

Deutsche Asset Management (India) Private Limited

Financial Statements for the year ended 31 March 2015
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 2015

Deutsche Asset Management (India) Private Limited

Financial statements together with Auditors' Report

for the year ended 31 March 2015

<i>Contents</i>	<i>Page</i>
Auditors' Report	3 – 7
Balance sheet	8
Statement of profit and loss	9
Cash flow statement	10
Notes to the financial statements	11 – 37

BSR & Co. LLP

Chartered Accountants

1st Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 3989 6000
Fax +91 (22) 3090 2511

Independent Auditors' Report

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

Report on the Financial Statement

We have audited the accompanying financial statements of Deutsche Asset Management (India) Private Limited ("the Company"), which comprises the balance sheet as at 31 March 2015, 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 Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.



Independent Auditors' Report (Continued)

Deutsche Asset Management (India) Private Limited

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on financial statements.

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, of the state of affairs of the Company as at 31 March 2015, and its profit and its 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, 2015 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2015, from being appointed as a director in terms of section 164 (2) of the Act;

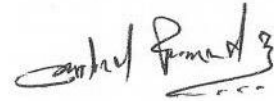


Independent Auditors' Report (Continued)

Deutsche Asset Management (India) Private Limited

- (f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations give to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer note 22.7 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts- Refer note 22.15 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Milind Ranade
Partner
Membership No:100564

Mumbai
3 June 2015

Deutsche Asset Management (India) Private Limited

Annexure to the Independent Auditors' Report - 31 March 2015

(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 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.
- (ii) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies or other parties covered in the register maintained under section 189 of the Act.
- (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. The activities of the Company do not involve any purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) 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 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the activities conducted/services rendered by the Company. Accordingly para 3(vi) of the Order is not applicable.
- (vii)
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
 - b) According to the information and explanations given to us, an amount of Rs.26,261,090 with respect to Income Tax assessment order pertaining to A.Y 2011-2012 is not deposited on account of dispute and the same is appealed with CIT (Appeals).
 - c) According to the information and explanations given to us, there are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (viii) 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.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to its bankers, debenture holders or to any other financial institution.

Deutsche Asset Management (India) Private Limited

Annexure to the Independent Auditors' Report – 31 March 2015 (Continued)

- (x) guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) 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



Milind Ranade

Partner

Membership No: 100564

Mumbai
3 June 2015

Deutsche Asset Management (India) Private Limited

Balance sheet

as at 31 March 2015

(Currency: Indian rupee in thousands)

	Notes	2015	2014
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	250,000	250,000
(b) Reserves and Surplus	4	<u>881,579</u>	<u>879,663</u>
		1,131,579	1,129,663
(2) NON-CURRENT LIABILITIES			
(a) Long-term provisions	5	<u>6,375</u>	<u>5,693</u>
		6,375	5,693
(3) CURRENT LIABILITIES			
(a) Trade payables	6	170,618	129,884
(b) Other current liabilities	7	12,159	14,837
(c) Short-term provisions	8	<u>78,494</u>	<u>80,390</u>
		261,271	225,111
TOTAL		<u>1,399,225</u>	<u>1,360,467</u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	9.i	2,433	4,126
(ii) Intangible assets	9.ii	297	421
(b) Non-current investments	10	7,500	-
(c) Deferred tax assets (net)	22.6	8,283	7,727
(d) Long-term loans and advances	11	236,713	258,129
(e) Other non-current assets	12	<u>451,833</u>	<u>483,134</u>
		707,059	753,537
(2) CURRENT ASSETS			
(a) Current investments	13	64,777	311,404
(b) Trade receivables	14	146,915	122,827
(c) Cash and bank balances	15	246,897	1,864
(d) Short-term loans and advances	16	139,100	40,188
(e) Other current assets	17	<u>94,477</u>	<u>130,647</u>
		692,166	606,930
Total		<u>1,399,225</u>	<u>1,360,467</u>

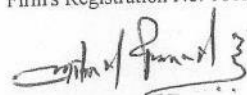
Significant accounting policies and notes to the financial statements

