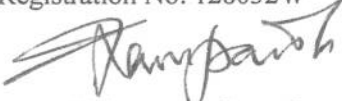
Annexure to Auditors' Report – 31 March 2012 (Continued)

- (c) According to the information and explanations given to us, the following dues of Income-tax have not been deposited by the Company since the Company is in the process of verifying the details of the income tax demands-

Name of the Statute	Nature of the Dues	Amount (Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	14.41	FY: 2010-11	Deputy commissioner of Income tax

10. The Company does not have any accumulated losses as at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. 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 debentureholders during the year.
12. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly paragraph 4(xiii) of the Order is not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. 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.
16. The Company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
18. 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.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues.
21. According to the information and explanations given to us, no significant fraud on or by the Company has been noticed or reported during year.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 128032W



N Sampath Ganesh
Partner

Membership No: 042554

Mumbai
4 July 2012

Deutsche Asset Management (India) Private Limited

Balance sheet

as at 31 March 2012

(Currency: Indian Rupee in Thousands)

	Notes	31-Mar-12	31-Mar-11
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	250,000	250,000
(b) Reserves and Surplus	4	750,528	689,532
		<u>1,000,528</u>	<u>939,532</u>
(2) NON-CURRENT LIABILITIES			
(a) Long-term provisions	5	8,133	7,311
		<u>8,133</u>	<u>7,311</u>
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	6	30,500	-
(b) Trade payables	7	4,737	3,791
(c) Other current liabilities	8	80,616	66,471
(d) Short-term provisions	9	6,826	9,515
		<u>122,679</u>	<u>79,777</u>
TOTAL		<u><u>1,131,340</u></u>	<u><u>1,026,620</u></u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	10.i	3,950	4,598
(ii) Intangible assets	10.ii	777	-
(b) Deferred tax assets (net)	24.6	19,528	5,260
(c) Long-term loans and advances	11	68,562	16,157
(d) Other non-current assets	12	95,303	89,845
		<u>188,120</u>	<u>115,860</u>
(2) CURRENT ASSETS			
(a) Current investments	13	83	194,885
(b) Trade receivables	14	12,225	13,214
(c) Cash and cash equivalents	15	817,200	649,021
(d) Short-term loans and advances	16	8,063	19,265
(e) Other current assets	17	105,649	34,375
		<u>943,220</u>	<u>910,760</u>
Total		<u><u>1,131,340</u></u>	<u><u>1,026,620</u></u>

Significant accounting policies and notes to the financial statements

2 to 24

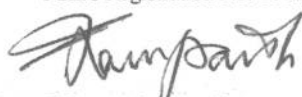
The accompanying notes form an integral part of this balance sheet

As per our report of even date attached.

For B S R & Co.

Chartered Accountants

Firm's Registration No: 101248W



N Sampath Ganesh

Partner

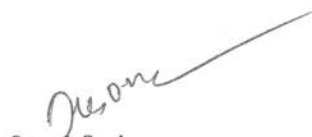
Membership No: 042554

Mumbai

4 July 2012

For Deutsche Asset Management (India) Private Limited

For and on behalf of the Board of Directors



Suresh Soni

Director



K. M. Gherda

Director



Nehal Shah

Company Secretary

Company Secretary

Deutsche Asset Management (India) Private Limited

Statement of profit and loss

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

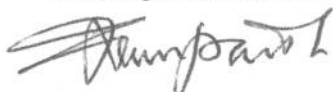
	Notes	31-Mar-12	31-Mar-11
I Revenue from operations			
(a) Fee Income	18	401,355	512,223
(b) Interest income	19	66,498	36,504
II. Other Income	20	1,475	1,807
III. Total Revenue (I + II)		<u>469,328</u>	<u>550,534</u>
IV. Expenses :			
Employee benefits expense	21	172,364	154,669
Finance costs	22	754	-
Depreciation and amortization expense	10	2,621	4,339
Other expenses	23	203,761	168,534
IV. Total Expenses		<u>379,500</u>	<u>327,542</u>
V. PROFIT BEFORE TAX		<u>89,828</u>	<u>222,992</u>
VI. Tax expenses :			
(1) Current Tax		43,100	65,641
(2) Deferred Tax	24.6	(14,268)	42,981
		<u>28,832</u>	<u>108,622</u>
VII. PROFIT FOR THE YEAR		<u>60,996</u>	<u>114,370</u>
VIII. Earning per equity share (face value Rs.10 per share):			
(1) Basic		2.44	4.57
(2) Diluted		2.44	4.57

