

ANNUAL REPORT
2016- 2017

DSP BLACKROCK
INVESTMENT MANAGERS

**Notice of Twenty-First Annual General Meeting of
DSP BlackRock Investment Managers Private Limited**

Notice is hereby given that the Twenty-First Annual General Meeting of the Members of the DSP BlackRock Investment Managers Private Limited will be held on Thursday, September 7, 2017 at 11:00 a.m. at Kanha, Board Room, Mafatlal Centre, 10th Floor, Nariman Point, Mumbai - 400021 to transact the following business -

Ordinary Business:

- (1) To consider and adopt:
 - (a) the audited Standalone financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited Consolidated financial statement of the Company for the financial year ended March 31, 2017.
- (2) To appoint Auditors of the Company and fix their remuneration, by passing the following resolution with or without modification(s) as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), be and is hereby re-appointed as Auditors of the Company to hold office from the ensuing Twenty-First Annual General Meeting ('AGM') till the conclusion of the Twenty-Sixth Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), at such remuneration plus GST as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.”

Special Business:

- (3) To approve appointment of Mr. Andrew Reynolds(DIN: 02687137),who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013, as a Director of the Company and to consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT Mr. Andrew Reynolds (DIN: 02687137), who was appointed as an Additional Director of the Company by the Board of Directors with effect

from February 7, 2017 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires on the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

**BY ORDER OF THE BOARD OF DIRECTORS
OF THE COMPANY**

Sd/-
**PRITESH MAJMUDAR (Dr.)
COMPANY SECRETARY**

REGISTERED OFFICE:
Mafatlal Centre, 10th Floor, Nariman Point,
Mumbai - 400 021

Place: Mumbai
Date: August 8, 2017

NOTES:

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY IS REQUIRED TO BE A MEMBER.
- (ii) Instrument of proxy, for use at the above meeting, must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the Meeting.
- (iii) Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, under Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
- (iv) Explanatory statement pursuant to Section 102 of Companies Act, 2013, for Item No. 3 is annexed and forms part of this notice
- (v) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the company on all working days, except Saturdays, during business hours up to the date of the AGM.
- (vi) The Statutory Registers maintained by the Company under the provisions of the Companies Act, 2013, will be available for inspection of members at the Annual General Meeting.
- (vii) The Members are requested to notify promptly any change in their address to the Company and are requested to register their e-mail address (if not provided earlier) and changes if any, therein, to enable the Company to send all communications to shareholders in electronic mode/e-mail.
- (viii) Map of the venue of the Annual General Meeting is given at the end of the notice.

EXPLANATORY STATEMENT

(Pursuant to the Section 102 of the Companies Act, 2013)

Item No. 3

Mr. Andrew Reynolds (DIN: 02687137) was appointed as an Additional Director of the Company by the Board of Directors w.e.f. February 7, 2017. As per the provisions of section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company, Mr. Andrew Reynolds shall hold office upto the date of the 21st Annual General Meeting of the Company.

The Company has received notice from a member along with deposit of requisite amount under section 160 of the Companies Act, 2013 proposing appointment of Mr. Andrew Reynolds as a Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mr. Andrew Reynolds is a Managing Director, is BlackRock's CFO Asia Pacific. He is responsible for all Strategy and Finance Teams across the region and additionally has management oversight for Taiwan and Korea.

Mr. Reynolds has extensive experience in the financial services industry. Before joining BlackRock in 2014, Mr. Reynolds served as Global COO and Chief Executive Officer Asia of CLSA. He was an Executive Director of the main board of CLSA and served on all the boards of CLSA across Asia, USA and London. He has also played an integral part in the negotiation of the sale of CLSA to CITICS. Prior to that, Mr. Reynolds was the country manager of Korea for CLSA. Before coming to Asia, Mr. Reynolds was a managing director at First Rand Bank in South Africa.

Mr. Reynolds earned a BSc degree in Engineering, and MCom degree in Business Management at Pretoria University in South Africa in 1992 and 1994, respectively.

In the opinion of the Board, Mr. Reynolds fulfills the conditions of his appointment as a Director on the Board. It is now proposed to appoint Mr. Andrew Reynolds as Director of the Company as per the applicable provisions of the Companies Act 2013. The Board of Directors hereby recommends the aforementioned resolution for the approval of the Members.

None of the Directors / Key Managerial Personnel or the relatives of Directors / Key Managerial Personnel, except Mr. Andrew Reynolds and his relatives are concerned or interested in the resolution.

**BY ORDER OF THE BOARD OF DIRECTORS
OF THE COMPANY**

Sd/-
PRITESH MAJMUDAR (Dr.)
COMPANY SECRETARY

REGISTERED OFFICE:
Mafatlal Centre, 10th Floor, Nariman Point,
Mumbai - 400 021

Place: Mumbai
Date: August 8, 2017

DSP BlackRock Investment Managers Private Limited
CIN: U74140MH1996PTC099483
Registered Office: Mafatlal Centre, 10th Floor,
Nariman Point, Mumbai - 400 021

ATTENDANCE SLIP

21ST ANNUAL GENERAL MEETING ON THURSDAY, SEPTEMBER 7, 2017

Name	:	
Address	:	
DP ID No.	:	
Client ID	:	
No. of Equity Shares held	:	

I certify that I am a registered member/proxy for the Registered Member of the Company.

I hereby record my presence at the 21st ANNUAL GENERAL MEETING of the Company to be held at Kanha, Board Room, Mafatlal Centre, 10th Floor, Nariman Point, Mumbai - 400021, at 11:00 a.m. on Thursday, September 7, 2017.

Member's/Proxy's Signature

NOTES:

1. Members/Proxy holders are requested to bring the attendance slip with them when they come to the meeting and hand it over at the entrance after affixing signature.

Form No. MGT-11
PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN of Company : U74140MH1996PTC099483

Name of Company : DSP BlackRock Investment Managers Pvt. Ltd.

Address of its Registered Office : Mafatlal Centre, 10th Floor, Nariman Point, Mumbai - 400 021

Name of the shareholder(s)
Registered address
E-mail Id
Folio No / Client ID
DP ID

I/We, being the shareholder(s) ofshares of the above named company, hereby appoint :

Name
Address
Email id Signature Or failing him

Name
Address
Email id Signature Or failing him

Name
Address
Email id Signature Or failing him

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Thursday the 7th Day of September 2017 at 11:00 am at Kanha, The Board Room , Mafatlal Centre, 10th Floor, Nariman Point, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resol. No	Type of Resolution	Resolutions
		Ordinary Business
1	Ordinary Resolution	To consider and adopt: (a) the audited Standalone financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and (b) the audited Consolidated financial statement of the Company for the financial year ended March 31, 2017.
2	Ordinary Resolution	To appoint Auditors of the Company and fix their remuneration, by passing the following resolution with or without modification(s)
		Special Business
3	Ordinary Resolution	To approve appointment of Mr. Andrew Reynolds (DIN: 02687137), who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013, as a Director of the Company and to consider and if thought fit to pass with or without modification(s)

Signed thisday of 2017

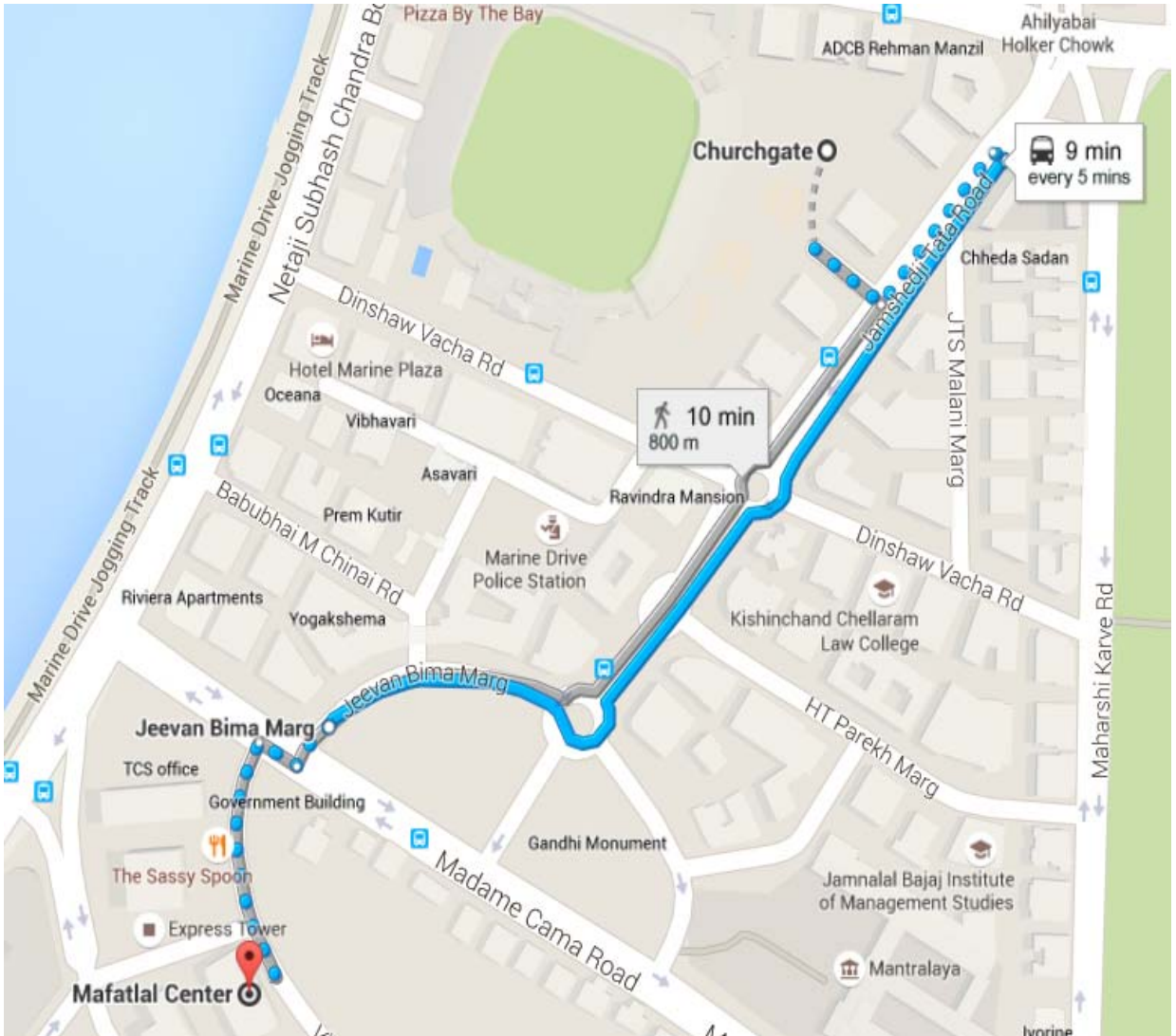
Signature of shareholder

Signature of Proxy holder(s)

Affix

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Map of the Venue of the Annual General Meeting



Directors' Report

DSP BlackRock Investment Managers Private Limited

Your Directors are pleased to present the 21st Annual Report together with the audited financial statement of your Company for the financial year ended March 31, 2017.

1. Company Profile:

The Company is Investment Manager to DSP BlackRock Mutual Fund ('Mutual Fund'), a mutual fund registered under Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('Mutual Fund Regulations'). The Company is also Investment Manager to DSP BlackRock Alternative Investment Fund - Category III ('AIF Fund'), an alternative investment fund registered under SEBI (Alternative Investment Funds) Regulations, 2012.

The Company provides non-binding investment advisory services to onshore/offshore entities seeking to invest in Indian securities market.

The Company is also Sponsor to DSP BlackRock Pension Fund Managers Pvt. Ltd., an Pension Fund Manager with the Pension Fund Regulatory & Development Authority of India ('PFRDA') till July 31, 2014.

2. Share Capital:

As on March 31, 2017, the Company had Issued, Subscribed and Paid-up Capital of Rs. 200 million.

3. Financials:

The summarized financial results of the Company for the year ended March 31, 2017, as compared with the previous financial year, are as under:

Particulars	Year ended March 31, 2017 (Rs. In Millions)	Year ended March 31, 2016 (Rs. In Millions)
Income	5,114.34	3,867.38
Profit before tax	1,195.87	1,225.76
Provision of Taxation	341.27	452.15
Profit after Taxation	854.60	773.61
Balance brought forward	4,865.92	4,092.31
Balance carried to General Reserves	Nil	Nil
Transfer to P&L Account	854.60	773.61
Balance carried to Balance Sheet	5,720.52	4,865.92

The net worth of the Company has increased to Rs. 5,922.93 million as of March 31, 2017, against Rs. 5,068.32 million, as of March 31, 2016.

4. Dividends:

Though your Company continued to register profits during the financial year ended March 31, 2017, your Directors consider it prudent to conserve resources and therefore do not recommend any dividend for the financial year ended March 31, 2017.

5. Business Review:

a. Mutual Fund

The Company manages funds of the Scheme(s) of the Mutual Fund in accordance with the provisions of the Investment Management Agreement executed by the Company with DSP BlackRock Trustee Company Pvt. Ltd., the Trust Deed constituting the Mutual Fund, Mutual Fund Regulations, and the investment objectives & strategy of the Scheme(s). The Company managed 31 open ended schemes and 33 closed ended schemes as on March 31, 2017.

The Company manages assets of the following open ended schemes of the Mutual Fund:

Sr. No.	Name of Scheme	Sr. No.	Name of Scheme
A	<u>Open-ended Income Schemes</u>	G	<u>Open-ended Growth Schemes</u>
1	DSP BlackRock Bond Fund	1	DSP BlackRock Equity Fund
2	DSP BlackRock Short Term Fund	2	DSP BlackRock Focus 25 Fund
3	DSP BlackRock Income Opportunities Fund	3	DSP BlackRock Micro Cap Fund
4	DSP BlackRock Strategic Bond Fund	4	DSP BlackRock Opportunities Fund
5	DSP BlackRock Money Manager Fund	5	DSP BlackRock Top 100 Equity Fund
6	DSP BlackRock Banking & PSU Debt Fund	6	DSP BlackRock Technology.com Fund
7	DSP BlackRock MIP Fund	7	DSP BlackRock Small and Mid Cap Fund
8	DSP BlackRock Ultra Short Term Fund	8	DSP BlackRock India T.I.G.E.R. Fund (The Infrastructure Growth and Economic Reforms Fund)
B	<u>Open-ended Liquid Scheme</u>	9	DSP BlackRock Natural Resources and New Energy Fund
		10	DSP BlackRock Equity Savings Fund
1	DSP BlackRock Liquidity Fund	H	<u>Open-ended Fund of Funds Schemes</u>
C	<u>Open-ended Money Market Mutual Fund Scheme in Income category</u>	1	DSP BlackRock World Gold Fund
1	DSP BlackRock Treasury Bill Fund	2	DSP BlackRock World Energy Fund
D	<u>Open-ended Gilt Scheme</u>	3	DSP BlackRock World Mining Fund
1	DSP BlackRock Constant Maturity 10Y G-Sec Fund	4	DSP BlackRock World Agriculture Fund
2	DSP BlackRock Government Securities Fund	5	DSP BlackRock US Flexible Equity Fund
E	<u>Open-ended Balanced Scheme</u>	6	DSP BlackRock Global Allocation Fund
1	DSP BlackRock Balanced Fund	7	DSP BlackRock Dynamic Asset Allocation Fund
F	<u>Open-ended Equity Linked Savings Scheme</u>		
1	DSP BlackRock Tax Saver Fund		

The Company also manages close ended debt oriented schemes viz. Fixed Maturity Plans, Fixed Term Plans and Dual Advantage Funds and close ended equity scheme viz. DSP BlackRock 3 Years Close Ended Equity Fund.