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



Milind Ranade
Partner
Membership No: 100564

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



Director
DIN 02265993

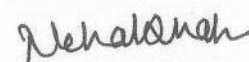


Director
DIN 00237125

Mumbai
03 June 2015

8

Mumbai
03 June 2015



Company Secretary

Deutsche Asset Management (India) Private Limited

Statement of profit and loss for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

	Notes	2015	2014
I. Revenue from operations			
Fee Income	18	858,518	724,929
II. Other Income	19	75,631	64,234
III. Total Revenue (I + II)		<u>934,149</u>	<u>789,163</u>
IV. Expenses :			
Employee benefits expense	20	242,138	224,892
Depreciation and amortization expense	9	2,381	1,957
Other expenses	21	459,570	304,150
IV. Total Expenses		<u>704,089</u>	<u>530,999</u>
V. PROFIT BEFORE TAX		<u>230,060</u>	<u>258,164</u>
VI. Tax expenses :			
(1) Current Tax		78,700	89,000
(2) Deferred Tax	22.6	(556)	(500)
		<u>78,144</u>	<u>88,500</u>
VII. PROFIT FOR THE YEAR AFTER TAX		<u>151,916</u>	<u>169,664</u>
VIII. Earning per equity share (face value Rs.10 per share):	22.5		
(1) Basic		6.08	6.79
(2) Diluted		6.08	6.79

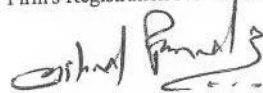
Significant accounting policies and notes to the financial statements

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



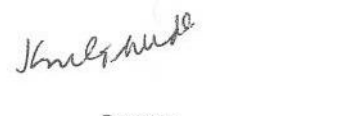
Milind Ranade
Partner
Membership No: 100564

Mumbai
03 June 2015

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



Director
DIN 02265993



Director
DIN 00237125

Mumbai
03 June 2015



Company Secretary

Deutsche Asset Management (India) Private Limited

Cash flow statement

for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

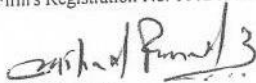
	2015	2014
A Cash flow from operating activities		
Profit before taxation	230,060	258,164
Adjustments for		
Depreciation	2,381	1,957
Assets written off	22	-
Net unrealised gain on foreign currency revaluation	(8,068)	(903)
Interest income on investments	-	(9,884)
Interest income on fixed deposits	(47,958)	(41,095)
Gain on sale of investments	(27,673)	(13,255)
Operating cash flow before working capital changes	148,764	194,984
Adjustments for		
Increase in trade receivables	(24,088)	(32,068)
Increase in short-term loans and advances	(98,912)	(18,242)
Increase decrease in other assets	(53,627)	(21,574)
Decrease in long-term loans and advances	42,890	95,799
Increase in trade payables	48,802	10,830
(Decrease) / increase in other current liabilities	(2,678)	9,719
(Decrease) / increase in provisions	(1,214)	2,003
Cash generated from operations	59,937	241,451
Income taxes paid	(100,175)	(114,917)
Net cash (used) / provided by operating activities - A	(40,238)	126,534
B Cash flow from Investing Activities		
Interest received on fixed deposit	15,056	14,369
Purchase of mutual fund unit	(923,300)	(1,944,250)
Sale of mutual fund units	1,190,100	1,791,976
Purchase of fixed assets	(585)	(2,327)
Purchase of commercial paper	-	(440,116)
Sale of commercial paper	-	450,000
Investment in fixed deposit	(92,500)	-
Net cash provided / (used) by investing activities - B	188,771	(130,348)
C Cash flow from financing activities		
Interim Dividend paid	(128,211)	-
Tax on interim dividend	(21,789)	-
Interest paid	-	(73)
Net cash provided by financing activities - C	(150,000)	(73)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,467)	(3,887)
Cash and cash equivalents as at the beginning of the year (refer note 15)	1,864	5,751
Cash and cash equivalents as at the end of the year (refer note 15)	397	1,864

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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