Significant accounting policies and notes to the financial statements 2 to 24

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.
Chartered Accountants
Firm's Registration No: 101248W



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
4 July 2012

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



Suresh Soni
Director



K. M. Gherda
Director



Nehal Shah
Company Secretary

Deutsche Asset Management (India) Private Limited

Cash flow statement

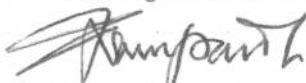
for the year ended 31 March 2012

(Currency: Indian Rupees in thousand)

	31-Mar-12	31-Mar-11
A Cash flow from operating activities		
Profit before taxation	89,828	222,993
Adjustments for		
Depreciation	2,621	4,338
Assets written off	-	6
(Profit)/Loss on sale of investments	-	28,101
Interest income on investments	(5,114)	-
Interest income on fixed deposits	(61,384)	(36,390)
Finance cost	24	-
Dividend received from Mutual fund	(933)	-
Operating cash flow before working capital changes	25,042	219,048
Adjustments for		
Decrease in trade receivables	989	74,213
Decrease/(Increase) in short-term loans and advances	11,202	(18,839)
(Increase) in other current assets	(123,435)	(19,876)
(Increase)/decrease in security deposits	(244)	-
Increase/(decrease) in trade payables	946	(4,155)
Increase/(decrease) in other current liabilities	14,145	(98,130)
(Decrease)/increase in provisions	(1,867)	4,166
Cash generated from operations	(73,222)	156,427
Income taxes paid	(48,560)	(136,220)
Net cash (used) / provided by operating activities - A	(121,782)	20,207
B Cash flow from Investing Activities		
Interest received	66,498	28,672
Dividend received	933	-
Purchase of fixed assets	(2,748)	(128)
Purchase of commercial paper	-	(194,885)
Sale of commercial paper	194,885	-
Purchase of Mutual Fund units	(83)	-
Purchase of NCD	-	(228,101)
Sale of NCD	-	200,000
Sale of fixed assets	-	210
Net cash provided /(used) by investing activities - B	259,485	(194,232)
C Cash flow from financing activities		
Short term borrowings	30,500	-
Finance cost	(24)	-
Net cash provided by financing activities - C	30,476	-
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 168,179	(174,025)
Cash and cash equivalents as at the beginning of the year (refer note 15)	649,021	823,046
Cash and cash equivalents as at the end of the year (refer note 15)	817,200	649,021

As per our report of even date attached.

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



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
4 July 2012

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



Suresh Soni
Director



K. M. Gherda
Director



Nehal Shah
Company Secretary

Deutsche Asset Management (India) Private Limited

Notes to financial statements (*Continued*)

for the year ended 31 March 2012

(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 estimated 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 2012

(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 average of daily Net Asset 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.

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.

Assets purchased and/or sold are depreciated on a pro-rata basis from the month in which they are purchased and/or sold.

Assets individually costing upto Rs.30,000 are fully charged in the year of purchase.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(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 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 Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the Statement of profit and loss.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

2 Significant accounting policies (Continued)

2.7 Staff benefits (Continued)

Gratuity

The Company provides for gratuity liability, which is a defined benefit scheme based on actuarial valuation, using the projected unit credit method at the balance sheet date conducted by an independent actuary.

Actuarial gain /loss are recognized immediately in the Statement of profit and loss.

Leave encashment

The Company provides for its leave encashment liability for its eligible employees, based on actuarial valuation of the leave encashment liability at the balance sheet date, carried out by an independent actuary.

Actuarial gains and losses are recognized immediately in the Statement of profit and loss.

Superannuation

Contributions payable towards superannuation fund which is a defined contribution scheme is charged to the Statement of profit and loss. During the year, the Company contributes a specified percentage of the eligible employees' basic salary to the fund.

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 at year-end. Provision for compensated absences includes provision for pre-retirement leave.

Stock Awards

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 a graded manner over an average period of one to three years. During the year, the Company has charged an amount pertaining to these under the head "Salaries, bonus, allowances and other benefits" as employee cost.