The average assets under management of the Mutual Fund for the quarter ended March 31, 2017 stood at Rs. 658,845 million as compared to 394,519 million for the quarter ended March 31, 2016.

b. Alternative Investment Fund:

DSP BlackRock India Enhanced Equity Fund, an open ended scheme was the first scheme offered by DSP BlackRock Alternative Investment Fund (AIF Fund) in April 2014. Further, the AIF Fund launched DSP BlackRock Emerging Stars Fund a close ended scheme in December 2015. The Fund also launched DSP BlackRock AIF Pharma Fund, a close ended scheme on August 29, 2016; DSP BlackRock Core Fund, a close ended scheme on September 6, 2016 and DSP BlackRock India

Enhanced Equity SatCore Fund, an open ended scheme on February 10, 2017. The total assets under management of Alternative Investment Fund as on March 31, 2017 is Rs 30,728 million.

c. Non-Binding Advisory Services:

Under its non-binding advisory services, the Company advised to various offshore entities and the assets under the advisory business as on March 31, 2017 are Rs. 141,005 million

6. Subsidiaries:

DSP BlackRock Investment Managers (Mauritius) Ltd. ('Mauritius IMC')

Mauritius IMC is a wholly owned subsidiary of the Company and is registered under laws of Mauritius. Mauritius IMC acts as the Investment Manager to offshore fund(s) seeking to invest in Indian securities market. The Company provides non binding advisory services to Mauritius IMC. As on March 31, 2017 the assets under management of Mauritius IMC was USD 23.13 million.

Particulars	Year ended March 31, 2017(Rs. in million)
Income	3.96
Profit After Taxation	(10.79)
Net worth	5.03

DSP BlackRock Pension Fund Managers Pvt. Ltd. ('DSPBLK-PFM')

The Company holds 62.50% of equity share capital of DSPBLK-PFM. DSPBLK-PFM ceased to be Pension Fund Managers under the National Pension System with effect from July 31, 2014 consequent to its decision to not to match the lowest bid (Investment Management Fee was 0.01% p.a.) under the Request for Proposal issued by PFRDA dated January 16, 2014, since it was commercially unviable. The scheme assets (net of liabilities) managed by DSPBLK-PFM as on July 31, 2014 were transferred to the default Pension Fund, SBI Pension Funds Pvt. Ltd., on August 1, 2014.

Sponsor Company has submitted a fresh proposal to PFRDA in response to their Request for Proposal dated 17/09/2016 (RFP) for selection of Pension Fund Managers for NPS private sector schemes. The final outcome of this RFP process is awaited.

The summarized financial results of DSPBLK-PFM for the year ended March 31, 2017, as compared with the previous financial year, are as under:

Particulars	Year ended March 31, 2017 (Rs. in million)
Income	0.42
Profit before tax	(2.86)
Provision of Taxation	(0.08)
Profit After Taxation	(2.94)
Balance brought forward	(7.00)
Balance carried to Balance Sheet	(9.95)
Net worth	260.01

There are no changes in subsidiaries during the financial year ended March 31, 2016. The statement containing the salient features of the financial statement of subsidiaries of the Company in the prescribed format AOC-1 is appended as Annexure I to the report. Further, the audited financial statements in respect of subsidiaries of the Company are available at registered office of the Company for review of members.

7. Board of Directors & Committee(s) of Directors:

Board of Directors:

There were changes in the constitution of the Board of Directors since the date of last annual general meeting. The present constitution and changes in the Board since the last annual general meeting is given in the table below.

Committee(s) of Directors:

The Board has constituted following Committee(s) of Directors:

1. Audit Committee

Pursuant to sudden demise of Late Mr. K.R.V. Subrahmanian ex-Chairman to the Audit Committee of the Company on February 6, 2016, Mr. Uday Khanna was elected as Chairman to the Committee with effect from April 25, 2016.

The Audit Committee is comprised of Mr. Uday Khanna - Chairman (Independent Director), Mr. Ranjan Pant (Independent Director) and Mr. Piyush Mankad (Independent Director).

The terms of reference of the Audit Committee includes reviewing the half yearly and annual financial statements, internal control systems, internal audit plan, SEBI inspection reports, audit reports and observations of statutory and internal auditors, implementation of audit recommendations as well as compliance of regulations with regard to operations of the Company, the Mutual Fund and the AIF Fund.

2. Corporate Social Responsibility Committee

The Corporate Social Responsibility ('CSR') Committee was constituted during financial year ended March 31, 2015 under section 135 of the Companies Act, 2013 ('the Act').

In accordance with Section 135 of the Companies Act, 2013 a CSR Committee of the Board shall consist of atleast of three or more directors. Accordingly, Mr. Piyush Mankad (Independent Director) was inducted in the CSR Committee at the Board meeting of the Company held on April 25, 2016 to fill up the casual vacancy caused due to the sudden demise of Late Mr. K.R.V. Subrahmanian ex-Member to the Committee.

The CSR Committee comprises of Mr. Hemendra Kothari (Chairman) Mr. Uday Khanna (Independent Director) and Mr. Piyush Mankad (Independent Director).

The terms of reference of the CSR Committee includes formulation of CSR Policy, recommendation of expenditure for CSR activities, monitoring implementation of the CSR projects/ activities undertaken by the Company and to implement CSR Policy.

Four meetings of Board of Directors and Audit Committee of the Company were held during the financial year ended March 31, 2017. These meetings were held on April 25, 2016, July 12, 2016, October 14, 2016 and February 7, 2017. Two meetings of Corporate Social Responsibility Committee meetings were held during the financial year ended March 31, 2016. These meetings were held on July 12, 2016 and February 7, 2017.

The details of attendance of the Directors in the meeting of the Board of Directors and Committee(s) of Directors during the financial year ended March 31, 2017 are given below:

Sr No	Name	Designation	No. of Board meetings attended	No. of Audit Committee meetings attended	No. of CSR Committee meetings attended
1	Mr. Hemendra Kothari	Chairman	4	N.A.	2
2	Mr. Ranjan Pant	Independent Director^	3	3	N.A.
3	Dr. Omkar Goswami	Independent Director^	1	N.A.	N.A.
4	Mr. Piyush Mankad	Independent Director^	4	4	2
5	Mr. Uday Khanna	Independent Director^	4	4	2
7	Ms. Susan Wagner	Director	2	N.A.	N.A.
8	Mr. Michael Marquardt*	Director	1	N.A.	N.A.
9	Mr. Ryan Stork	Director	3	N.A.	N.A.
10	Mr. Ramadorai Subramaniam*	Independent Director^	3	N.A.	N.A.
11	Mr. David Graham*	Director	3	N.A.	N.A.
12	Mr. Andrew Reynolds*	Additional Director	NIL		
	Total nos. of meetings held	-	4	4	2

N.A. - Not a member of the Committee

^ Independent Director in terms of SEBI (Mutual Funds) Regulations, 1996.

* Changes in Directorships:

- Mr. Ramadorai Subramaniam and Mr. David Graham were appointed as additional directors with effect from July 12, 2016.
- Mr. Michael Marquardt resigned with effect from February 6, 2017.
- Mr. Andrew Reynolds was appointed as additional director with effect from February 7, 2017.

8. Auditors:

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. The Company has received a consent letter from them in conformity with the provisions of section 139(1) of the Act. Your Directors recommend their appointment for the period of five years, subject to the ratification of their appointment at every Annual General Meeting, and request you to authorise the Chairman of the Board and Chairman of the Audit Committee of the Company to fix their remuneration.

9. Conservation of Energy, Technology Absorption and Exports/Foreign Exchange Earnings and Outgo:

- Energy Conservation and Technology Absorption:

The Company does not carry any manufacturing activity. The particulars required to be furnished in the Directors' Report under section 134(3)(m) of the Act read with Rule 8(3)(A) and (B) of the Companies (Accounts) Rules, 2014 relating to energy conservation and technology absorption are not applicable to the Company.

b. Foreign Exchange earnings and outgo:

The Company earned foreign currency revenue of Rs. 255.37 million and incurred foreign currency exchange expenditure of Rs. 34 million during the financial year

10. Directors' Responsibility Statement:

Pursuant to section 134(3)(c) of the Act, the Directors of your Company state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. Corporate Social Responsibility:

Pursuant to section 135 of the Act, a brief outline on Corporate Social Responsibility ('CSR') Policy of the Company and the CSR activities/initiatives undertaken by the Company is annexed herewith as Annexure II.

12. Extract of the annual return:

Pursuant to section 134(3)(a) extract of Annual Return as provided under section 92(3) of the Act is annexed herewith in Form No. MGT-9 as Annexure III.

13. Particulars of contracts or arrangements with related parties:

The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Act is annexed herewith in Form AOC-2 as Annexure IV.

14. Risk management:

Your Company has committed to the highest standard of risk management. To this effect the following measures has been taken:

- I. Appointment of the independent internal audit firm M/s. M.P. Chitale & Co. ('MPC'), Chartered Accountants.
- II. Rolled out Compliance manual which lays down internal control parameters including internal control systems.
- III. The Company have following policies to mitigate regulatory, financial and legal risk:
 - a) Business Contingencies Plan
 - b) Investment & RQA Oversight Process
 - c) Operating Event Policy
 - d) Information Security & Privacy Policy
 - e) Code of Business Conduct and Ethics
 - f) Policy Regarding Business Activities with Government Official
 - g) Outsourcing Policy
 - h) Anti-Money Laundering Policy

i) Privacy Policy

Further, the Legal and Compliance Department of the Company obtain Compliance Certificate from concerned Head of Functions confirming compliance with the applicable Acts, Rules, and Regulation applicable to the respective Department on quarterly basis.

15. Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

16. Prevention of Sexual Harrasment of Women at Workplace:

In line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a policy on prohibition of sexual harassment at workplace. There were no cases filed of any sexual harassment by any employee including visitors or other non employee during the financial year ended March 31, 2017.

17. Loans, guarantee, security and acquisition made by the company:

The details of loans, guarantee, security and acquisition made by the company during the financial year ended March 31, 2017 annexed herewith as Annexure V.

18. Particulars of Employees:

The information as required as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith.

19. Change of the Registrar and Transfer Agents:

With reference to the SEBI order dated March 22, 2016 that restrained Sharepro Services (India) Private Limited from buying, selling, or dealing in the securities market or associating themselves with securities market; the Directors wish to inform that the Registrar and Transfer Agents for the Company have been changed from Sharepro Services (India) Private Limited to Karvy Computershare Private Limited with effect from May 27, 2016.

20. General:

Your Directors state that no disclosure or reporting is required in respect of the following items during the year under review:

1. Details of loans, guarantees or investments under section 186 of the Act.
2. Particulars of contracts or arrangements with related parties.
3. Details of corporate social responsibility activities.
4. Details relating to deposits covered under Chapter V of the Act.
5. Details of significant and material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

21. Appreciation:

The Directors would like to express their appreciation to the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Association of Mutual Funds in India (AMFI), Indian Private Equity and Venture Capital Association (IVCA), PFRDA and the Trustees for their continued support and guidance.

The Directors would also like to thank the Auditors, Custodian, Fund Administration, Registrar & Transfer Agent of the schemes, KYC Registration Agencies, Bankers, Distributors, Brokers, Stock Exchanges, Depositories and all other service providers for their valuable support.

The Directors wish to thank all unit holders for their strong support.

The Directors wish to place on record their appreciation to each and every employee of the Company for their valuable contribution to the growth of the Company.

For and on behalf of the Board of Directors

**Sd/-
Hemendra Kothari
Chairman
(DIN: 00009873)**

Place: Mumbai
Date: July 11, 2017

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in lakhs)

1	Name of the subsidiary	DSP Investment Managers (Mauritius) Ltd.	BlackRock Pension Managers Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2017	March 31, 2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR (Exchange rate as on March 31, 2017: 64.8386)	INR
4	Share capital	849.83	2,700.00
5	Reserves & surplus	(799.53)	(99.44)
6	Total assets	81.19	2,641.32
7	Total Liabilities	30.89	40.77
8	Investments	1.30	2,584.03
9	Turnover	39.64	4.21
10	Profit / (Loss) before taxation	(107.89)	(28.66)
11	Provision for taxation	Nil	(0.81)
12	Profit / (Loss) after taxation	(107.89)	(29.47)
13	Proposed Dividend	Nil	Nil
14	% of shareholding	100.00	62.50

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of associates/Joint Ventures	Name 1
1	Latest audited Balance Sheet Date	-
2	Shares of Associate/Joint Ventures held by the company on the year end (No., Amount of Investment in Associates/Joint Venture, Extend of Holding%)	-
3	Description of how there is significant influence	-
4	Reason why the associate/joint venture is not consolidated	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet	-
6	Profit/Loss for the year	-
	i Considered in Consolidation	-
	i Not Considered in Consolidation	-

For and on behalf of the Board of Directors

Sd/-
Hemendra Kothari
Chairman
DIN-00009873

Sd/-
Uday Khanna
Director
DIN-00079129

Sd/-
Pritesh Majumdar
Company Secretary
FCS-6259

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

In order to create a meaningful impact it is important to focus on fewer projects. The Company concentrates its CSR efforts around the following themes which will account for 80% of the fund allocations:

- i. **Education and Empowerment of Children:** with special emphasis on underprivileged children, education and empowerment of adolescent girl children.
- ii. **Skill Development:** including employment enhancing vocation skills.
- iii. **Wildlife & Environment Protection** - Projects focused on restoring ecological balance, protection of flora and fauna, protection of animals including collaborative efforts required to train and empower institutions protecting wildlife and raise awareness amongst the people.

The Company shall also undertake other CSR projects/activities as listed in Schedule VII of the Act. However, allocation of funds to such projects/activities shall not exceed 20% of the yearly CSR budget. The CSR projects/activities shall be undertaken in locations within India. The CSR Policy is annexed to the Report as Annexure A.

The CSR Policy may be accessed on the Company's website at the link: <http://www.dspblackrock.com/PDFs/DSPBLK-CSR-Policy.pdf>.

2. The Composition of the CSR Committee are as follows:

In accordance with Section 135 of the Companies Act, 2013 a CSR Committee of the Board shall consist of atleast of three or more directors. Accordingly, Mr. Piyush Mankad (Independent Director) was inducted in the CSR Committee at the Board meeting of the Company held on April 25, 2016 to fill up the casual vacancy caused due to the sudden demise of Late Mr. K.R.V. Subrahmanian ex-Member to the Committee.

The CSR Committee comprises of Mr. Hemendra Kothari (Chairman), Mr. Piyush Mankad (Independent Director) and Mr. Uday Khanna (Independent Director).