Milind Ranade
Partner


Membership No: 100564

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

Director
DIN


02265993

Director
DIN


00237125


Company Secretary

Mumbai
03 June 2015

Mumbai
03 June 2015

Deutsche Asset Management (India) Private Limited

Notes to financial statements for the year ended 31 March 2015

(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 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

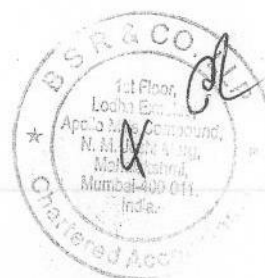
2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the Accounting Standards ("AS") notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

The financial statements have been prepared in accordance with the revised schedule III notified under the Companies Act 2013. ('The Act')

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 2015

(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 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

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 as prescribed by or at a rate higher than Schedule II to the Act, as given below:

Class of asset	Rate of depreciation
Furniture and fixtures	10%
Office equipment	20%
Computer (Hardware) – Servers and Networks*	25%
Computer (Hardware) – End user devices	33.33%
Computer (Software)	33.33%

* Rate higher rate than Schedule II

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 thousand 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 2015

(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 2015

(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 at least 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 Employee benefits expenses

Certain employees of the Company are on deputation basis from Deutsche Bank AG, India branches and other group Companies. Payments made to these entities by the Company towards salaries, provident fund / gratuity / pension/ leave encashment and other benefits of these employees, whose services are rendered to the Company on deputation basis, are regarded as Company's Employee benefits expenses.

Certain employees of the Company are on deputation basis to Deutsche Bank AG, India branches and other group Companies. Payments received by the Company towards salaries, provident fund / gratuity / pension/ leave encashment and other benefits of such employees are adjusted to Company's Employee benefits expenses.

2.9 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.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (*Continued*)

for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

2 Significant accounting policies (*Continued*)

2.9 Staff benefits (*Continued*)

Gratuity

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

Other benefits

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

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

Stock Award

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

2.10 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 2015

(Currency: Indian rupee in thousands)

2 Significant accounting policies (Continued).

2.10 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.

2.11 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.

2.12 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.

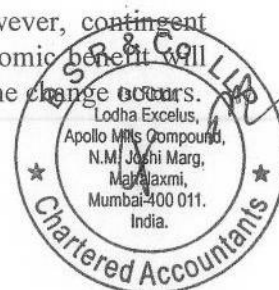
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing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

2.13 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 2015

(Currency: Indian rupee in thousands)

2 Significant accounting policies (*Continued*)

2.14 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 2015

(Currency: Indian rupee in thousands)

2015

2014

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

9,603

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

-

-

Closing balance

9,603

9,603

*It represents reserve created under Companies (Transfer of Profit to Reserves) Rules, 1975 erstwhile Act 1956.

Balance in the Statement of profit and loss

Opening balance

870,060

700,396

Add: Profit for the current year

151,916

169,664

Appropriation during the year

Less: Transfer to general reserve

(128,211)

Less: Interim dividend paid

(21,789)

Less: Tax on interim dividend

871,976

870,060

Balance in the Statement of profit and loss

881,579

879,663



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupee in thousands)

	2015	2014
5. Long-term provisions		
Provisions for employee benefits		
- Compensated absences	5,135	3,708
- Long service award	828	819
- Equity based plan	412	1,166
	<u>6,375</u>	<u>5,693</u>
6. Trade payables		
Provision for accrued expenses	62,611	43,581
Payable to group companies	108,007	86,303
There are no amounts due to small scale industrial undertakings. (Previous year: Rs. Nil)	<u>170,618</u>	<u>129,884</u>
7. Other current liabilities		
Other liabilities (Includes statutory dues payable and others)	12,159	14,837
	<u>12,159</u>	<u>14,837</u>
8. Short-term provisions		
Provisions for employee benefits		
- Compensated absences	288	319
- Long service award	310	254
- Equity based and global shares purchase plan	1,061	1,809
- Bonus	15,301	16,474
Others		
Provision for income tax (net of advance tax Rs. 255,746 (Previous year Rs. 255,746))	61,534	61,534
	<u>78,494</u>	<u>80,390</u>