2.8 Taxation

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



Deutsche Asset Management (India) Private Limited

Notes to financial statements (*Continued*)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

2 Significant accounting policies (*Continued*)

2.8 Taxation (*Continued*)

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 recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

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 2012

(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 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 2012

(Currency: Indian Rupee in Thousands)

	31-Mar-12	31-Mar-11
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 Each holder of an equity share is entitled to one vote per share	<u>250,000</u>	<u>250,000</u>
(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.)		
Reconciliation of the number of shares		
At the beginning of the reporting period	<u>25,000</u>	<u>25,000</u>
At the end of the reporting period	<u>25,000</u>	<u>25,000</u>
Reconciliation for the amount of share capital		
At the beginning of the reporting period	<u>250,000</u>	<u>250,000</u>
At the end of the reporting period	<u>250,000</u>	<u>250,000</u>
4. Reserves and surplus		
Balance in the Statement of profit and loss		
Opening balance	689,532	575,163
Add: Profit for the current year	60,996	114,369
Balance in the Statement of profit and loss	<u>750,528</u>	<u>689,532</u>



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2012

(Currency: Indian Rupee in Thousands)

	31-Mar-12	31-Mar-11
5. Long-term provisions		
Provisions for employee benefits		
- Compensated absences	4,900	3,856
- Long service award	1,288	1,634
- Equity based and global shares purchase plan	1,945	1,821
	<u>8,133</u>	<u>7,311</u>
6. Short-term borrowings		
Secured		
Loans from related parties (secured by fixed deposits)	30,500	-
	<u>30,500</u>	<u>-</u>
7. Trade payables		
Provision for accrued expenses	4,737	3,791
	<u>4,737</u>	<u>3,791</u>
8. Other current liabilities		
Payable to group companies	70,327	56,347
Other liabilities	10,265	10,124
Interest accrued but not due on borrowings	24	0
	<u>80,616</u>	<u>66,471</u>
There are no amounts due to small scale industrial undertakings. (Previous year Rs Nil)		
9. Short-term provisions		
Provisions for employee benefits		
- Compensated absences	131	232
- Long service award	411	-
- Bonus	5,835	9,283
Others		
Other provisions	449	-
	<u>6,826</u>	<u>9,515</u>



Deutsche Asset Management (India) Private Limited

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

(Currency: Indian Rupee in Thousands)

10. Fixed assets

i) Tangible assets

Description	Gross Block			Depreciation			Net Carrying Value	
	As at 1 April 2011	As at 31 March 2012	As at 1 April 2011	For the year	Deductions	As at 31 March 2012	As at 31 March 2011	
		As at 31 March 2012						
Leasehold improvements	2,283	2,283	615	248	-	863	1,420	1,668
Furniture, fixtures and office equipment	6,122	6,122	4,205	606	-	4,811	1,311	1,917
Telecommunications equipment	1,843	1,865	1,622	129	16	1,735	130	221
Computer (hardware)	8,634	9,707	7,842	1,249	472	8,619	1,088	792
TOTAL	18,882	19,977	14,284	2,232	488	16,028	3,950	4,598
Previous year	22,417	18,882	15,102	2,627	3,445	14,284	-	-

ii) Intangible assets

Description	Gross Block			Depreciation			Net Carrying Value	
	As at 1 April 2011	As at 31 March 2012	As at 1 April 2011	For the year	Deductions	As at 31 March 2012	As at 31 March 2011	
		As at 31 March 2012						
Computer software	3,618	4,783	3,618	388	-	4,006	777	-
TOTAL	3,618	4,783	3,618	388	-	4,006	777	-
Previous year	4,238	3,618	2,531	1,711	624	3,618	-	-



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2012

(Currency: Indian Rupee in Thousands)

	31-Mar-12	31-Mar-11
11. Long-term loans and advances		
(Unsecured, considered good)		
Security deposits	3,462	3,218
Advance to distributors	65,100	12,939
	<u>68,562</u>	<u>16,157</u>
12. Other non-current assets		
Advance tax (net of provision Rs. 503,956)	95,303	89,845
	<u>95,303</u>	<u>89,845</u>



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2012

(Currency: Indian Rupee in Thousands)

	31-Mar-12	31-Mar-11
13. Current investments		
Current Investments (unquoted)		
8,266 units (Previous year: Nil) of DWS Insta Cash Plus Fund	83	-
Other Investments		
Commercial Papers		
Deutsche Investments India Private Limited	-	194,885
Total	<u>83</u>	<u>194,885</u>
[Market value as at 31st March Rs.83 (Previous year Rs.Nil)]	83	-