- | | |
|--|--------------------|
| 3. Average net profit of the company for last three financial years | Rs. 9,047.29 lakhs |
| 4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) | Rs. 181.000 lakhs |

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year;
 (b) Amount unspent, if any;

Rs. 176.000 lakhs

Rs. 4.997 lakhs*

* unspent during the year 2016-17
 than the prescribed CSR expenditure

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or a program was undertaken	Amount outlay (budget/limit) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (in Rs.)	Cumulative expenditure upto to the reporting period. (in Rs.)	Amount spent: Direct or through implementing agency
1	Akshay Patra Foundation	Contribution towards Equal Contribution Drive	Mumbai, Maharashtra	2,50,000/-	4,45,302/-	4,45,302/-	Through Agency
2	CEQUIN	Contribution towards Sara Pilot project - mardo waali baat	Mumbai, Maharashtra	5,00,000/-	5,00,000/-	5,00,000/-	Through Agency

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or a program was undertaken	Amount outlay (budget/limit) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (in Rs.)	Cumulative expenditure upto to the reporting period. (in Rs.)	Amount spent: Direct or through implementing agency
3	Clean Mumbai Foundation	Installation of Earthling machine + PET.	Mumbai, Maharashtra	20,00,000/-	10,00,000/-	10,00,000/-	Through Agency
4	Foundation for Promotion of Sports and Games	Contribution for supporting Olympic Gold Quest	Mumbai, Maharashtra	5,00,000/-	4,00,000/-	4,00,000/-	Through Agency
5	Impact Foundation (India)	Dasra Giving Circle - Institute of Health Management Pachod	Mumbai, Maharashtra	10,00,000/-	10,00,000/-	10,00,000/-	Through Agency
6	Impact Foundation (India)	Dasra Giving Circle - Going to School	Mumbai, Maharashtra	10,00,000/-	10,00,000/-	10,00,000/-	Through Agency
7	Impact Foundation (India)	Paid towards Consultancy fees	Mumbai, Maharashtra	5,00,000/-	5,00,000/-	5,00,000/-	Through Agency
8	Kailash Satyarthi Childrens Foundation	Donation towards childrens' education and health	Mumbai, Maharashtra	38,00,000/-	49,78,050/-	49,78,050/-	Through Agency

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or a program was undertaken	Amount outlay (budget/limit) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (in Rs.)	Cumulative expenditure upto to the reporting period. (in Rs.)	Amount spent: Direct or through implementing agency
9	Paragon Charitable Trust (Muktangan)	Teacher training program	Mumbai, Maharashtra	20,00,000/-	20,00,000/-	20,00,000/-	Through Agency
10	Parikrma Humanity Foundation	Contributing towards education for the underprivileged	Mumbai, Maharashtra	10,00,000/-	14,00,000/-	14,00,000/-	Through Agency
11	Prerana	Childrens foster home	Mumbai, Maharashtra	7,00,000/-	7,00,000/-	7,00,000/-	Through Agency
12	Pulella Gopichand Badminton Academy	Contribution towards promoting sports	Mumbai, Maharashtra	5,00,000/-	5,00,000/-	5,00,000/-	Through Agency
13	Sahaara Charitable Society	Contributing towards Equal Contribution Drive and Anandalay Girl's Home Project	Mumbai, Maharashtra	2,50,000/-	8,56,450/-	8,56,450/-	Through Agency
14	The Aangan Trust	Contributing towards girl child protection	Mumbai, Maharashtra	7,80,000/-	7,80,000/-	7,80,000/-	Through Agency

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or a program was undertaken	Amount outlay (budget/limit) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (in Rs.)	Cumulative expenditure upto to the reporting period. (in Rs.)	Amount spent: Direct or through implementing agency
15	S.D. Foundation (Vidyadhan)	Kids' education	Mumbai, Maharashtra	3,00,000/-	3,00,000/-	3,00,000/-	Through Agency
16	Indian Cancer Society	Contributing towards medical assistance for the underprivileged	Mumbai, Maharashtra	5,00,000/-	5,00,000/-	5,00,000/-	Through Agency
17	Nasik Education Society	Support for Sanitation Work school project (toilet building)	Nashik, Maharashtra	2,13,848/-	2,13,848/-	2,13,848/-	Through Agency
18	Panaji First	Books library in Goa emphasizing on the underprivileged children	Goa	1,00,000/-	1,00,000/-	1,00,000/-	Through Agency
19	Swajan	Medical assistance for the underprivileged	Mumbai, Maharashtra	2,00,000/-	2,00,000/-	2,00,000/-	Through Agency
Total					1,76,00,295		

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has allocated resources for CSR activities only after due diligence and identification of eligible Projects/Programs. The Company shall endeavor to identify more eligible projects for utilization of the allocated budget for CSR activities in the coming years.

7. Responsibility Statement.

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Hemendra Kothari
Chairman
DIN: 00009873
Place: Mumbai
Date: July 11, 2017

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
(U/S 135 OF THE COMPANIES ACT, 2013)

I. Background

- b. The Companies Act, 2013 (The Act) requires both public and private companies in India which have either
- i. net worth of INR 5 billion or more or
 - ii. turnover of INR 10 billion or more or
 - iii. net profit of INR 50 million or more

within any of the previous three financial years, to contribute 2% of their average net profits of the three preceding financial years to Corporate Social Responsibility initiatives, or specify their reasons for not spending that amount in their Board of Director's annual reports.

- c. The CSR spending of each company is to be overseen by a sub-committee of the company's board of directors, whose duties include developing a CSR policy, recommending CSR activities to be undertaken and the amount of spending on each activity, and monitoring the company's CSR policy. The company's board of directors is responsible for ensuring that at least 2% of the average net profit of the company over the three immediately preceding financial years is spent on CSR initiatives in pursuance of its CSR Policy.

- d. The Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the Rules") further clarify that:
- i. a company's CSR policy shall specify the CSR projects and programs to be undertaken, modalities of execution, implementation schedules and monitoring processes;
 - ii. companies may choose to conduct their CSR programs through trusts, societies or charitable companies operating in India, provided that if the entity is not set up by the company, its holding or subsidiary or associated company, that entity has been carrying out related activities for at least three years;
 - iii. companies may collaborate or pool resources with other companies to undertake their CSR activities, so long as the companies can report separately on those CSR activities;
 - iv. CSR activities must be undertaken within India;
 - v. activities that are for the exclusive benefit of employees of the company or their families, contributions to political parties and activities in the normal course of business are excluded from the CSR spending; and
 - vi. up to 5% of a company's annual CSR expenditures including expenditure on administrative overheads, may be used for capacity building of the company's own personnel or of their implementing agencies.

- e. The Rules also set out the disclosure requirements for the Board of Directors' Annual Report where a company meets the section 135 threshold. The information to be disclosed to the Registrar in the Board's Annual Report includes the CSR policy and projects, composition of their CSR Committees, average net profits for the last three fiscal years, prescribed CSR expenditures, details of CSR spending during the fiscal year, reasons for failing to meet their CSR spending if the company has failed to spend the 2% required, and a statement by the CSR Committee that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy. The Board must also display the company's CSR policy on its website, if such a website exists.

- f. Schedule VII of the Act (appended as Annexure I to this Policy) has prescribed the types of activities for which CSR expenditures can be made:

II. Policy Statement

- a. DSP BlackRock Investment Managers Pvt Ltd (The "Company") commits to conduct its business in a responsible, fair, transparent and ethical manner and extend its responsibility to create a meaningful social impact to the local communities.
- b. In this endeavour, the Company commits to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules.

III. CSR Objectives, Projects - Activities

- a. In order to create a meaningful impact it is important to focus on fewer projects. The Company will concentrate its CSR efforts around the following themes which will account for 80% of the fund allocations:
 - i. **Education and Empowerment of Children:** with special emphasis on underprivileged children, education and empowerment of adolescent girl children.
 - ii. **Skill Development:** including employment enhancing vocation skills.
 - iii. **Wildlife & Environment Protection** - Projects focused on restoring ecological balance, protection of flora and fauna, protection of animals including collaborative efforts required to train and empower institutions protecting wildlife and raise awareness amongst the people.
- b. The Company shall also undertake other CSR projects/activities as listed in Schedule VII of the Act. However, allocation of funds to such projects/activities shall not exceed 20% of the yearly CSR budget.
- c. The CSR projects/activities shall be undertaken in locations within India.

IV. CSR Organization:

- a. **CSR Committee:** The Committee shall comprise of not less than three directors, out of which at least one member will be an independent director. Following shall be the scope of the CSR Committee:
 - i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the projects/activities to be undertaken by the Company as specified in Schedule VII;
 - ii. recommend the amount of expenditure to be incurred on CSR projects/activities.
 - iii. shall institute a transparent monitoring mechanism for implementation of the CSR projects/activities undertaken by the Company.
 - iv. Submit an annual report of CSR projects/activities to the Board.
- b. **DSP BlackRock Gives Committee:** This committee shall comprise of employees drawn from various functions and shall have the following duties and responsibilities:
 - i. Recommend Policy changes to the CSR committee
 - ii. Develop CSR strategies and project identification mechanism

- iii. Evaluation of NGOs, their proposals and allocation of funds.
- iv. Coordinate CSR projects/activities.
- v. Administration of CSR budget and its allocation.
- vi. Periodic assessment of the activities of NGOs supported by the Company and the impact generated.
- vii. Periodic reporting to the CSR committee.

V. Modalities of Execution

- a. The day to day implementation and execution of CSR activities/projects shall be carried out through the DSP BlackRock Gives Committee.
- b. Execution will largely be in the form of support to non-profit and voluntary organizations (NGOs) focusing on activities/projects included in paragraph III above.
- c. The Company will also support non-profit organizations which play the role of a catalyst in the themes/sectors identified in paragraph III (a) above by working with both philanthropists and social entrepreneurs and bring together knowledge, funding and people. Their activities could be in the form of providing research on social issues to funders, conducting workshops and training for NGOs to build skills, providing a platform or forum for philanthropists to identify competent NGOs and for NGOs to raise funds.
- d. All such organisations shall have an established track record as specified in the Act (currently three years).
- e. The Company shall consider the following modes of support.
 - i. financial support (monetary donations, grants,)
 - ii. Sponsorship to workshops and training programs for NGOS to provide skill sets necessary to build and maintain a sustainable and scalable organisation and accelerate their impact.
 - iii. in-kind giving
 - iv. other material support
 - v. employee volunteering (making time, skills, mentoring, etc.)
- f. The Company could seek assistance from firms specializing in the social sector for research on social issues, to identify NGOs with good track record, good governance standards, and a sustainable model and post funding monitoring of NGO's progress. It is equally important to continuously monitor the activities of the NGOs being supported to ensure that they meet the targeted levels of impact committed at the time of funding.
- g. The Company will also encourage its employees to contribute to CSR initiatives by matching charitable donations rupee for rupee through a Matching Gifts Program.
- h. The Company will encourage its employees to donate their time to local causes and will accommodate reasonable requests for time away from the office to engage in community activities.

- i. The following activities do not qualify as CSR Activities under the Companies Act, 2013:
 - i. Projects or activities not falling within Schedule VII (Annexure 1);
 - ii. Activities undertaken in pursuance of normal course of business;
 - iii. Projects or programs or activities that benefit only the employees of the Company and their families
 - iv. Direct or indirect contribution to any political party.

VI. CSR Budget

- a. At the commencement of each fiscal year the Board will agree an amount which should be allocated to CSR programs. This amount shall not be less than as prescribed by the Act (Currently, a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years). Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013; Net Profits shall exclude (a) profits arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); or (b) dividend received from other companies in India.
- b. The surplus arising out of the CSR activities or projects shall not form part of the business profit of the Company.
- c. Contributions by employees may also be received and utilized in respect of the CSR activities undertaken.

The Company will aim to grow this core amount over time and, depending on the profitability of the Company, may make specific one-off donations.

Annexure I

Activities which may be included in the Corporate Social Responsibility Policy as per Schedule VII of the Act

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. rural development projects.
- xi. slum area development.

Explanation.— For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

Note: This Annexure may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act, 2013.

Form No. MGT- 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U74140MH1996PTC099483
ii.	Registration Date	May 13, 1996
iii.	Name of the Company	DSP BlackRock Investment Managers Pvt. Ltd.
iv.	Category/Sub-Category of the Company	Category: Company Limited by Shares Sub-Category: Indian Non Government Company
v.	Address of the Registered office and contact details	Registered Office: Mafatlal Centre, 10th Floor, Nariman Point, Mumbai - 400 021 Contact details:+91 22 66578000
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Name: M/s. Karvy Computershare Private Limited *** Address: Karvy Selenium Tower B, Plot No 31 & 32, 1th Floor, Gachibowli, Financial District, Nanakramguda, Serilingampally-Hyderabad - 500 032, Telangana Contact details: Name: Mr. Venu Gopal N S V, Deputy General Manager. Email Id: nsv.venu@karvy.com Tel. No.: 022 67720300 / 67720400

*** M/s. Karvy Computershare Private Limited was appointed as RTA of the Company with effect from May 27, 2016.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr . No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Management of Mutual funds	663/6630/66301	92
2	Management of other investment funds	663/6630/66301	8

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Name: DSP BlackRock Pension Fund Managers Pvt. Ltd. Address: Mafatlal Centre, 10th Floor, Nariman Point, Mumbai - 400 021	U67190MH2012 PTC238252	Subsidiary	62.50	2(87)(ii)
2	Name: DSP BlackRock Investment Managers (Mauritius) Ltd. Address: Unit 2, 4C, 4th Floor Raffles Tower 19 Cybercity Ebene, Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2(87)(ii)

Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian									
(ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,00,00,000	-	2,00,00,000	100	2,00,00,000	-	2,00,00,000	100	-

ii. *Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	BlackRock Advisors Singapore Pte. Ltd.	80,00,000	40	-	80,00,000	40	-	-
2	DSP HMK Holdings Pvt. Ltd.	40,00,000	20	-	40,00,000	20	-	-

3	DSP ADIKO Holdings Pvt. Ltd.	80,00,000	40	-	80,00,000	40	-	-
	Total	2,00,00,00	100	-	2,00,00,00	100	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2,00,00,000	100	2,00,00,000	100
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the End of the year	2,00,00,000	100	2,00,00,000	100

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):NA

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
3	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel: NA

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.	-	-	-	-

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	allotment / transfer / bonus/ sweat equity etc):				
3	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,516,872	Nil	Nil	13,516,872
ii) Interest due but not paid	-			-
iii) Interest accrued but not	-			-
Total (i+ii+iii)		Nil	Nil	
Change in Indebtedness during the financial year				
- Addition	5,422,118	Nil	Nil	5,422,118
- Reduction	8,718,755			8,718,755
Net Change	(3,296,637)	Nil	Nil	(3,296,637)
Indebtedness at the end of the financial year				
i) Principal Amount	10,220,235	Nil	Nil	10,220,235
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	10,220,235	Nil	Nil	10,220,235

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		-	-	-	-	
1	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income- tax Act,1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
6	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. S. Ramadorai	Mr. Ranjan Pant	Mr. Omkar Goswami	Mr. Piyush Mankad	Mr. Uday Khanna	
1	<u>Independent Directors</u> - Fee for attending board committee meetings	-	-	-	-	-	-
	Total(1)						
2	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings	5,25,000	8,25,000	1,75,000	11,00,000	11,00,000	37,25,000
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total(2)	5,25,000	8,25,000	1,75,000	11,00,000	11,00,000	37,25,000
	Total(B)=(1+2)	5,25,000	8,25,000	1,75,000	11,00,000	11,00,000	37,25,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-

[INR]