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency: Indian rupee in thousands)

9. Fixed assets

i) Tangible assets

Description	As at		Gross Block		Depreciation		Net Carrying Value	
	1 April 2014	31 March 2015	Additions	Deductions	Charge for the year	Deductions	31 March 2015	As At 31 March 2014
Leasehold improvements	2,482	2,482	-	-	233	-	890	1,123
Furniture and fixtures	5,031	5,031	-	-	275	-	130	405
Office equipment	1,421	1,421	-	-	98	908	1,413	2,501
Computer Hardware - End User Devices	10,038	9,593	486	931	1,551	35	-	-
Computer Hardware - Servers & Networks	2,133	2,098	-	35	-	-	2,098	-
TOTAL	21,105	20,625	486	966	2,157	943	18,192	4,127
Previous year	18,925	20,731	1,806	-	1,468	-	16,605	4,127

ii) Intangible assets

Description	As at		Gross Block		Amortisation		Net Carrying Value	
	1 April 2014	31 March 2015	Additions	Deductions	Charge for the year	Deductions	31 March 2015	As At 31 March 2014
Computer software	5,304	5,403	99	-	223	-	297	421
TOTAL	5,304	5,403	99	-	223	-	297	421
Previous year	4,783	5,304	521	-	489	-	4,883	421



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian Rupee in Thousands)

9. Fixed assets (Continued)

i) Tangible assets (Previous year)

Description	As at		Gross Block		Depreciation		Net Carrying Value	
	1 April 2013	31 March 2014	Additions	Deductions	Charge for the year	Deductions	31 March 2014	As at 31 March 2013
Leasehold improvements	2,283	2,283	-	-	248	-	1,123	1,371
Furniture, fixtures and office equipment	6,122	6,122	-	-	457	-	503	960
Telecommunications equipment	1,865	1,865	-	-	23	-	22	45
Computer (hardware)	8,655	10,461	1,806	-	740	-	7,983	1,412
TOTAL	18,925	20,731	1,806	-	1,468	-	16,605	3,788
Previous year	19,977	18,925	589	1,641	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	Additions	Deductions	Charge for the year	Deductions	31 March 2014	As at 31 March 2013
Computer software	4,783	5,304	521	-	489	-	4,883	389
TOTAL	4,783	5,304	521	-	489	-	4,883	389
Previous year	4,783	4,783	-	-	388	-	4,394	389



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupee in thousands)

	2015	2014
10. Non-current investments		
Unquoted		
Mutual fund Investments		
DWS Arbitrage Fund - Direct Plan- Growth 500,000 units of Rs 10 per unit (Previous Year: Nil)	5,000	-
DWS Corporate Debt Opportunities Fund - Direct Plan - Growth 250,000 units of Rs 10 per unit (Previous Year: Nil)	2,500	-
Total	<u>7,500</u>	<u>-</u>
Aggregated Market value of unquoted investment	7,949	-
11. Long-term loans and advances		
(Unsecured, considered good)		
Others		
Security deposits	4,664	5,044
Advance brokerage	21,140	63,650
Advance tax (net of provision Rs. 389,907 (Previous year. Rs. 311,207))	210,909	189,435
	<u>236,713</u>	<u>258,129</u>
12. Other non-current assets		
Fixed deposit (due to mature after 12 months from the reporting date)	250,000	404,000
Interest accrued on fixed deposits	33,816	43,742
Defined benefits gratuity fund	1,012	2,447
Prepaid expenses	167,005	32,945
	<u>451,833</u>	<u>483,134</u>
13. Current investments		
Current Investments (unquoted)		
Non Trade (Unquoted)		
DWS Insta Cash Plus Fund - Direct Plan - Annual Dividend 525,518.815 units of Rs 123.2632 per units (Previous Year: 2,763,113.25 units of Rs 112.70)	64,777	311,404
	<u>64,777</u>	<u>311,404</u>
Total	65,678	316,674
Aggregated Market value of unquoted investment		



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency: Indian rupee in thousands)