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2012

(Currency: Indian Rupee in Thousands)

	31-Mar-12	31-Mar-11
14. Trade receivables		
(Unsecured, considered good)		
Portfolio management fees	470	-
Investment management fees	10,621	11,930
Investment advisory fees receivable	1,134	1,284
	<u>12,225</u>	<u>13,214</u>
15. Cash and bank balances		
Cash and cash equivalents		
- Balance with bank in current account	13,281	15,541
- Cheques on hand	349	-
- Cash on hand	70	480
Other bank balances		
- Fixed deposit	803,500	633,000
	<u>817,200</u>	<u>649,021</u>
Balance in deposit account includes Rs.35,000 (Previous year Rs. NIL) under lien with bank.		
16. Short-term loans and advances		
(Unsecured, considered good)		
Cenvat credit receivable	2,812	6,971
Prepaid expenses	5,251	12,294
	<u>8,063</u>	<u>19,265</u>
17. Other current assets		
Interest accrued on bank deposits	52,586	26,295
Advance to distributors	51,785	3,127
Other receivables	780	4,953
Receivable from group companies	498	-
	<u>105,649</u>	<u>34,375</u>



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

	31-Mar-12	31-Mar-11
18. Fee Income		
Portfolio management services	2,028	2,640
Investment management fees	391,121	492,245
Investment advisory fees - offshore	5,131	15,538
Investment advisory fees - domestic	3,075	1,800
	<u>401,355</u>	<u>512,223</u>
19. Interest income		
Interest income on investments	5,114	114
Interest income on fixed deposits	61,384	36,390
	<u>66,498</u>	<u>36,504</u>
20. Other income		
Dividend income	933	-
Net gain on foreign currency transaction	-	1,553
Miscellaneous income	542	254
	<u>1,475</u>	<u>1,807</u>
21. Employee benefits expense		
Salaries, bonus and allowances	160,577	143,027
Contribution to provident and other funds	4,944	6,602
Expense on ESOP and ESPP	1,886	1,181
Staff welfare expenses	4,957	3,859
	<u>172,364</u>	<u>154,669</u>
22. Finance cost		
Interest expense		
- Borrowings	24	-
- Others	730	-
	<u>754</u>	<u>0</u>
23. Other expenses		
Rent	30,144	25,577
Repairs and maintenance - others	5,884	5,105
Insurance	782	3,339
Rates and taxes	5,901	1,685
Marketing, advertising and publicity	710	7,197
Scheme related expenses	17,574	23,016
Communication expenses	6,260	6,374
Global management charges	45,165	(26,262)
System and infrastructure support	32,164	37,157
Travel expenses	6,606	6,322
Professional and legal fees	39,564	45,084
Payments to the auditor		
As Auditor	733	698
For Reimbursement of expenses	-	-
Directors sitting fees	180	225
Net loss on foreign currency transaction	7,480	-
Loss on sale of investments	-	28,101
Miscellaneous expenses	4,614	4,916
	<u>203,761</u>	<u>168,534</u>



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

24 Notes to the accounts

24.1 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. Actuarial gain resulting into asset has not been recognised.

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-12	31-Mar-11
Present value of defined benefit obligations at beginning of the year	6,881	6,310
Current service cost	1,762	1,879
Interest cost	589	484
Benefits paid	(309)	(540)
Actuarial (gain)/ loss on obligations	(1,800)	(1,252)
Present value of defined benefit obligations at end of the year	7,123	6,881
Fair value of the plan assets at beginning of the year	7,036	6,550
Expected return on plan assets	578	543
Contributions	0	407
Benefits paid	(309)	(540)
Actuarial gain (loss) plan assets	108	76
Fair value of the plan assets at end of the year	7,413	7,036
Cost recognised for the period		
Current service cost	1,763	1,879
Interest cost	589	483
Expected return on plan assets	(578)	(543)
Net Actuarial (gain)/loss recognised in year	(1,908)	(1,327)
Expenses recognised in the statement of profit & loss	(135)	492
Actuarial assumptions used		
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	8.75% p.a	8.01% p.a
Expected return on plan assets	8% p.a	8% p.a
Salary escalation rate	10% p.a	15% p.a
Normal Retirement Age	60 Years	60 Years
Attrition rate	10% - age linked	15% - age linked
Mortality rate	LIC (94-96) Ultimate	LIC (94-96) Ultimate
Amortisation of Transitional Obligation	Immediate	Immediate
Amortisation of Actuarial Loss (Gain)	Immediate	Immediate