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis	
(a) Name(s) of the related party and nature of relationship	-
(b) Nature of contracts/arrangements/transactions	-
(c) Duration of the contracts / arrangements/transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e) Justification for entering into such contracts or arrangements or transactions	-
(f) date(s) of approval by the Board	-
(g) Amount paid as advances, if any:	-
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2. Details of material contracts or arrangement or transactions at arm's length basis	
(i) Amendment to the Leave and Licence agreement executed by the Company	
(a) Name(s) of the related party and nature of relationship	Swiss Reinsurance Company Limited ("Swiss Re")
(b) Nature of contracts/arrangements/transactions	Contract / Agreement is yet to be executed
(c) Duration of the contracts / arrangements/transactions	NA
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	The Company would manage and/or advise the funds of Swiss Reinsurance Company Limited
(e) Date(s) of approval by the Board, if any:	October 14, 2016
(f) Amount paid as advances, if any:	-
(ii) Re-appointment and remuneration of Ms. Aditi Kothari to the office or place of profit in the Company in the terms of section 188(1)(f) of the Companies Act, 2013	
(a) Name(s) of the related party and nature of relationship	DSP HMK Holdings Pvt Ltd and DSP ADIKO Holdings Pvt Ltd

(b) Nature of contracts/arrangements/transactions	Purchase of shares of DSP HMK Holdings Pvt. Ltd. and DSP ADIKO Holdings Pvt. Ltd. in DSP BlackRock Pension Fund Managers Pvt. Ltd.
(c) Duration of the contracts / arrangements/transactions	Shares are yet to be purchased.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase would take place at Rs. 10.86 per equity share of DSP BlackRock Pension Fund Managers Pvt. Ltd. (Total Share Capital: 27,00,00,000)
(e) Date(s) of approval by the Board, if any:	February 7, 2017
(f) Amount paid as advances, if any:	-

For and on behalf of the Board of Directors

Sd/-
Hemendra Kothari
Chairman
(DIN: 00009873)

Place: Mumbai
Date: July 11, 2017

Details of loans, guarantee, security and acquisition made by the company

Nature of transaction (loan / guarantee/ security / acquisition)	Date of transaction	Name of the person or body corporate to whom loan/ guarantee is made or whose securities have been acquired (Listed / Unlisted entities)	Amount of loan/ security /acquisition guarantee (Rs.)	Purpose of transaction	Number and kind of securities	Nominal value and paid up value
Acquisition	16-11-2016	DSP BlackRock Investment Managers Mauritius Ltd (UnListed)	1,00,05,000	wholly owned subsidiary - Additional Capitalization	Management Share	1 USD

For and on behalf of the Board of Directors

Sd/-
Hemendra Kothari
Chairman
(DIN: 00009873)

Place: Mumbai
Date: July 11, 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DSP BLACKROCK INVESTMENT
MANAGERS PRIVATE LIMITED
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of DSP Blackrock Investment Managers Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone 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 prescribed under section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting 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 of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also

includes evaluating the appropriateness of the 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 standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the 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, 2017, 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 Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the

Investor Education and Protection Fund by the Company.

- iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8^h November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-

Rakesh N. Sharma
(Partner)
(Membership No. 102042)

Place: Mumbai
Date: 11 July, 2017

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of DSP Blackrock Investment Managers Private Limited (“the Company”) as of 31 March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March , 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-

Rakesh N. Sharma
(Partner)
(Membership No. 102042)

Place: Mumbai

Date: 11 July, 2017

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
I	Equity and Liabilities			
1	Shareholders' funds			
	(a) Share capital	3	2,000.00	2,000.00
	(b) Reserves and surplus	4	57,229.25	48,683.24
2	Non-current liabilities			
	(a) Long-term borrowings	5	61.79	59.48
	(b) Long-term provisions	6	1,350.54	798.34
3	Current liabilities			
	(a) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	7	10.71	36.35
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,523.07	3,904.64
	(b) Other current liabilities	8	414.64	499.20
	(c) Short-term provisions	6	94.28	191.60
	Total		65,684.28	56,172.85
II	Assets			
1	Non-current assets			
	(a) Property, Plant and Equipment			
	(i) Tangible assets	9	1,651.19	1,414.62
	(ii) Intangible assets	9	353.63	240.35
	(b) Non-current investments	10	45,261.05	32,714.42
	(c) Deferred tax assets	11	1,397.89	909.61
	(d) Long-term loans and advances	12	3,492.14	3,958.27
2	Current assets			
	(a) Current investments	13	4,494.97	9,938.79
	(b) Trade receivables	14	7,711.29	4,353.09
	(c) Cash and cash equivalents	15	596.75	509.24
	(d) Short-term loans and advances	12	725.37	1,126.73
	(e) Other current assets	16	-	1,007.73
	Total		65,684.28	56,172.85
	Significant accounting policies	2		
	The accompanying notes 1 - 32 are an integral part of the financial statements			

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-

Rakesh N. Sharma
Partner

Place: Mumbai
Date: July 11, 2017

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari
Chairman
DIN: 00009873

Sd/-

Ramamoorthy Rajagopal
Chief Operating Officer

Place: Mumbai
Date: July 11, 2017

Sd/-

Uday Khanna
Director
DIN: 00079129

Sd/-

Pritesh Majmudar
Company Secretary

Statement of Profit and Loss

Rs. in Lakhs

Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Revenue				
I	Revenue from operations	17	48,877.56	36,974.70
II	Other income	18	2,265.83	1,699.07
III	Total Revenue (I + II)		51,143.39	38,673.77
Expenses				
IV	Employee benefits expense	19	11,462.16	9,035.25
	Finance costs	20	15.42	21.16
	Depreciation and amortisation expense	9	576.30	584.59
	Other expenses	21	27,130.83	16,775.15
	Total Expenses		39,184.71	26,416.15
V	Profit before tax (III - IV)		11,958.68	12,257.62
Tax expense				
VI	(a) Current tax expense		3,895.24	4,430.24
	(b) Short provision for tax relating to prior years		5.71	-
	(c) Deferred tax		(488.28)	91.27
			3,412.67	4,521.51
VII	Profit for the year (V - VI)		8,546.01	7,736.11
	Earnings per equity share (of Rs. 10/- each)			
	Basic (in Rs.)	28	42.73	38.68
	Diluted (in Rs.)		42.73	38.68
	Significant accounting policies	2		
	The accompanying notes 1 - 32 are an integral part of the financial statements			

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-

Rakesh N. Sharma
Partner

Place: Mumbai
Date: July 11, 2017

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari
Chairman
DIN: 00009873

Sd/-

Ramamoorthy Rajagopal
Chief Operating Officer

Place: Mumbai
Date: July 11, 2017

Sd/-

Uday Khanna
Director
DIN: 00079129

Sd/-

Pritesh Majmudar
Company Secretary

DSP BlackRock Investment Managers Private Limited

Cash Flow Statement

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
Cash flow from operating activities				
Profit before tax		11,958.68		12,257.62
Adjustments for:				
Depreciation / amortisation	576.30		584.59	
Loss on fixed assets sold / scrapped / written off	15.60		35.86	
Finance cost	15.42		21.16	
Interest income	(7.61)		(7.46)	
Provision for diminution in value of non-current investments	100.05		749.78	
Net gain on sale of investments	(2,132.38)	(1,432.62)	(1,518.65)	(134.72)
Operating profit before working capital changes		10,526.06		12,122.90
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables		(3,358.20)		15.36
Short-term loans and advances		399.91		(669.37)
Long-term loans and advances		22.98		(59.38)
Other current assets		1,007.73		(323.66)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables		592.79		1,731.59
Other current liabilities		(84.17)		185.28
Long-term provisions		552.20		(338.81)
Short-term provisions		(97.32)		144.25
Cash generated from operations		9,561.98		12,808.16
Direct taxes paid		(3,383.22)		(4,441.80)
Net cash generated from operating activities (A)		6,178.76		8,366.36
Cash flows from investing activities				
Capital expenditure on fixed assets, including capital advances		(1,001.90)		(767.11)
Proceeds from sale of fixed assets		18.69		23.15
Purchase of trade investments		(100.05)		(100.20)
Purchase of investments in mutual fund & AIF		(60,891.22)		(68,778.59)
Proceeds from sale / maturity of investments in mutual fund		55,920.79		61,647.84
Loans to employees (Net)		3.22		22.67
Interest received		7.61		7.46
Net cash flow used in investing activities (B)		(6,042.86)		(7,944.78)

DSP BlackRock Investment Managers Private Limited

Cash Flow Statement

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
Cash flows from financing activities				
Proceeds from long term borrowings		53.82		36.12
Repayment of long term borrowings		(86.79)		(131.89)
Interest paid		(15.42)		(21.16)
Net cash flow used in financing activities (C)		(48.39)		(116.93)
Net increase in cash and cash equivalents (A + B + C)		87.51		304.65
Cash and cash equivalents at the beginning of the year		509.24		204.59
Cash and cash equivalents at the end of the year		596.75		509.24
The accompanying notes 1 - 32 are an integral part of the financial statements				
<p>In terms of our report attached.</p> <p>For Deloitte Haskins & Sells LLP Chartered Accountants</p> <p>Sd/-</p> <p>Rakesh N. Sharma Partner</p> <p>Place: Mumbai Date: July 11, 2017</p>				
<p>For and on behalf of the Board of Directors</p> <p>Sd/-</p> <p>Hemendra Kothari Chairman DIN: 00009873</p> <p>Sd/-</p> <p>Ramamoorthy Rajagopal Chief Operating Officer</p> <p>Place: Mumbai Date: July 11, 2017</p>				
<p>Sd/-</p> <p>Uday Khanna Director DIN: 00079129</p> <p>Sd/-</p> <p>Pritesh Majmudar Company Secretary</p>				

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

1. BACKGROUND OF THE COMPANY

DSP BlackRock Investment Managers Private Limited ("the Company") was incorporated in India on May 13, 1996. The Company operates as an 'Asset Management Company' for schemes of DSP BlackRock Mutual Fund (MF), registered with the Securities and Exchange Board of India (SEBI) in India. The Company also renders non-binding investment management advisory services to offshore and onshore asset management entities. The Company also functions as Investment Manager for all the schemes of DSP BlackRock Alternative Investment Fund (AIF), which was registered with SEBI on June 13, 2013. The Registered office of the Company is at Mumbai, Maharashtra.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

c) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of unencumbered bank balances.

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

d) Revenue Recognition

Revenue is recognised as the services are performed, when it is earned and no significant uncertainty exists as to its realisation or collection.

Fees from mutual fund operations:

Investment management fees are recognised net of service tax on an accrual basis as a percentage of the average daily net assets of the schemes of DSP BlackRock Mutual Fund, in accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations, 1996 (the 'SEBI Regulations').

Advisory Services:

Advisory fees are computed in accordance with the relevant agreements and are based on the assets under management of the funds as computed and provided by independent third party fund accountants / custodians.

e) Property, Plant & Equipment and Depreciation / Amortisation

Tangible Assets are stated at their cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition up to the date the assets are put to use.

Assets acquired under finance lease are accounted for at the inception of the lease in accordance with Accounting Standard 19 on Leases, at the lower of the fair value of the asset and the present value of minimum lease payments.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on tangible assets has been provided on straight-line method, on pro-rata basis for the period of use, as per the useful life prescribed in Schedule II to the 2013 Act as follows:

Asset	Useful life of asset (Years)
Office Equipment	5
Furniture and Fixtures	10
Vehicles	8
Computers and Allied Equipments	3 and 6

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

Leasehold improvements are amortised over the lower of the lease period and management's estimate of the useful life of the asset.

Intangible assets are stated at their cost of acquisition, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The amortisable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The Company capitalises software costs where it is reasonably estimated that the software has an enduring useful life. Software is amortised over management's estimate of its useful life of three years.

f) Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

g) Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the prevailing rates of exchange on the date of the transaction.

Monetary items denominated in foreign currencies are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

h) Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on Accounting for Investments.

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.

i) Employee Benefits

Compensation to employees for services rendered is accounted for in accordance with the Accounting Standard 15 on Employee Benefits.

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Statement of Profit and Loss in the period in which the service is rendered.

Employee Benefits under defined benefit plans and other long term employee benefits, such as gratuity and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment are measured by the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognised in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

j) Earnings Per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

k) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

l) Income Tax

Income Taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

m) Provisions and Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provisions are made if it becomes probable that an outflow of future economic benefits will be required to settle the obligation.

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

3 Share capital

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
(a) Authorised				
Equity shares of the par value of Rs.10 each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
(b) Issued and subscribed				
Equity shares of Rs.10 each fully paid-up	2,00,00,000	2,000.00	2,00,00,000	2,000.00
(c) There is no movement in Share Capital during the current and the previous year.				
(d) Rights, preferences and restrictions attached to equity shares				
The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. Dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
(e) Shareholders holding more than 5% equity shares in the Company are set out below :	Number of shares held	% Holding	Number of shares held	% Holding
DSP HMK Holdings Pvt. Ltd.	40,00,000	20.00%	40,00,000	20.00%
DSP ADIKO Holdings Pvt. Ltd.	80,00,000	40.00%	80,00,000	40.00%
BlackRock Advisors Singapore Pte. Ltd.	80,00,000	40.00%	80,00,000	40.00%

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

4 Reserves and surplus

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) General reserve		
Balance at the beginning and end of the year	24.00	24.00
(b) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	48,659.24	40,923.13
Add: Profit for the year	8,546.01	7,736.11
Balance at the end of the year	57,205.25	48,659.24
Total	57,229.25	48,683.24

5 Long-term borrowings (Secured)

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Long-term maturities of finance lease obligations (Refer Note 8)		
From banks	61.79	59.48
Total	61.79	59.48
Details of security :		
Secured by hypothecation of vehicles acquired under Auto Loan Scheme. Loans carry interest rates in the range of 9.75% to 13.50% p.a.		
Terms of repayment :		
a) Repayable in 36 / 48 equated monthly installments beginning from the month subsequent to the disbursement		
b) Maturity with respect to the Balance Sheet date : 319 Monthly installments due over the period from April 2017 to February 2021		

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

6 Provisions

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
	Non-current (Long-term provisions)		Current (Short-term provisions)	
Provision for employee benefits				
(i) Compensated absences	312.10	142.06	38.26	34.56
(ii) Gratuity	1,038.44	656.28	56.02	157.04
Total	1,350.54	798.34	94.28	191.60

Notes to financial statements

7 Total outstanding dues of micro enterprises and small enterprises

Disclosures relating to amounts payable as at the year-end together with interest paid /payable to Micro and Small Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosures are given below.