	2015	2014
14. Trade receivables		
(Less than six months - unsecured, considered good)		
From related party		
Investment advisory fees receivable - offshore	17,997	18,394
Others	6,895	255
Portfolio management fees	121,848	103,513
Investment management fees	175	665
Investment advisory fees receivable - domestic		
	146,915	122,827
15. Cash and bank balances		
Cash and cash equivalents	366	1,798
- Balance with bank in current account	31	66
- Cash on hand		
Other Bank Balance	246,500	
Fixed deposit (due to mature before 12 months from reporting date)		
	246,897	1,864
16. Short-term loans and advances		
(Unsecured, considered good)		
Others	2,868	3,989
Cenvat credit receivable	136,232	36,199
Prepaid expenses		
	139,100	40,188
17. Other current assets		
Advance brokerage	49,964	128,894
Other receivables	601	1,230
Receivable from group companies	1,084	523
Interest accrued on fixed deposits	42,828	-
	94,477	130,647



Deutsche Asset Management (India) Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

	2015	2014
18. Fee Income		
Portfolio management services (net)	6,675	1,716
Investment management fees	807,235	673,921
Investment advisory fees	44,608	49,292
	<u>858,518</u>	<u>724,929</u>
19. Other income		
Gain on sale of investments	27,673	13,255
Interest income on fixed deposits	47,958	41,095
Interest income on investments	-	9,884
	<u>75,631</u>	<u>64,234</u>
20. Employee benefits expense		
Salaries, bonus and allowances	229,080	218,929
Contribution to provident and other funds*	8,673	634
Expense on Employee stock award plan	1,949	2,350
Staff welfare expenses	2,436	2,979
	<u>242,138</u>	<u>224,892</u>
*Includes refund of Rs. 5,900/- from closed pension fund in previous year.		
21. Other expenses		
Rent	46,563	28,648
Repairs and maintenance - others	5,939	6,600
Insurance	1,626	783
Rates and taxes	143	557
Marketing, advertising and publicity	1,188	1,944
Scheme related expenses	208,860	79,441
Communication expenses	8,765	6,822
Global management charges	78,439	60,464
System and infrastructure support	52,128	50,718
CSR Expense	500	-
Travel expenses	6,206	6,301
Professional and legal fees	43,347	40,491
Payments to the auditor		
As Auditor		
Statutory audit	579	536
Tax audit	231	231
For Other services	686	160
For Reimbursement of expenses	15	20
Service Tax	187	117
Directors sitting fees	270	210
Net (gain) / loss on foreign currency transaction	(230)	15,906
Loss on assets written off	22	-
Miscellaneous expenses	4,107	4,201
	<u>459,570</u>	<u>304,150</u>



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

22 Notes to the accounts

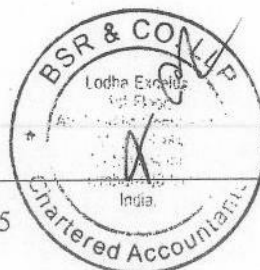
22.1 Staff benefits

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-15	31-Mar-14
Present value of defined benefit obligations at beginning of the year	9,506	9,255
Current service cost	1,200	1,498
Interest cost	811	723
Benefits paid	(1,467)	(198)
Actuarial loss / (gain) on obligations	1,103	(1,772)
Present value of defined benefit obligations at end of the year	11,153	9,506
Fair value of the plan assets at beginning of the year	11,953	8,510
Expected return on plan assets	898	790
Contributions	0	2,938
Benefits paid	(1467)	(198)
Actuarial gain (loss) plan assets	781	(86)
Fair value of the plan assets at end of the year	12,165	11,953
Cost recognised for the period		
Current service cost	1,200	1,498
Interest cost	811	723
Expected return on plan assets	(898)	(790)
Net Actuarial (gain)/loss recognised in year	322	(1,686)
Expenses recognised in the statement of profit & loss	1,435	(255)
Actuarial assumptions used		
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	7.90% p.a.	9.25% 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)		
0 - 5 years	20%	20%
6 - 10 years	15%	15%
Above 10 years	5%	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 2015