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

24 Notes to the accounts (Continued)

24.1 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 considered taken 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:

	2012	2011	2010	2009	2008
Defined benefit obligation	7,123	6,881	6,310	2,442	3,845
Plan assets	7,413	7,036	6,550	3,816	2,814
Surplus/(Deficit)	290	155	240	1,374	(1,031)
Exp. adj. on plan liabilities	(1,800)	(1,252)	1,818	(2,820)	(360)
Exp. adj. on plan assets	108	76	815	(627)	37

24.2 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.

24.3 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 2012

(Currency: Indian Rupee in Thousands)

24 Notes to the accounts (Continued)

24.3 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

(E) Transactions with related parties

Nature of Related Party Transaction	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
Revenues/ Expenses				
Interest Income	61,384	5,115	36,390	114
Investment advisory fees - offshore	5,130	-	15,538	-
Reimbursement of expenses		-		-
Global management charges	45,719	-	(25,352)	-
Legal and professional charges	-	-	356	-
System and Infrastructure support *	25,288	5,607	27,928	6,233
Staff welfare	63	-	-	-
Rent	16,068	-	15,975	-
Interest expense	24	-	-	-
Miscellaneous expenses	15	-	(3,160)	93

(F) Balance outstanding as at 31 March 2012

Nature of outstanding Receivable/ payables	As at 31 March 2012		As at 31 March 2011	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
Accrued Interest	52,586	-	26,295	-
Balance in current account	13,187	-	14,361	-
Deposit Account	803,500	-	633,000	-
Interest Accrued but not due	24	-	-	-
Investment in commercial paper	-	-	-	194,885
Investment advisory fee Receivable	507	-	1,284	-
Payable to Group Companies	65,158	5,169	52,470	3,876
Receivable from Group Companies	-	498	-	-
Short term loan	30,500	-	-	-

Notes:

1. Refer note 24.8 below for transaction with key management personnel
2. * Includes the various services offered by the Group entities to the Company through service level agreement (SLA).



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

24 Notes to the accounts (Continued)

24.3 Related parties (Continued)

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

	2012		2011	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Transactions with related parties				
Interest Income				
Deutsche Bank AG India Branches	61,384	-	36,390	-
Deutsche Investments India Private Limited	-	5,115	-	133
Investment advisory fees - offshore				
DWS Investment GmbH	5,130	-	15,416	-
Global management charges				
Deutsche Bank AG Frankfurt	18,560	-	(4,273)	-
Deutsche Bank Aktiengesellschaft, Asia Pacific HO	-	-	955	-
Deutsche Bank Aktiengesellschaft, Filiale Singapur	12,561	-	(11,683)	-
Deutsche Group Services Pty Limited	-	-	(4,504)	-
Deutsche Asset Management (UK) Limited	-	-	(977)	-
DWS Investment GmbH	-	-	(15,359)	-
Deutsche Bank Aktiengesellschaft, Filiale New York	-	-	4,960	-
Deutsche Bank Aktiengesellschaft, Filiale Hongkong	6,879	-	5,530	-
Staff welfare				
Deutsche Bank AG India Branches	63	-	-	-
Legal and professional charges				
Deutsche Bank Aktiengesellschaft, Inlandsbank	-	-	356	-
System and Infrastructure support				
Deutsche Bank AG India Branches	23,479	-	27,298	-
DBOI Global Services Private Limited	-	5,611	-	6,233
Deutsche Bank Aktiengesellschaft, Asia Pacific HO	-	-	580	-
Interest expense on Short term Borrowing				
Deutsche Bank AG India Branches	24	-	-	-
Miscellaneous expenses				
Deutsche Bank AG India Branches	15	-	-	-
DWS Investment GmbH	-	-	(3,160)	-
Rent				
Deutsche Bank AG India Branches	16,068	-	15,975	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