Particulars	Rs. in Lakhs	
	As at 31 March, 2017	As at 31 March, 2016
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	10.71	36.35
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .	-	-
(d) The amount of interest due and payable for the year.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
Total	10.71	36.35

Note : Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

8 Other current liabilities

Particulars	Rs. in Lakhs	
	As at 31 March, 2017	As at 31 March, 2016
(a) Current maturities of finance lease obligations (Refer Note 5)	40.42	75.69
(b) Other payables		
(i) Statutory remittances	301.46	385.63
(ii) Payables on purchase of fixed assets	72.76	37.88
Total	414.64	499.20

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

9 Property, Plant & Equipment

Rs. in Lakhs

Particulars	Gross block			Accumulated Depreciation and amortisation			Net block		
	Balance as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation / amortisation for the year		Eliminated on disposal of assets	Balance as at 31 March, 2017
Tangible Assets									
(a) Leasehold improvements	1,402.04 (1,246.27)	146.55 (182.11)	31.20 (26.34)	1,517.39 (1,402.04)	1,223.78 (1,140.34)	67.35 (109.78)	31.20 (26.34)	1,259.93 (1,223.78)	257.46 (178.26)
(b) Office Equipment	850.92 (726.69)	171.88 (150.78)	38.86 (26.55)	983.94 (850.92)	633.93 (574.86)	81.65 (82.07)	37.55 (23.00)	678.03 (633.93)	305.91 (216.99)
(c) Furniture and Fixtures	109.30 (76.94)	19.94 (34.22)	3.35 (1.86)	125.89 (109.30)	67.08 (65.50)	5.11 (3.44)	3.00 (1.86)	69.19 (67.08)	56.70 (42.22)
(d) Vehicles									
(i) Owned	324.05	-	10.51	313.54	102.67	39.10	6.15	135.62	177.92
(ii) Taken under finance lease	213.45	39.34	56.08	196.71	59.19	25.25	28.98	55.46	141.25
	537.50	39.34	66.59	510.25	161.86	64.35	35.13	191.08	319.17
	(586.71)	(36.12)	(85.32)	(537.50)	(120.78)	(70.94)	(29.86)	(161.86)	(375.64)
(e) Computers and Allied Equipments	1,665.24 (1,374.23)	290.77 (291.82)	140.91 (0.81)	1,815.10 (1,665.24)	1,063.72 (922.17)	180.13 (142.36)	140.70 (0.81)	1,103.15 (1,063.72)	711.95 (601.52)
Tangible Assets Total (A)	4,565.00 (4,010.83)	668.48 (695.05)	280.91 (140.88)	4,952.57 (4,565.00)	3,150.37 (2,823.65)	398.59 (408.59)	247.58 (81.87)	3,301.38 (3,150.37)	1,651.19 (1,414.63)
Intangible Assets									
Acquired									
(a) Computer software	1,173.21 (1,087.17)	291.95 (86.04)	129.22 -	1,335.94 (1,173.21)	932.86 (756.86)	177.71 (176.00)	128.26 -	982.31 (932.86)	353.63 (240.35)
Intangible Assets Total (B)	1,173.21 (1,087.17)	291.95 (86.04)	129.22 -	1,335.94 (1,173.21)	932.86 (756.86)	177.71 (176.00)	128.26 -	982.31 (932.86)	353.63 (240.35)
Total (A+B)	5,738.21 (5,098.00)	960.43 (781.09)	410.13 (140.88)	6,288.51 (5,738.21)	4,083.23 (3,580.51)	576.30 (584.59)	375.84 (81.87)	4,283.69 (4,083.23)	2,004.82 (1,654.98)

Note:

1 Figures in parenthesis relate to the corresponding previous year figures.

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

10 Non-current investments

Rs. in Lakhs

Particulars		As at 31 March, 2017	As at 31 March, 2016
Long term investments (At cost) (Unquoted)			
A Trade Investments (Unquoted)			
(a) Investments in equity Instruments			
(i) Investment in Subsidiaries			
1,599,600 Equity Shares (Previous year - 1,449,600) of USD 1 each, fully paid up in DSP BlackRock Investment Managers (Mauritius) Ltd.		849.83	749.78
Less: Provision for diminution in value of investments		849.83	749.78
		-	-
16,875,000 Equity Shares (Previous year - 16,875,000) of Rs. 10 each, fully paid up in DSP BlackRock Pension Fund Managers Pvt. Ltd.		1,687.50	1,687.50
(ii) Investment in other entity			
500,000 Equity Shares (Previous year - 500,000) of Re. 1 each, fully paid up in Investments In Mutual Fund Utilities India Pvt. Ltd.		5.00	5.00
		1,692.50	1,692.50
(b) Investment in Mutual Funds	No. of units		
DSP BlackRock Global Allocation Fund - Direct - Growth	5,00,000	50.00	50.00
DSP BlackRock World Agriculture Fund - Direct - Growth	2,55,342	38.00	38.00
DSP BlackRock US Flexible Equity Fund - Direct - Growth	3,09,805	50.00	50.00
DSP BlackRock World Gold Fund - Direct - Growth	5,36,366	50.00	50.00
DSP BlackRock World Energy Fund - Direct - Growth	3,67,069	50.00	50.00
DSP BlackRock World Mining Fund - Direct - Growth	2,77,947	21.00	21.00
DSP BlackRock Natural Resources and New Energy Fund - Direct - Growth	2,63,588	50.00	50.00
DSP BlackRock Dynamic Asset Allocation Fund - Direct - Growth	4,48,459	50.00	50.00
DSP BlackRock Constant Maturity 10Y G-Sec Fund - Direct - Growth	5,00,000	50.00	50.00
DSP BlackRock Government Securities Fund - Direct - Growth	1,19,553	50.00	50.00
DSP BlackRock Treasury Bill Fund - Direct - Growth	1,82,647	50.00	50.00
DSP BlackRock Bond Fund - Direct - Growth	1,18,909	50.00	50.00
DSP BlackRock Short Term Fund - Direct - Growth	2,16,118	50.00	50.00
DSP BlackRock MIP Fund - Direct - Growth	1,78,635	50.00	50.00
DSP BlackRock Balanced Fund - Direct - Growth	50,010	50.00	50.00
DSP BlackRock Money Manager Fund - Direct - Growth	2,712	50.00	50.00
DSP BlackRock Income Opportunities Fund - Direct - Growth	2,30,773	50.00	50.00
DSP BlackRock Strategic Bond Fund - Direct - Growth	3,169	50.00	50.00
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	4,44,211	50.00	50.00
DSP BlackRock Ultra Short Term Fund - Direct - Growth	5,00,000	50.00	50.00
DSP BlackRock Focus 25 Fund - Direct - Growth	3,12,383	50.00	50.00
DSP BlackRock Tax Saver Fund - Direct - Growth	1,67,409	50.00	50.00
DSP BlackRock Equity Fund - Direct - Growth	1,90,454	50.00	50.00
DSP BlackRock Opportunities Fund - Direct - Growth	36,323	50.00	50.00
DSP BlackRock Technology.com Fund - Direct - Growth	98,943	50.00	50.00
DSP BlackRock Top 100 Equity Fund - Direct - Growth	32,238	50.00	50.00
DSP BlackRock India T.I.G.E.R. Fund - Direct - Growth	78,749	50.00	50.00
DSP BlackRock Small and Mid Cap Fund - Direct - Growth	1,55,642	50.00	50.00
DSP BlackRock Liquidity Fund - Direct - Growth	2,588	50.00	50.00
DSP BlackRock Micro Cap Fund - Direct - Growth	1,30,460	50.00	50.00
DSP BlackRock Equity Savings Fund - Direct - Growth	5,00,000	50.00	50.00
DSP BlackRock Strategic Bond Fund - Direct - Growth	7,40,195	12,516.11	12,516.11
DSP BlackRock Government Securities Fund - Direct - Growth	1,11,10,254	4,401.59	4,401.59
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	6,55,82,468	8,661.22	-
DSP BlackRock Constant Maturity 10Y G-Sec Fund - Direct - Growth	92,48,338	950.00	950.00
DSP BlackRock Ultra Short Term Fund - Direct Plan - Growth	8,58,38,200	8,960.63	10,945.22
DSP BlackRock Treasury Bill Fund - Direct - Growth	6,61,833	200.00	200.00
		37,198.55	30,521.92

Rs. in Lakhs

Particulars		As at 31 March, 2017	As at 31 March, 2016
(c) Investment in Alternate Investment Fund *	No. of units		
DSP BlackRock Emerging Star Fund	8,84,231	1,000.00	500.00
DSP BlackRock CoRe Fund	6,72,661	670.00	-
DSP BlackRock Pharma Fund	10,26,205	1,000.00	-
DSP BlackRock SatCore Fund	5,00,000	500.00	-
* As per SEBI (Alternative Investment Funds) Regulations, 2012, requirement for capital contribution by the Company is 5% of corpus or Rs. 1,000 (in Lakhs) whichever is lower. The Company has contributed Rs. 3,170 (in Lakhs) presently and the balance of Rs. 830 (in Lakh) will be contributed upon issuance of drawdown notices by AIF investment managers.			
		3,170.00	500.00
B Other Investments			
Investment in Mutual Funds	No. of units		
Listed			
DSP BlackRock FMP - Series 204 - 37M - Direct - Growth	2,00,00,000	2,000.00	-
DSP BlackRock FMP - Series 205 - 37M - Direct - Growth	1,20,00,000	1,200.00	-
Total		45,261.05	32,714.42
Aggregate value of listed but not quoted investments		3,200.00	-
Aggregate amount of unquoted investments		42,061.05	32,714.42

11 Deferred tax asset

Rs. in Lakhs

Particulars		As at 31 March, 2017	As at 31 March, 2016
Components of Deferred Tax Assets			
Depreciation and amortisation of fixed assets		206.96	262.68
Expenses allowable on payment basis		1,190.93	646.93
Total		1,397.89	909.61

Notes to financial statements

12 Loans and advances (Unsecured, considered good-unless otherwise stated)

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
	Non-current (Long-term loans and advances)		Current (Short-term loans and advances)	
a Capital advances	84.94	8.59	-	-
b Security deposits (See note (i) below)	409.63	427.98	38.20	14.95
c Loans to employees	24.11	25.88	47.29	48.74
d Advance to suppliers	-	-	66.74	34.31
e Prepaid expenses	24.25	28.88	347.21	358.34
f Income tax (net) (Net of Provision of Rs. 22,120.69 (Previous year - Rs. 19,998.14))	2,949.21	3,466.94	-	-
g Balances with Government authorities	-	-	231.83	676.29
Less: Provision for Doubtful Advances	-	-	5.90	5.90
Total	3,492.14	3,958.27	725.37	1,126.73

Rs. in Lakhs

Note	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
	Non-current (Long-term loans and advances)		Current (Short-term loans and advances)	
(i) Considered Good Security deposits	409.63	427.98	32.30	9.05
Considered Doubtful Security deposits	-	-	5.90	5.90

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

13 Current investments

Rs in Lakhs

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No. of units	Amount	No. of units	Amount
Current Investment in mutual funds - Unquoted (At lower of cost and fair value)				
Investment in close ended mutual funds				
DSP BlackRock FMP - Series 104 - 12M - Direct - Growth	-	-	91,42,774	914.28
DSP BlackRock FMP - Series 105 - 12M - Direct - Growth	-	-	1,36,47,530	1,364.75
DSP BlackRock FMP - Series 107 - 12M - Direct - Growth	-	-	63,64,504	636.45
DSP BlackRock FMP - Series 108 - 12M - Direct - Growth	-	-	90,62,486	906.25
DSP BlackRock FTP - Series 33 - 24M - Direct - Growth	-	-	50,00,000	500.00
DSP BlackRock FTP - Series 38 - 25M - Direct - Growth	-	-	50,00,000	500.00
DSP BlackRock FTP - Series 31 - 36M - Direct - Growth	-	-	50,00,000	500.00
		-		5,321.73
Investment in open ended mutual funds				
DSP BlackRock Liquidity Fund - Direct - Growth	2,42,880	4,489.13	2,48,883	4,617.06
DSP BlackRock Money Manager Fund - Direct - Growth	270	5.84	-	-
		4,494.97		4,617.06
Total		4,494.97		9,938.79
Aggregate value of listed but not quoted investments		-		5,321.73
Aggregate amount of unquoted investments		4,494.97		4,617.06
Repurchase value		5,654.89		12,101.95

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

14 Trade receivables (Unsecured, considered good)

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Other trade receivables	7,711.29	4,353.09
Total	7,711.29	4,353.09

15 Cash and cash equivalents

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Balances with banks		
In current accounts	596.75	509.24
Total	596.75	509.24

16 Other current assets (Unsecured, considered good)

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Contractually reimbursable expenses (Refer sub-clause (ii) of Note 26)	-	1,007.73
Total	-	1,007.73

17 Revenue from operations

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Asset Management Fees	45,116.32	34,420.91
Offshore Non Binding Advisory Fees	3,761.24	2,553.79
Total	48,877.56	36,974.70

18 Other income

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Interest income on staff loans	5.95	7.46
(b) Interest on income tax refund	125.84	148.94
(c) Net gain on sale of current investments	2,132.38	1,518.65
(d) Interest others	1.66	-
(e) Net gain on foreign currency transactions	-	24.02
Total	2,265.83	1,699.07

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

19 Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and wages	10,691.47	8,624.98
Contribution to provident fund (Refer Note (a) below)	265.54	239.30
Gratuity expense (Refer Note (b) below)	347.85	52.49
Staff welfare expenses	157.30	118.48
Total	11,462.16	9,035.25

Note (a): Defined Contribution Plan

Rs. in Lakhs

Particulars	Current Year	Previous Year
Company's contribution to Provident Fund	265.54	239.30

Note (b): Defined Benefit Plans : Gratuity

The Company operates a non-funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to gratuity benefits based on final salary at retirement / leaving the organisation. The Company makes provision in the books based on third party actuarial valuations. The Present Value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit Credit Method.

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of the Government of India Securities as at the Balance Sheet date for the estimated terms of the obligation.

Rs. in Lakhs

Particulars	Current Year	Previous Year
i) Present value of obligation		
As at the beginning of the year	813.32	861.23
Service cost	121.32	154.61
Interest cost	66.43	64.48
Actuarial loss / (gain) on obligation	160.10	(166.60)
Benefits paid	(66.71)	(100.40)
As at the end of the year	1,094.46	813.32
ii) Amount recognised in Balance Sheet	1,094.46	813.32
iii) Expense during the year		
Service cost	121.32	154.61
Interest cost	66.43	64.48
Actuarial loss / (gain)	160.10	(166.60)
Total	347.85	52.49
iv) Principal actuarial assumptions		
Rate of discounting	7.25% p.a.	7.76% p.a.
Rate of increase in salaries	7.00% p.a.	7.00% p.a.
Mortality tables	2006-08 IALM	2006-08 IALM
Attrition rate		13% p.a.
	Age Years	Rates
	21-30	10%
	31-40	5%
	41-50	3%
	51-57	2%

Amount recognised in the current year and previous four years

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligation	1,094.46	813.32	861.23	618.79	598.01
Plan assets	-	-	-	-	-
(Deficit)	(1,094.46)	(813.32)	(861.23)	(618.79)	(598.01)
Experience (Gain)/Loss on obligation	107.26	(208.32)	(28.20)	(15.06)	54.63
Experience adjustment on plan assets Gain/(Loss)	-	-	-	-	-

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

20 Finance costs

Rs. in Lakhs

Particulars	For the year ended 31	For the year ended 31
	March, 2017	March, 2016
(i) Interest charge on finance lease obligations	11.22	20.81
(ii) Interest on delayed payment of income tax	4.20	0.35
Total	15.42	21.16

21 Other expenses (Refer Note (a) below)

Rs. in Lakhs

Particulars	For the year ended 31	For the year ended 31
	March, 2017	March, 2016
1 Scheme expenses (Refer note (b) below)		
a Brokerage	12,834.57	4,572.28
b Referral Fees	4,490.72	2,189.07
c Advertising, publicity and others	1,974.02	3,025.25
d Others	340.28	440.91
2 Rent	1,207.71	1,120.49
3 Legal and professional fees	2,565.48	1,466.21
4 Technology and allied infrastructure cost	503.61	515.87
5 Office maintenance	542.32	495.01
6 Travelling and conveyance	399.52	395.93
7 Risk reporting fees	149.06	149.00
8 Power	215.34	212.02
9 Rates, taxes and fees	69.85	83.65
10 Insurance	143.03	118.80
11 Donations	-	0.76
12 Corporate Social Responsibility (Refer note (c) below)	176.00	148.82
13 Net loss on foreign currency transactions	7.56	-
14 Payments to auditors (Refer note (d) below)	24.16	25.25
15 Loss on fixed assets sold / scrapped / written off	15.60	35.86
16 Provision for diminution in value of non-current investments	100.05	749.78
17 Miscellaneous expenses	1,371.95	1,030.19
Total	27,130.83	16,775.15

Note : (a)

Other expenses are shown net of reimbursements. Refer Sr. no. 6 of sub-clause (ii) of Note 26

Note : (b)

Rs. in Lakhs

Particulars	For the year ended 31	For the year ended 31
	March, 2017	March, 2016
Scheme expenses are shown net of expenditure reimbursed by the respective mutual fund schemes managed by the Company.	359.72	12,161.46
Total	359.72	12,161.46

Note : (c)

Rs. in Lakhs

Particulars	For the year ended 31	For the year ended 31
	March, 2017	March, 2016
Details of Corporate Social Responsibility (CSR) expenditure		
a) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof	176.00	148.82
b) Gross amount required to be spent during the year	180.95	148.94

DSP BlackRock Investment Managers Private Limited

Notes to financial statements

Note : (d)

Rs. in Lakhs

Particulars	Rs. in Lakhs	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Payments to the auditors comprise (net of service tax input credit)		
As auditors - statutory audit	19.00	19.00
- tax audit	3.40	3.40
- other services (certification)	1.50	2.75
Reimbursement of expenses	0.26	0.10
Total	24.16	25.25

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

22. Contingent Liabilities

	Current Year	Previous Year
	Rs. in Lakhs	Rs. in Lakhs
Claims against the Company not acknowledged as debt	40.43	40.53
Claims relating to service tax matters	291.88	291.88
Income tax matters contested by the Company	70.95	75.61

Future cash outflows in respect of the above items are dependent on judgments pending before relevant authorities.