(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:

	2015	2014	2013	2012	2011
Defined benefit obligation	11,153	9,506	9,255	7,123	6,881
Plan assets	12,165	11,953	8,510	7,413	7,036
Surplus/(Deficit)	1,012	2,447	(745)	290	155
Experience adjustment on plan liabilities	(1,103)	(1,772)	1,549	(1,800)	(1,252)
Experience adjustment on plan assets	781	86	238	108	76

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 2015

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

(B) Key management personnel ('KMP')

Suresh Soni, Chief Executive Officer

(C) Fellow subsidiaries with whom transactions have taken place / balances during the year:

Deutsche Trustee Services (India) Private Limited

DBOI Global Services Private Limited

Deutsche Investments India Private Limited

Deutsche Investor Services Private Limited

Deutsche Equities India Private Limited

Deutsche Securities (India) Private Limited

DB Global Technology, Inc.

DB Services New Jersey, Inc.

DB Group Services (EURO)

Deutsche Asset Management Group Limited

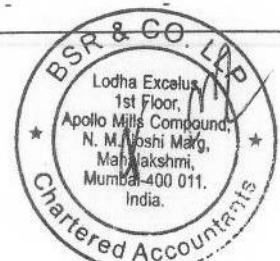
Deutsche Group Services Pty Limited

Deutsche Investment Management Americas Inc.

Deutsche Asset & Wealth Management Investment GmbH

(D) Transactions with related parties

Nature of Related Party Transaction	For the year ended 31 March 2015		For the year ended 31 March 2014	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
Revenues/ Expenses				
Interest Income	47,958	-	41,095	9,884
Investment advisory fees – offshore	-	41,401	-	43,467
Portfolio management services	12,192	-	-	-
Global management charges	73,881	4,556	53,868	6,596
System and Infrastructure support*	47,464	4,627	45,674	4,816
Rent paid	5,698	33,431	20,160	-
Scheme related expenses	-	7,781	-	6,744
Bank charges	78	-	49	-
Expense on Employee stock award plan	-	1,949	-	2,350
Dividend paid	128,211	-	-	-
Derivative MTM Loss	5,909	-	-	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

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

(E) Balance outstanding as at 31 March 2015

Nature of outstanding	As at 31 March 2015		As at 31 March 2014	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
Interest accrued on fixed deposits	76,644	-	43,742	-
Balance in current account	366	-	1,736	-
Fixed deposit	496,500	-	404,000	-
Investment advisory fee Receivable – offshore	-	17,997	-	18,394
Payable to Group Companies*	92,520	32,700	72,793	25,287
Receivable from Group Companies	-	1,086	-	595
Other Receivable	-	556	-	975
Equity based & global shares purchase plan	-	1,473	-	2,975

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

(F) Managerial remuneration

Particulars	2015	2014
Salary, bonus and allowances	32,234	32,908
Contribution to provident fund and other funds	726	663
Total	32,960	33,571

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 2015

(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:

	2015		2014	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Transactions with related parties				
Interest Income				
Deutsche Bank AG India Branches	47,958	-	41,095	-
Deutsche Investments India Private Limited	-	-	-	9,884
Investment advisory fees – offshore				
DWS Investment GmbH	-	41,401	-	43,467
Global management charges				
Deutsche Bank AG Frankfurt	26,248	-	28,580	-
DB AG Asia Pacific HO	9,001	-	-	-
Deutsche Bank AG Singapore	14,888	-	6,824	-
Deutsche Bank AG Hongkong	18,979	-	9,617	-
Deutsche Bank AG London	-	-	5,848	-
Deutsche Asset Management Group Limited	-	-	-	-
Deutsche Group Services Pvt Limited	-	-	-	6,375
Deutsche Bank Suisse SA	-	-	-	2,999
System and Infrastructure support				
Deutsche Bank AG India Branches	40,659	-	41,417	-
Portfolio management services Expenses				
Deutsche Bank AG India Branches	12,192	-	-	-
Rent				
Deutsche Bank AG India Branches	5,698	-	20,160	-
Deutsche Equities India Pvt Ltd	-	32,399	-	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(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)