24 Notes to the accounts (Continued)

24.3 Related parties (Continued)

	2012		2011	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Balances with related parties				
Interest accrued on Bank deposits				
Deutsche Bank AG India Branches	52,586	-	26,295	-
Balance in Current Account				
Deutsche Bank AG India Branches	13,187	-	14,361	-
Fixed deposit				
Deutsche Bank AG India Branches	803,500	-	633,000	-
Investment in commercial paper				
Deutsche Investments India Pvt. Limited	-	-	-	194,885
Payable to group Companies				
Deutsche Bank Aktiengesellschaft, Inlandsbank	22,105	-	4,364	-
Deutsche Bank Aktiengesellschaft, Filiale Singapur	13,640	-	7,691	-
Deutsche Bank AG India Branches	9,518	-	15,114	-
Deutsche Bank Aktiengesellschaft, Filiale Hongkong	7,348	-	5,296	-
DBOI Global Services Private Limited	-	5,169	-	3,876
Deutsche Bank Aktiengesellschaft, Filiale New York	-	-	6,987	-
Receivable from Group Companies				
Deutsche Trustee Services (India) Private Limited	-	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	507	-	1,284	-

24.4 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	2012	2011
Minimum lease payments for non cancellable lease		
- not later than one year	919	1,407
- later than one year and not later than five years	-	919
- later than five years	-	-
Total	919	2,326
Total of minimum lease payments recognised in Statement of profit and loss	12,774	9,316

Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

24 Notes to the accounts (Continued)

24.5 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.

	2012	2011
a) Profit after tax (as per Statement of profit and loss)	60,996	114,370
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
Shares issued during the year (number of shares issued)	-	-
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)	25,000,00	25,000,00
c) Basic and diluted earnings per share (in rupees) (a/b)	2.44	4.57

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

24.6 Deferred tax asset (net)

The major components of deferred taxes are as follows:

	2012	2011
<u>Deferred tax asset</u>		
Written down value of fixed assets	880	883
Provision for bonus	1,893	3,012
Provision for compensated absence	1,632	1,326
Provision for accrued expenses	15,122	39
Deferred tax asset	19,528	5,260

24.7 Contingent liabilities and Capital Commitment

The capital commitment as on 31 March 2012 amounts to Rs. Nil (Previous Year: Rs. Nil).

The Company has contingent liability by way of penalty from Income Tax Authorities of Rs. 2,500 as of 31 March 2012 (Previous Year: Rs. Nil).

24.8 Managerial remuneration

Particulars	2012	2011
Salary, bonus and allowances	20,964	19,897
Contribution to provident fund and other funds	522	1,037
Total	21,486	20,934

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



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

24 Notes to the accounts (Continued)

24.9 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency:

	2012	2011
Expenditure incurred in foreign currency (on Payment basis)		
Global management charges	32,840	65,578
Legal and professional charges	-	385
Marketing, advertisement and publicity	-	876
Expense on ESOP and ESPP	2,278	-
Repairs and maintenance – others	-	11
Total	<u>35,118</u>	<u>66,850</u>
Income earned in foreign currency (on Receipt basis)		
Marketing advisory fees	-	4,392
Investment advisory fees	4,623	15,346
Total	<u>4,623</u>	<u>19,738</u>

24.10 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.

24.11 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.

24.12 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.

24.13 System and infrastructure support

System and infrastructure support included under Note 23 primarily comprise of support for business management and other infrastructure functions received from Deutsche Bank AG, India branches ('the Bank'). These have been accounted for in accordance with the service level agreements.

Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2012

(Currency: Indian Rupee in Thousands)

24 Notes to the accounts (Continued)

24.14 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)

c. Number of stock awards granted during the current year ended 31 March 2012

2012 DB equity plan 1,377.92 (previous year: 546.73)

2011 DB equity plan 546.73 (previous year: nil)

d. Method and assumptions for fair value of share awards

The fair value of share awards is equal to the value of the shares at the grant date.

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

During the year the Company has recognised an amount of Rs. 1,885 thousand (previous year Rs. 1,181 thousand) under Employee cost.

24.15 Previous comparatives

Previous year figures have been regrouped and reclassified wherever necessary to confirm with current year classification including the presentation in accordance with revised Schedule VI as notified under the Companies Act, 1956.

As per our report of even date attached

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



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
4 July 2012

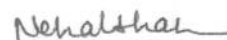
For Deutsche Asset Management (India) Private Limited



Suresh Soni
Director



K.M. Gherda
Director



Nehal Shah
Company Secretary