23. Capital Commitments

	Current Year	Previous Year
	Rs. in Lakhs	Rs. in Lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	128.04	11.86

24. Derivative Instruments and Unhedged Foreign Currency Exposure

There is no outstanding forward exchange contract as at 31 March 2017 and 31 March 2016.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amounts receivable in foreign currency are on account of the following:

	Current Year (in Lakhs)		Previous Year (in Lakhs)	
	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Trade receivables	USD 24.39	1,581.51	USD 7.32	485.28
	JPY 223.75	129.68	JPY 216.41	127.81

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

b) Amounts payable in foreign currency on account of the following:

	Current Year (in Lakhs)		Previous Year (in Lakhs)	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade payable	USD 1.27 AED 0.35	82.48 6.17	USD 1.04 GBP 0.12	69.18 11.39

25. Segment Reporting

The Company operates in a single reportable segment.

DSP BlackRock Investment Managers Private Limited**Notes to Financial Statements****26. Related Party Disclosures****(i) List of Related Parties and their relationships**

Sr. No	Name of the Related Party	Relationship
1	DSP BlackRock Investment Managers (Mauritius) Ltd.	Subsidiary
2	DSP BlackRock Pension Fund Managers Pvt. Ltd.	Subsidiary
3	DSP BlackRock Trustee Company Pvt. Ltd.	Affiliated enterprise
4	BlackRock Advisors Singapore Pte. Ltd.	Affiliated enterprise
5	DSP BlackRock Mutual Fund	Affiliated enterprise
6	BlackRock India Equities Fund (Mauritius) Ltd.	Affiliated enterprise
7	BlackRock Asset Management North Asia Ltd. (Erstwhile BlackRock Hong Kong Ltd.)	Affiliated enterprise
8	BlackRock, Inc.	Affiliated enterprise
9	Reclamation Properties (India) Pvt. Ltd.	Affiliated enterprise
10	Reclamation Realty (India) Pvt. Ltd.	Affiliated enterprise
11	BlackRock Financial Management, Inc.	Affiliated enterprise
12	DSP BlackRock India Enhanced Equity Fund	Affiliated enterprise
13	DSP BlackRock Emerging Stars Fund	Affiliated enterprise
14	DSP BlackRock AIF Pharma Fund	Affiliated enterprise
15	DSP BlackRock AIF Core Fund	Affiliated enterprise
16	DSP BlackRock India Enhanced Equity SatCore Fund	Affiliated enterprise
17	Hemendra Kothari	Key Management Personnel
18	Aditi Kothari	Relative of Key Management Personnel
19	Wildlife Conservation Trust	Enterprise in which key management personnel can exercise significant influence.

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

27. Assets Taken on Lease

a. Disclosures in respect of Operating Leases

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Lease payments recognised in the Statement of Profit and Loss during the year	1,207.71	1,120.49

Assets are taken on lease for the periods ranging from 3 to 9 years.

There is no future minimum lease payment under non-cancellable operating leases.

b. Disclosures in respect of Finance Leases

1. The total of minimum lease payments and their present value in respect of assets taken on finance lease are as follows:

	Due not later than one year (Rs. in Lakhs)		Due later than one year but not later than five years (Rs. in Lakhs)	
	Current Year	Previous Year	Current Year	Previous Year
Total minimum future lease payments	48.33	86.26	69.12	65.67
Less: Finance Charge on future lease payments	(7.91)	(10.57)	(7.33)	(6.19)
Present Value of lease payments	40.42	75.69	61.79	59.48

2. Assets are taken on lease for periods ranging from 3 to 4 years.

28. Earnings per share (EPS)

	Current Year	Previous Year
Net Profit (Rs in Lakhs)	8,546.01	7,736.11
Weighted average number of equity shares (in Lakhs)	200	200
Basic and diluted EPS (Rs.)	42.73	38.68
Face Value / Nominal Value per equity share (Rs.)	10	10

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

29. Earnings and expenditure in foreign currency

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
(i) Earnings in foreign currency		
Offshore Non-Binding Advisory Fees	3,761.24	2,553.79
(ii) Expenditure in foreign currency		
Risk reporting fee	149.06	149.00
Professional fee	88.02	70.51
Subscription	70.20	75.03
Travel	19.85	16.63
Advertising fee	13.40	0.64
Others	48.48	29.86

30. Value of imported capital goods on CIF basis

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Value of imported capital goods on CIF basis	67.88	289.10

31. The details of Specified Bank Notes (SBNs) held and transacted during the period 08/11/2016 to 30/12/2016 is as provided in the table below:-

Rs. in Lakhs

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	3.48	16.15	19.63
Add : Permitted Receipts	-	11.87	11.87
Less : Permitted Payments	-	10.11	10.11
Less : Amount deposited in banks	3.48	-	3.48
Closing cash in hand as on 30.12.2016	-	17.91	17.91

DSP BlackRock Investment Managers Private Limited

Notes to Financial Statements

32. Previous year's figures

Figures of the previous year are regrouped and reclassified wherever necessary to correspond to the figures of the current year.

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari

Chairman

DIN: 00009873

Sd/-

Uday Khanna

Director

DIN: 00079129

Sd/-

Ramamoorthy Rajagopal

Chief Operating Officer

Sd/-

Pritesh Majmudar

Company Secretary

Place : Mumbai

Date: July 11, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DSP Blackrock Investment Managers Private Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **DSP Blackrock Investment Managers Private Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiaries DSP BlackRock Pension Fund Managers Private Limited and DSP BlackRock Investment Managers (Mauritius) Limited whose financial statements reflect total assets of Rs.2,683.56 Lacs as at March 31, 2017, total revenues of Rs. 43.89 Lacs and net cash flows amounting to Rs. 0.01 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries as applicable is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company. Our report expresses an unmodified

opinion on the adequacy and operating effectiveness of the Holding company on internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.
- (h) The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by the Management of the respective Group entities.

For Deloitte Haskins and Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-

(Rakesh N. Sharma)

(Partner)
(Membership No. 102042)

Place: Mumbai
Date: July 11, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of DSP Blackrock Investment Managers Private Limited (hereinafter referred to as “the Holding Company”) as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sd/-

Rakesh N. Sharma

(Partner)

(Membership No. 102042)

Place: Mumbai

Date: July 11, 2017

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
I	Equity and Liabilities			
1	Shareholders' funds			
	(a) Share capital	3	2,000.00	2,000.00
	(b) Reserves and surplus	4	57,217.40	48,698.15
2	Minority Interest		975.21	986.25
3	Non-current liabilities			
	(a) Long-term borrowings	5	61.79	59.48
	(b) Long-term provisions	6	1,350.54	798.34
4	Current liabilities			
	(a) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	7	10.71	36.35
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,549.03	3,943.59
	(b) Other current liabilities	8	414.81	499.44
	(c) Short-term provisions	6	94.28	191.60
	Total		66,673.77	57,213.20
II	Assets			
1	Non-current assets			
	(a) Property, Plant and Equipment			
	(i) Tangible assets	9	1,651.18	1,414.82
	(ii) Intangible assets	9	353.62	240.34
	(b) Non-current investments	10	43,574.85	31,028.25
	(c) Deferred tax assets	11	1,397.89	909.61
	(d) Long-term loans and advances	12	3,492.17	3,958.31
2	Current assets			
	(a) Current investments	13	7,079.00	12,549.50
	(b) Trade receivables	14	7,710.39	4,355.68
	(c) Cash and cash equivalents	15	668.06	592.94
	(d) Short-term loans and advances	12	731.73	1,135.08
	(e) Other current assets	16	14.88	1,028.67
	Total		66,673.77	57,213.20
	Significant accounting policies	2		
	The accompanying notes 1 - 31 are an integral part of the consolidated financial statements			

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Sd/-

Rakesh N. Sharma

Partner

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari

Chairman

DIN 00009873

Sd/-

Uday Khanna

Director

DIN 00079129

Sd/-

Ramamoorthy Rajagopal

Chief Operating Officer

Sd/-

Pritesh Majmudar

Company Secretary

Place: Mumbai

Date: July 11, 2017

Place : Mumbai

Date: July 11, 2017

Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Revenue			
I	Revenue from operations	17	48,888.13	37,036.43
II	Other income	18	2,270.05	1,752.68
III	Total Revenue (I + II)		51,158.18	38,789.11
	Expenses			
	Employee benefits expense	19	11,483.59	9,050.77
	Finance costs	20	16.22	22.57
	Depreciation and amortisation expense	9	576.50	584.88
	Other expenses	21	27,159.69	16,205.63
	Total Expenses		39,236.00	25,863.85
V	Profit before tax (III - IV)		11,922.18	12,925.26
	Tax expense			
	(a) Current tax expense		3,896.05	4,446.31
	(b) Short provision for tax relating to prior years		5.71	4.41
	(c) Deferred tax		(488.28)	91.27
			3,413.48	4,541.99
VII	Profit after tax before share of profit attributable to minority interest		8,508.70	8,383.27
	Less: Share of profit attributable to Minority Interest		(11.05)	(10.25)
	Profit for the year attributable to the shareholders of the Company		8,519.75	8,373.02
	Earnings per equity share (of Rs. 10/- each)			
	Basic (in Rs.)	29	42.60	41.87
	Diluted (in Rs.)		42.60	41.87
	Significant accounting policies	2		
	The accompanying notes 1 - 32 are an integral part of the consolidated financial statements			

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Sd/-

Rakesh N. Sharma

Partner

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari

Chairman

DIN 00009873

Sd/-

Uday Khanna

Director

DIN 00079129

Sd/-

Ramamoorthy Rajagopal

Chief Operating Officer

Sd/-

Pritesh Majmudar

Company Secretary

Place : Mumbai

Date: July 11, 2017

Place : Mumbai

Date: July 11, 2017

DSP BlackRock Investment Managers Private Limited

Consolidated Cash Flow Statement

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
Cash flow from operating activities				
Profit before tax		11,922.18		12,925.26
Adjustments for:				
Depreciation / amortisation	576.50		584.88	
Effect of exchange rate change	(0.50)		2.65	
Loss on fixed assets sold / scrapped / written off	15.60		35.86	
Finance cost	16.22		22.57	
Interest income	(8.51)		(8.51)	
Provision for doubtful advances	0.44		0.40	
Net gain on sale of investments	(2,135.69)	(1,535.94)	(1,571.11)	(933.26)
Operating profit before working capital changes		10,386.24		11,992.00
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables		(3,354.71)		33.38
Short-term loans and advances		401.90		(668.71)
Long-term loans and advances		22.98		(59.38)
Other current assets		1,013.79		(397.61)
Other non-current assets		-		11.47
Adjustments for increase in operating liabilities:				
Trade payables		579.80		1,717.46
Other current liabilities		(84.24)		177.77
Long-term provisions		552.20		(338.81)
Short-term provisions		(97.32)		124.36
Cash generated from operations		9,420.64		12,591.93
Direct taxes paid		(3,384.02)		(4,462.32)
Net cash generated from operating activities (A)		6,036.62		8,129.61
Cash flows from investing activities				
Capital expenditure on fixed assets, including capital advances		(1,001.90)		(767.11)
Proceeds from sale of fixed assets		18.69		23.15
Purchase of current investments in mutual fund		(60,891.63)		(143,316.27)
Proceeds from sale/maturity of current investments		55,950.79		136,303.17
Bank deposit placed		12.40		(12.40)
Loans to employees (Net)		3.22		22.67
Interest received		8.51		8.51
Net cash flow used in investing activities (B)		(5,899.92)		(7,738.28)

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
<u>Cash flows from financing activities</u>				
Proceeds from borrowings		53.82		36.12
Repayment of borrowings		(86.78)		(131.89)
Interest paid		(16.22)		(22.57)
Net cash flow used in financing activities (C)		(49.18)		(118.34)
Net increase in cash and cash equivalents (A + B + C)		87.52		272.99
Cash and cash equivalents at the beginning of the year		580.54		307.55
Cash and cash equivalents at the end of the year		668.06		580.54
<u>Reconciliation of cash and cash equivalents with the balance sheet</u>				
Cash and bank balances (Note no.:15)		668.06		592.94
Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statements :				
Balance held as margin money or security against guarantee		-		(12.40)
Total cash and cash equivalents		668.06		580.54
The accompanying notes 1 - 31 are an integral part of the consolidated financial statements				
<p>In terms of our report attached.</p> <p>For Deloitte Haskins & Sells LLP Chartered Accountants</p> <p>Sd/- Rakesh N. Sharma Partner</p> <p style="text-align: center;">For and on behalf of the Board of Directors</p> <p>Sd/- Hemendra Kothari Chairman DIN 00009873</p> <p>Sd/- Uday Khanna Director DIN 00079129</p> <p>Sd/- Ramamoorthy Rajagopal Chief Operating Officer</p> <p>Sd/- Pritesh Majmudar Company Secretary</p> <p>Place : Mumbai Date: July 11, 2017</p> <p style="text-align: center;">Place : Mumbai Date: July 11, 2017</p>				

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

1. BACKGROUND

The Group operates as 'Asset Management Company' for schemes of DSP BlackRock Mutual Fund, registered with the Securities and Exchange Board of India (SEBI) in India, 'Investment Manager' to National Pension System, regulated by Pension Fund Regulatory & Development Authority (PFRDA), and an 'Investment Manager' to DSP BlackRock India Investment Fund.

2. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

b) Principles of consolidation

The consolidated financial statements relate to DSP BlackRock Investment Managers Private Limited (the 'Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2017. These have been consolidated based on latest available financial statements.
- ii. The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii. Minority Interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- iv. Following subsidiary companies have been considered in the preparation of the

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

consolidated financial statements:

Name of the subsidiaries	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at 31 March 2017
DSP BlackRock Investment Managers (Mauritius) Ltd.	Mauritius	100%
DSP BlackRock Pension Fund Managers Pvt. Ltd.	India	62.50%

- v. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

c) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

d) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Group.