	2015		2014	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Scheme related expenses				
Deutsche Investor Services Private Limited	-	7,781	-	6,744
Bank charges				
Deutsche Bank AG India Branches	78	-	49	-
Dividend paid				
Deutsche India Holdings Private Limited	128,211	-	-	-
Derivative MTM Loss				
Deutsche Bank AG India Branches	• 5,909			



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

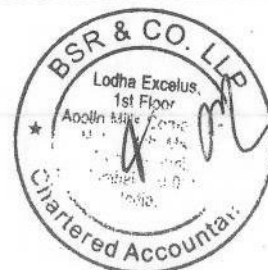
(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

22.3 Related parties (Continued)

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

	2015		2014	
	Controlling Entities	Fellow subsidiary	Controlling Entities	Fellow subsidiary
Balances with related parties				
Interest accrued on Bank deposits				
Deutsche Bank AG India Branches	76,644	-	43,742	-
Balance in Current Account				
Deutsche Bank AG India Branches	366	-	1,736	-
Equity based & global shares purchase plan				
DB Group Services (EURO)	-	1,667	-	1,492
Fixed deposit				
Deutsche Bank AG India Branches	496,500	-	404,000	-
Payable to group Companies				
Deutsche Bank AG Frankfurt	-	-	9,170	-
Deutsche Bank Aktiengesellschaft, Filiale Singapore	21,270	-	19,588	-
Deutsche Bank AG India Branches	24,331	-	27,973	-
Deutsche Bank Aktiengesellschaft, Filiale Hongkong	20,472	-	9,220	-
DBOI Global Services Private Limited	-	-	-	5,396
Deutsche Asset Management Group Limited	-	-	-	3,315
Deutsche Group Services Pty Limited	-	-	-	7,393
DWS Investment GmbH	-	-	-	2,623
Deutsche Bank (Suisse) SA	-	-	-	2,999
Receivable from Group Companies				
Deutsche Trustee Services (India) Private Limited	-	1,086	-	497
Other Receivable				
DB Group Services (EURO)	-	556	-	975
Investment advisory fees - offshore				
DWS Investment GmbH	-	17,997	-	18,394



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(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	2015	2014
Minimum lease payments for non cancellable lease		
- not later than one year	5,795	5,777
- later than one year and not later than five years	2,387	2,965
Total	<u>8,182</u>	<u>8,742</u>
Total of minimum lease payments recognised in statement of profit and loss	<u>5,851</u>	<u>6,201</u>

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.

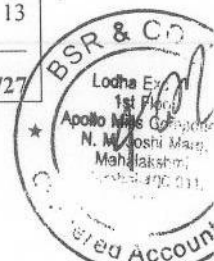
	2015	2014
a) Profit after tax (as per statement of profit and loss)	151,916	169,664
b) Weighted average number of equity shares (par value of Rs.10 each)		
Number of shares at the beginning of the year	25,000,000	25,000,000
Number of shares issued during the year	-	-
Total number of equity shares outstanding 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)	6.08	6.79

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:

	2015	2014
Deferred tax asset		
Difference in written down value of fixed assets	1,004	712
Provision for bonus	5,295	5,599
Provision for Gratuity	-	-
Provision for compensated absence	1,877	1,369
Provision for accrued expenses	-	34
Deferred rental expenses	107	13
Deferred tax asset	<u>8,283</u>	<u>7,727</u>



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

22.7 Contingent liabilities and Capital Commitment

The investment commitment as on 31 March 2015 is Rs. 96,500 (Previous Year: Rs. Nil).

The Company has contingent liability towards Income Tax demands of Rs.16,147 as of 31 March 2015 (Previous Year: Rs. 7,303).