Cash and Cash equivalents presented in the Cash Flow Statement consist of unencumbered bank balances.

e) Revenue Recognition

Revenue is recognised as the services are performed, when it is earned and no significant uncertainty exists as to its realisation or collection.

Fees from mutual fund operations:

Investment management fees are recognised net of service tax on an accrual basis as a percentage of the average daily net assets of the schemes of DSP BlackRock Mutual Fund, in accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations,

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

1996 (the 'SEBI Regulations').

Offshore Advisory Services:

Advisory fees are computed in accordance with the relevant agreements and are based on the assets under management of the funds as computed and provided by independent third party fund accountants / custodians.

f) Property, Plant & Equipment and Depreciation / Amortisation

Tangible Fixed Assets are stated at their cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition up to the date the assets are put to use.

Assets acquired under finance lease are accounted for at the inception of the lease in accordance with Accounting Standard 19 on Leases, at the lower of the fair value of the asset and the present value of minimum lease payments.

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method on pro-rata basis for the period of use, as per the useful life prescribed in Schedule II to the Companies Act, 2013, as follows:

Asset	Useful life of asset (Years)
Office Equipment	5
Furniture and Fixtures	10
Vehicles	8
Computers and Allied Equipments	3 and 6

Leasehold improvements are amortised over the lower of the lease period and management's estimate of the useful life of the asset.

Office Equipment held by DSP BlackRock Investment Managers (Mauritius) Ltd. are depreciated over a period of four years.

Intangible assets are stated at their cost of acquisition, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

reliably measured. The amortisable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The Group capitalises software costs where it is reasonably estimated that the software has an enduring useful life. Software is amortised over management's estimate of its useful life of three years.

g) Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

h) Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the prevailing rates of exchange on the date of the transaction

Foreign currency monetary items of the Company and the Subsidiary Company are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

In respect of the non- integral foreign operations, all assets & liabilities are translated at year end rates and all revenue and expenses are translated at average rates of exchange at the date of the transaction. The exchange differences relating to non-integral foreign operations are accumulated in foreign currency translation reserve until disposal of the operations, in which case the accumulated balances of foreign currency translation reserve is recognised as income/expense in the same period in which the gain/loss on disposal is recognised.

i) Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on Accounting for Investments.

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.

j) Employee Benefits

Compensation to employees for services rendered is measured and accounted for in accordance with Accounting Standard 15 on Employee Benefits.

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as an expense in the Statement of Profit and Loss in the period in which the service is rendered.

Employee Benefits under defined benefit plans and other long term employee benefits such as gratuity and compensated absences which fall due for payment after completion of employment or after a period of twelve months from rendering service, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Group's obligations recognised in the Balance Sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

k) Earnings Per Share

The Group reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

l) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

m) Income Tax

Income Taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise of both current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

n) Provisions and Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provisions are made if it becomes probable that an outflow of future economic benefits will be required to settle the obligation.

DSP BlackRock Investment Managers Private Limited

Notes to consolidated financial statements

3 Share capital

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
(a) Authorised				
Equity shares of the par value of Rs.10 each	30,000,000	3,000.00	30,000,000	3,000.00
(b) Issued and subscribed				
Equity shares of Rs.10 each fully paid up	20,000,000	2,000.00	20,000,000	2,000.00
(c) There is no movement in Share Capital during the current and the previous year.				
(d) Rights, preferences and restrictions attached to equity shares				
The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. Dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
(e) Shareholders holding more than 5% equity shares in the Company are set out below :	Number of shares held	% Holding	Number of shares held	% Holding
DSP HMK Holdings Pvt. Ltd.	4,000,000	20.00%	4,000,000	20.00%
DSP ADIKO Holdings Pvt. Ltd.	8,000,000	40.00%	8,000,000	40.00%
BlackRock Advisors Singapore Pte. Ltd.	8,000,000	40.00%	8,000,000	40.00%

DSP BlackRock Investment Managers Private Limited

Notes to consolidated financial statements

4 Reserves and surplus

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) General reserve		
Balance at the beginning and end of the year	24.00	24.00
(b) Foreign currency translation reserve		
Balance at the beginning of the year	139.27	136.62
Add : Effect of foreign exchange rate variations during the year	(0.50)	2.65
Balance at the end of the year	138.77	139.27
(c) Surplus in Consolidated Statement of Profit and Loss		
Balance at the beginning of the year	48,534.88	40,161.86
Add: Profit for the year	8,519.75	8,373.02
Balance at the end of the year	57,054.63	48,534.88
Total	57,217.40	48,698.15

5 Long-term borrowings (Secured)

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Long-term maturities of finance lease obligations (Refer Note 8)		
From banks	61.79	59.48
Total	61.79	59.48
Details of security :		
Secured by hypotheca ion of vehicles acquired under Auto Loan Scheme. Loans carry interest rates in the range of 9.75% to 13.50% p.a.		
Terms of repayment :		
a) Repayable in 36 / 48 equated monthly installments beginning from the month subsequent to the disbursement		
b) Maturity with respect to the Balance Sheet date : 319 Monthly installments due over the period from April 2017 to February 2021		

6 Provisions

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
	Non-current (Long-term provisions)		Current (Short-term provisions)	
For employee benefits				
(i) Compensated absences	312.10	142.06	38.26	34.56
(ii) Gratuity	1,038.44	656.28	56.02	157.04
Total	1,350.54	798.34	94.28	191.60

DSP BlackRock Investment Managers Private Limited**Notes to consolidated financial statements****7 Total outstanding dues of micro enterprises and small enterprises**

Rs. in Lakhs

Disclosures relating to amounts payable as at the year-end together with interest paid /payable to Micro and Small Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intima ion received from suppliers regarding their status and the required disclosures are given below.

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	10.71	36.35
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .	-	-
(d) The amount of interest due and payable for the year.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f) The amount of fur her interest due and payable even in he succeeding year, until such date when the interest dues as above are actually paid.	-	-
Total	10.71	36.35

Note : Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

8 Other current liabilities

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Current maturities of finance lease obligations (Refer Note 5)	40.42	75.69
(b) O her payables		
(i) Statutory remittances	301.63	385.87
(ii) Payables on purchase of fixed assets	72.76	37.88
Total	414.81	499.44

9 Property, Plant & Equipment

Rs. in Lakhs

Particulars	Gross block				Accumulated Depreciation and amortisation				Net block
	Balance as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation / amortisation for the year	Eliminated on disposal of assets	Balance as at 31 March, 2017	Balance as at 31 March, 2017
Tangible Assets									
(a) Leasehold improvements	1,402.04 (1,246.27)	146.55 (182.11)	96.08 (26.34)	1,452.51 (1,402.04)	1,223.78 (1,140.34)	67.35 (109.78)	96.08 (26.34)	1,195.05 (1,223.78)	257.46 (178.26)
(b) Office Equipment	852.04 (727.81)	171.88 (150.78)	38.86 (26.55)	985.06 (852.04)	634.86 (575.49)	81.85 (82.37)	37.55 (23.00)	679.16 (634.86)	305.90 (217.18)
(c) Furniture and Fixtures	109.30 (76.94)	19.94 (34.22)	3.35 (1.86)	125.89 (109.30)	67.08 (65.50)	5.11 (3.44)	3.00 (1.86)	69.19 (67.08)	56.70 (42.22)
(d) Vehicles									
(i) Owned	324.05	-	10.51	313.54	102.67	39.10	6.15	135.62	177.92
(ii) Taken under finance lease	213.45	39.34	56.08	196.71	59.19	25.25	28.98	55.46	141.25
	537.50 (586.71)	39.34 (36.12)	66.59 (85.32)	510.25 (537.50)	161.86 (120.78)	64.35 (70.94)	35.13 (29.86)	191.08 (161.86)	319.17 (375.64)
(e) Computers and Allied Equipments	1,665.24 (1,374.23)	290.77 (291.82)	140.91 (0.81)	1,815.10 (1,665.24)	1,063.72 (922.17)	180.13 (142.35)	140.70 (0.81)	1,103.15 (1,063.72)	711.95 (601.53)
Tangible Assets Total (A)	4,566.12 (4,011.95)	668.48 (695.05)	345.79 (140.88)	4,888.81 (4,566.12)	3,151.30 (2,824.28)	398.79 (408.88)	312.46 (81.87)	3,237.63 (3,151.29)	1,651.18 (1,414.82)
Intangible Assets									
<u>Acquired</u>									
(a) Computer software	1,173.21 (1,087.17)	291.95 (86.04)	129.22 -	1,335.94 (1,173.21)	932.87 (756.87)	177.71 (176.00)	128.26 -	982.32 (932.87)	353.62 (240.34)
Intangible Assets Total (B)	1,173.21 (1,087.17)	291.95 (86.04)	129.22 -	1,335.94 (1,173.21)	932.87 (756.87)	177.71 (176.00)	128.26 -	982.32 (932.87)	353.62 (240.34)
Total (A+B)	5,739.33 (5,099.12)	960.43 (781.09)	475.01 (140.88)	6,224.75 (5,739.33)	4,084.17 (3,581.15)	576.50 (584.88)	440.72 (81.87)	4,219.95 (4,084.16)	2,004.80 (1,655.16)

Note:

1 Figures in parenthesis relate to the corresponding previous year figures.

DSP BlackRock Investment Managers Private Limited

Notes to consolidated financial statements

10 Non-current investments

Rs. in Lakhs

Particulars		As at 31 March, 2017	As at 31 March, 2016
Long term investments (At cost) (Unquoted)			
A Trade Investments (Unquoted)			
(a) Investments in equity Instruments			
(i) Investment other entity			
500,000 (Previous year - 500,000) Equity Shares of Re. 1 each, fully paid up in Investments In Mutual Fund Utilities India Pvt. Ltd.		5.00	5 00
		5.00	5 00
(b) Investment in Mutual Funds	No. of units		
DSP BlackRock Global Allocation Fund - Direct - Growth	500,000	50.00	50 00
DSP BlackRock World Agriculture Fund - Direct - Growth	255,342	38.00	38 00
DSP BlackRock US Flexible Equity Fund - Direct - Growth	309,805	50.00	50 00
DSP BlackRock World Gold Fund - Direct - Growth	536,366	50.00	50 00
DSP BlackRock World Energy Fund - Direct - Growth	367,069	50.00	50 00
DSP BlackRock World Mining Fund - Direct - Growth	277,947	21.00	21 00
DSP BlackRock Natural Resources and New Energy Fund - Direct - Growth	263,588	50.00	50 00
DSP BlackRock Dynamic Asset Allocation Fund - Direct - Growth	448,459	50.00	50 00
DSP BlackRock Constant Maturity 10Y G-Sec Fund - Direct - Growth	500,000	50.00	50 00
DSP BlackRock Government Securities Fund - Direct - Growth	119,553	50.00	50 00
DSP BlackRock Treasury Bill Fund - Direct - Growth	182,647	50.00	50 00
DSP BlackRock Bond Fund - Direct - Growth	118,909	50.00	50 00
DSP BlackRock Short Term Fund - Direct - Growth	216,118	50.00	50 00
DSP BlackRock MIP Fund - Direct - Growth	178,635	50.00	50 00
DSP BlackRock Balanced Fund - Direct - Growth	50,010	50.00	50 00
DSP BlackRock Money Manager Fund - Direct - Growth	2,712	50.00	50 00
DSP BlackRock Income Opportunities Fund - Direct - Growth	230,773	50.00	50 00
DSP BlackRock Strategic Bond Fund - Direct - Growth	3,169	50.00	50 00
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	444,211	50.00	50 00
DSP BlackRock Ultra Short Term Fund - Direct - Growth	500,000	50.00	50 00
DSP BlackRock Focus 25 Fund - Direct - Growth	312,383	50.00	50 00
DSP BlackRock Tax Saver Fund - Direct - Growth	167,409	50.00	50 00
DSP BlackRock Equity Fund - Direct - Growth	190,454	50.00	50 00
DSP BlackRock Opportunities Fund - Direct - Growth	36,323	50.00	50 00
DSP BlackRock Technology.com Fund - Direct - Growth	98,943	50.00	50 00
DSP BlackRock Top 100 Equity Fund - Direct - Growth	32,238	50.00	50 00
DSP BlackRock India T.I.G.E.R. Fund - Direct - Growth	78,749	50.00	50 00
DSP BlackRock Small and Mid Cap Fund - Direct - Growth	155,642	50.00	50 00
DSP BlackRock Liquidity Fund - Direct - Growth	2,588	50.00	50 00
DSP BlackRock Micro Cap Fund - Direct - Growth	130,460	50.00	50 00
DSP BlackRock Equity Savings Fund - Direct - Growth	500,000	50.00	50 00
DSP BlackRock Strategic Bond Fund - Direct - Growth	740,195	12,516.11	12,516.11
DSP BlackRock Government Securities Fund - Direct - Growth	11,110,254	4,401.59	4,401 59
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	65,582,468	8,661.22	-
DSP BlackRock Constant Maturity 10Y G-Sec Fund - Direct - Growth	9,248,338	950.00	950 00
DSP BlackRock Ultra Short Term Fund - Direct Plan - Growth	85,838,200	8,960.63	10,945 22
DSP BlackRock Treasury Bill Fund - Direct - Growth	661,833	200.00	200 00
DSP BlackRock India Investment Fund	1,300	1.30	1 33
		37,199.85	30,523 25
(b) Investment in Alternate Investment Fund *	No. of units		
DSP BlackRock Emerging Star Fund	884,231	1,000.00	500 00
DSP BlackRock CoRe Fund	672,661	670.00	
DSP BlackRock Pharma Fund	1,026,205	1,000.00	
DSP BlackRock SatCore Fund	500,000	500.00	
* As per SEBI (Alternative Investment Funds) Regulations, 2012, requirement for capital contribution by the Company is 5% of corpus or Rs. 1,000 (in Lakhs), whichever is lower. The Company has contributed Rs. 3,170 (in Lakhs) presently and the balance of Rs. 870 (in Lakhs) will be contributed upon issuance of drawdown notices by AIF Investment Managers.			
		3,170.00	500 00

DSP BlackRock Investment Managers Private Limited

Notes to consolidated financial statements

Rs. in Lakhs

Particulars		As at 31 March, 2017	As at 31 March, 2016
B Other Investments			
Investment in Mutual Funds	No. of units		
Listed			
DSP BlackRock FMP - Series 204 - 37M - Direct - Grow h	20,000,000	2,000.00	-
DSP BlackRock FMP - Series 205 - 37M - Direct - Grow h	12,000,000	1,200.00	-
Total		43,574.85	31,028.25
Aggregate amount of listed and unquoted investments		3,200.00	-
Aggregate amount of unquoted investments		40,374.85	31,028.25

11 Deferred tax assets

Rs. in Lakhs

Particulars		As at 31 March, 2017	As at 31 March, 2016
Components of Deferred Tax Assets			
Depreciation and amortisation of fixed assets		206.96	262.68
Expenses allowable on payment basis		1,190.93	646.93
Total		1,397.89	909.61