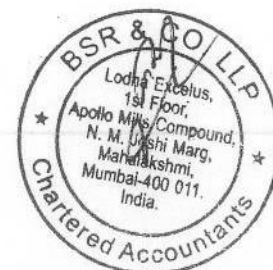
22.8 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency:

	2015	2014
Expenditure incurred in foreign currency		
Global management charges	78,439	60,464
System and infrastructure support	6,836	4,694
Expense on employee stock award plan	1,949	2,350
Marketing, advertising and publicity	769	1,240
Total	59,496	68,748
Income earned in foreign currency		
Investment advisory fees – offshore	41,401	43,467
Total	41,401	43,467

Foreign currency exposure not covered by forward contracts:

		2015		2014	
		FCY Amount	INR Amount	FCY Amount	INR Amount
Receivables	EUR	259	17,997	220	18,394
	AUD	8	383	-	-
Payables	EUR	434	29,153	634	52,566
	RUB	8	8	8	13
	SGD	98	4,470	135	6,452
	USD	43	2,669	43	2,560
	KRW	613	35	613	35
	JPY	121	63	121	71
	AUD	-	-	8	432



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

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 by management 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.

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.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

22 Notes to the accounts (Continued)

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.1,949 (previous year Rs. 2,350) under Employee benefits expenses.

d. Liability on account of share based payment as at 31 March 2015 is Rs.1,473 (previous year Rs. 2,975)



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(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 2015 is as under

Vesting Schedule	2012: DB Restrictive Equity award Plan	2013: DB Restrictive Equity award Plan	2014: DB Restrictive Equity award Plan	2015: DB Restrictive Equity award Plan	2014: Global Share Purchase Plan	2013: Global Share Purchase Plan
Shares outstanding as on 1 April 2014	459.31	408.01	519.54	-	-	49.00
Granted during the year	22.28	19.49	25.2	979.41	79	-
Additional shares issued during the year	-	-	-	-	-	-
Vested during the year	481.59	213.91	181.62	-	-	49.00
Forfeited during the year	-	-	-	-	-	-
Shares outstanding as on 31 March 2015	-	213.89	363.12	979.41	79	-
Range of vesting price (Euro)	24.875 to 26.08	24.875 to 26.08	24.875 to 26.08	24.875 to 26.08	24.875 to 26.08	24.875 to 26.08

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

Vesting Schedule	2010: DB Restrictive Equity award Plan	2011: DB Restrictive Equity award Plan	2012: DB Restrictive Equity award Plan	2013: DB Restrictive Equity award Plan	2014: DB Restrictive Equity award Plan	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



Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupee in thousands)

22.15 Long term contract

The Company has reviewed long term contracts, including derivative contracts to assess for material foreseeable losses. At the year end, adequate provision for material foreseeable losses on such long term contracts, including derivative contracts has been made in the books of account as per the accounting policy of the Company.

22.16 CSR Expenditure

- (a) Gross amount required to be spent by the company during the year Rs. 3,232,000
(b) Amount spent during the year on (In thousand)

		In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	500	Nil	500

22.17 Change in Depreciation

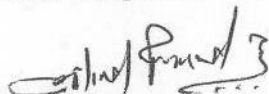
During the current year, the Company has aligned its rates to or higher than Schedule II of the Companies Act 2013. It has further classified its asset class Computer Hardware as required in the Schedule II into Computer (Hardware) – Servers and Networks and Computer (Hardware) – End user devices based on the asset code available. Further it has classified its asset class Telecommunication Equipment into Computer (Hardware) – End user devices.

In case of Computer (Hardware) – Servers and Networks it has kept its rates higher than as required by Schedule II since it believes that the useful life estimated for Servers and Network is consistent with its global policy and the useful life for 4 years takes into account

- Original Equipment Manufacturer (OEM) keeps on refreshing the technologies
- Spare availability & Support commitment
- In future, any Interfacing infrastructure & applications may or may not be compatible to a older infrastructure setup.


The impact of the above changes is that its depreciation for the FY 14-15 is higher by Rs 65 thousand.

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022




Milind Ranade
Partner
Membership No: 100564

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



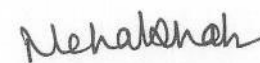
Director
DIN 02265993



Director
DIN 00237125

Mumbai
3 June 2015

Mumbai
3 June 2015



Nehal Shah
Company Secretary