Notes to consolidated financial statements

12 Loans and advances (Unsecured, considered good-unless otherwise stated)

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
	Non-current (Long-term loans and advances)		Current (Short-term loans and advances)	
a Capital advances	84.94	8.59	-	-
b Security deposits (See note (i) below)	409.63	427.98	38.20	14.95
c Loans to employees	24.11	25.88	47.29	48.74
d Advance to suppliers	-	-	66.74	34.31
e Prepaid expenses	24.25	28.88	353.57	366.69
f Income tax (net) (Net of Provision of Rs. 22,030.35 (Previous year - Rs. 19,998.14))	2,949.24	3,466.98	-	-
g Balances with Government authorities	-	-	231.83	676.29
Less: Provision for Doubtful Advances	-	-	5.90	5.90
Total	3,492.17	3,958.31	731.73	1,135.08

Rs. in Lakhs

Note (i)	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
	Non-current (Long-term loans and advances)		Current (Short-term loans and advances)	
(i) Considered Good Security deposits	409.63	427.98	32.30	30.82
Considered Doubtful Security deposits	-	-	5.90	5.90

13 Current investments

Rs. in Lakhs

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No. of units	Amount	No. of units	Amount
Current Investment in mutual funds - Unquoted (At lower of cost and market value)				
Investment in close ended mutual funds				
DSP BlackRock FMP - Series 104 - 12M - Direct - Growth	-	-	9,142,774	914.28
DSP BlackRock FMP - Series 105 - 12M - Direct - Growth	-	-	13,647,530	1,364.75
DSP BlackRock FMP - Series 107 - 12M - Direct - Growth	-	-	6,364,504	636.45
DSP BlackRock FMP - Series 108 - 12M - Direct - Growth	-	-	9,062,486	906.25
DSP BlackRock FTP - Series 33 - 24M - Direct - Growth	-	-	5,000,000	500.00
DSP BlackRock FTP - Series 38 - 25M - Direct - Growth	-	-	5,000,000	500.00
DSP BlackRock FTP - Series 31 - 36M - Direct - Growth	-	-	5,000,000	500.00
		-		5,321.73
Investment in open ended mutual funds				
DSP BlackRock Liquidity Fund - Direct - Growth	369,494	7,073.16	376,805	7,227.77
DSP BlackRock Money Manager Fund - Direct - Growth	270	5.84		
		7,079.00		7,227.77
Total		7,079.00		12,549.50
Aggregate value of listed but not quoted investments		-		5,321.73
Aggregate amount of unquoted investments		7,079.00		7,227.77
Repurchase value		8,427.05		12,603.21

DSP BlackRock Investment Managers Private Limited

Notes to consolidated financial statements

14 Trade receivables (Unsecured, considered good)

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Other trade receivables	7,710.39	4,355.68
Total	7,710.39	4,355.68

15 Cash and cash equivalents

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Balances with banks		
In current accounts	668.06	580.54
Other bank balances		
Balance held as margin money or security against guarantee	-	12.40
Total	668.06	592.94

16 Other current assets (Unsecured, considered good)

Rs. in Lakhs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Contractually reimbursable expenses (Refer sub-clause (ii) of Note 26)	14.88	1,028.53
Interest accrued on fixed deposit	-	0.14
Total	14.88	1,028.67

17 Revenue from operations

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Asset Management Fees	45,116.32	34,420.91
Offshore Non Binding Advisory Fees	3,771.81	2,615.52
Total	48,888.13	37,036.43

18 Other income

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Interest income on staff loans	5.95	7.46
(b) Interest on income tax refund	125.84	148.94
(c) Net gain on sale of current investments	2,135.69	1,571.11
(d) Interest others	1.66	-
(e) Interest on bank deposits	0.90	1.05
(f) Net gain on foreign currency transactions	-	24.12
(g) Miscellaneous income	0.01	-
Total	2,270.05	1,752.68

DSP BlackRock Investment Managers Private Limited

Notes to consolidated financial statements

19 Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and wages	10,712.90	8,642.43
Contribution to provident fund (Refer Note (a) below)	265.54	239.30
Gratuity expense (Refer Note (b) below)	347.85	52.49
Staff welfare expenses	157.30	116.55
Total	11,483.59	9,050.77

Note (a): Defined Contribution Plan

Rs. in Lakhs

Particulars	Current Year	Previous Year
Company's contribution to Provident Fund	265.54	239.30

Note (b) : Defined Benefit Plans : Gratuity

The Company operates a non-funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to gratuity benefits based on final salary at retirement / leaving the organisation. The Company makes provision in the books based on third party actuarial valuations. The Present Value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit Credit Method.

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of the Government of India Securities as at the Balance Sheet date for the estimated terms of the obligation.

Rs. in Lakhs

Particulars	Current Year	Previous Year
i) Present value of obligation		
As at the beginning of the year	813.32	861.23
Service cost	121.32	154.61
Interest cost	66.43	64.48
Actuarial (gain) / loss on obligation	160.10	(166.60)
Benefits paid	(66.71)	(100.40)
As at the end of the year	1,094.46	813.32
ii) Amount recognised in Balance Sheet	1,094.46	813.32
iii) Expense during the year		
Service cost	121.32	154.61
Interest cost	66.43	64.48
Actuarial (gain) / loss	160.10	(166.60)
Total	347.85	52.49
iv) Principal actuarial assumptions		
Rate of discounting	7.25% p.a.	7.76% p.a.
Rate of increase in salaries	7.00% p.a.	7.00% p.a.
Mortality tables	2006-08 IALM	2006-08 IALM
Attrition rate		13% p.a.
	Age Years	Rates
	21-30	10%
	31-40	5%
	41-50	3%
	51-57	2%

Amount recognised in the current year and previous four years

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligation	1,094.46	813.32	861.23	618.79	598.01
Plan assets	-	-	-	-	-
(Deficit)	(1,094.46)	(813.32)	(861.23)	(618.79)	(598.01)
Experience (Gain)/Loss on obligation	107.26	(208.32)	(28.20)	(15.06)	54.63
Experience adjustment on plan assets Gain/(Loss)	-	-	-	-	-

DSP BlackRock Investment Managers Private Limited

Notes to consolidated financial statements

20 Finance costs

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(i) Interest charge on finance lease obligations	11.21	20.82
(ii) Interest on delayed payment of income tax	5.00	1.59
(iii) Bank guarantee, commission and other charges	0.01	0.16
Total	16.22	22.57

21 Other expenses (Refer Note (a) below)

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1 Scheme expenses (Refer note (b) below)		
a Brokerage	12,847.19	4,631.28
b Referral Fees	4,490.72	2,189.07
c Advertising, publicity and others	1,974.02	3,025.25
d Others	346.74	450.82
2 Rent	1,215.18	1,127.84
3 Legal and professional fees	2,613.02	1,543.62
4 Technology and allied infrastructure cost	503.61	515.87
5 Office maintenance	542.93	495.52
6 Travelling and conveyance	399.52	395.93
7 Risk reporting fees	149.06	149.00
8 Power	215.34	212.02
9 Rates, taxes and fees	76.36	91.21
10 Insurance	143.18	118.94
11 Donations	12.14	0.76
12 Corporate Social Responsibility (Refer note (c) below)	163.86	148.82
13 Net loss on foreign currency transactions	7.52	-
14 Payments to auditors (Refer note (d) below)	32.41	33.30
15 Loss on fixed assets sold / scrapped / written off	15.60	35.86
16 Provision for doubtful advances	0.44	0.40
17 Miscellaneous expenses	1,410.85	1,040.12
Total	27,159.69	16,205.63

Note : (a)

Other expenses are shown net of reimbursements. Refer Sr. no. 6 of sub-clause (ii) of Note 27

DSP BlackRock Investment Managers Private Limited

Notes to consolidated financial statements

Note : (b)

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Scheme expenses are shown net of expenditure reimbursed by the respective mutual fund schemes managed by the Company.	359.72	12,161.46
Total	359.72	12,161.46

Note : (c)

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Details of Corporate Social Responsibility (CSR) expenditure		
a) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof	163.86	148.82
b) Gross amount required to be spent during the year	180.95	148.94

Note : (d)

Rs. in Lakhs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Payments to the auditors comprise (net of service tax input credit)		
As auditors - statutory audit	27.21	27.04
- tax audit	3.40	3.40
- other services (certification)	1.53	2.75
Reimbursement of expenses	0.27	0.11
	32.41	33.30

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

1. BACKGROUND

The Group operates as 'Asset Management Company' for schemes of DSP BlackRock Mutual Fund, registered with the Securities and Exchange Board of India (SEBI) in India, 'Investment Manager' to National Pension System, regulated by Pension Fund Regulatory & Development Authority (PFRDA), and an 'Investment Manager' to DSP BlackRock India Investment Fund.

2. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

b) Principles of consolidation

The consolidated financial statements relate to DSP BlackRock Investment Managers Private Limited (the 'Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2017. These have been consolidated based on latest available financial statements.
- ii. The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii. Minority Interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- iv. Following subsidiary companies have been considered in the preparation of the

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

consolidated financial statements:

Name of the subsidiaries	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at 31 March 2017
DSP BlackRock Investment Managers (Mauritius) Ltd.	Mauritius	100%
DSP BlackRock Pension Fund Managers Pvt. Ltd.	India	62.50%

- v. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

c) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

d) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Group.

Cash and Cash equivalents presented in the Cash Flow Statement consist of unencumbered bank balances.

e) Revenue Recognition

Revenue is recognised as the services are performed, when it is earned and no significant uncertainty exists as to its realisation or collection.

Fees from mutual fund operations:

Investment management fees are recognised net of service tax on an accrual basis as a percentage of the average daily net assets of the schemes of DSP BlackRock Mutual Fund, in accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations,

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

1996 (the 'SEBI Regulations').

Offshore Advisory Services:

Advisory fees are computed in accordance with the relevant agreements and are based on the assets under management of the funds as computed and provided by independent third party fund accountants / custodians.

f) Property, Plant & Equipment and Depreciation / Amortisation

Tangible Fixed Assets are stated at their cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition up to the date the assets are put to use.

Assets acquired under finance lease are accounted for at the inception of the lease in accordance with Accounting Standard 19 on Leases, at the lower of the fair value of the asset and the present value of minimum lease payments.

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method on pro-rata basis for the period of use, as per the useful life prescribed in Schedule II to the Companies Act, 2013, as follows:

Asset	Useful life of asset (Years)
Office Equipment	5
Furniture and Fixtures	10
Vehicles	8
Computers and Allied Equipments	3 and 6

Leasehold improvements are amortised over the lower of the lease period and management's estimate of the useful life of the asset.

Office Equipment held by DSP BlackRock Investment Managers (Mauritius) Ltd. are depreciated over a period of four years.

Intangible assets are stated at their cost of acquisition, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

reliably measured. The amortisable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The Group capitalises software costs where it is reasonably estimated that the software has an enduring useful life. Software is amortised over management's estimate of its useful life of three years.

g) Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

h) Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the prevailing rates of exchange on the date of the transaction

Foreign currency monetary items of the Company and the Subsidiary Company are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

In respect of the non- integral foreign operations, all assets & liabilities are translated at year end rates and all revenue and expenses are translated at average rates of exchange at the date of the transaction. The exchange differences relating to non-integral foreign operations are accumulated in foreign currency translation reserve until disposal of the operations, in which case the accumulated balances of foreign currency translation reserve is recognised as income/expense in the same period in which the gain/loss on disposal is recognised.

i) Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on Accounting for Investments.

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.

j) Employee Benefits

Compensation to employees for services rendered is measured and accounted for in accordance with Accounting Standard 15 on Employee Benefits.

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as an expense in the Statement of Profit and Loss in the period in which the service is rendered.

Employee Benefits under defined benefit plans and other long term employee benefits such as gratuity and compensated absences which fall due for payment after completion of employment or after a period of twelve months from rendering service, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Group's obligations recognised in the Balance Sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

k) Earnings Per Share

The Group reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

l) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

m) Income Tax

Income Taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise of both current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

n) Provisions and Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provisions are made if it becomes probable that an outflow of future economic benefits will be required to settle the obligation.

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

23. Contingent Liabilities

	Current Year	Previous Year
	Rs. in Lakhs	Rs. in Lakhs
Claims against the Company not acknowledged as debt	19.35	40.53
Claims relating to service tax matters	291.88	291.88
Income tax matters contested by the Company	70.95	75.61

Future cash outflows in respect of the above items are dependent on judgments pending before relevant authorities.

24. Capital Commitments

	Current Year	Previous Year
	Rs. in Lakhs	Rs. in Lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	128.04	11.86

25. Derivative Instruments and Unhedged Foreign Currency Exposure

There is no outstanding forward exchange contract as at 31 March 2017 and 31 March 2016.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amounts receivable in foreign currency are on account of the following:

	Current Year (in Lakhs)		Previous Year (in Lakhs)	
	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Trade receivables	USD 24.39	1,581.51	USD 7.22	478.89
	JPY 223.75	129.68	JPY 216.41	127.81

b) Amounts payable in foreign currency on account of the following:

	Current Year (in Lakhs)		Previous Year (in Lakhs)	
	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Trade payable	USD 1.27	82.48	USD 1.04	69.18
	AED 0.35	6.17	GBP 0.12	11.39

DSP BlackRock Investment Managers Private Limited**Notes to Consolidated Financial Statements****26. Segment Reporting**

The Group operates in a single reportable segment.

27. Related Party Disclosures**(i) List of Related Parties and their relationships**

Sr. No	Name of the Related Party	Relationship
1.	DSP BlackRock Trustee Company Pvt. Ltd.	Affiliated enterprise
2.	BlackRock Advisors Singapore Pte. Ltd.	Affiliated enterprise
3.	DSP BlackRock Mutual Fund	Affiliated enterprise
4.	BlackRock India Equities Fund (Mauritius) Ltd.	Affiliated enterprise
5.	BlackRock Asset Management North Asia Ltd. (Erstwhile BlackRock Hong Kong Ltd.)	Affiliated enterprise
6.	BlackRock, Inc.	Affiliated enterprise
7.	Reclamation Properties (India) Pvt. Ltd.	Affiliated enterprise
8.	Reclamation Realty (India) Pvt. Ltd.	Affiliated enterprise
9.	BlackRock Financial Management, Inc.	Affiliated enterprise
10	DSP BlackRock India Enhanced Equity Fund	Affiliated enterprise
11	DSP BlackRock India Investment Fund	Affiliated enterprise
12	DSP BlackRock Emerging Stars Fund	Affiliated enterprise
13	DSP BlackRock AIF Pharma Fund	Affiliated enterprise
14	DSP BlackRock AIF Core Fund	Affiliated enterprise
15	DSP BlackRock India Enhanced Equity SatCore Fund	Affiliated enterprise
16	Hemendra Kothari	Key Management Personnel
17	Aditi Kothari	Relative of Key Management Personnel
18	Wildlife Conservation Trust	Enterprise in which key management personnel can exercise significant influence.

Sr No.	Nature of Transaction	Affiliated Enterprises		Enterprise in which key management personnel can exercise significant influence	Key Management Personnel and their Relatives	Total
		DSP BlackRock Mutual Fund	Others			
	Revenue					
1	Asset Management Fees / Offshore Non Binding Advisory Fees					
	Current Year	41,998.96	6,878.31 ⁽¹⁾	-	-	48,877.27
	Previous Year	34,104.07	2,932.37	-	-	37,036.44
	Expenditure					
2	Rent *					
	Current Year	-	469.94 ⁽²⁾	-	-	469.94
	Previous Year	-	431.42	-	-	431.42
3	Risk reporting fee					
	Current Year	-	149.06 ⁽³⁾	-	-	149.06
	Previous Year	-	149.00	-	-	149.00
4	Remuneration					
	Current Year	-	-	-	115.90 ⁽⁸⁾	115.90
	Previous Year	-	-	-	89.31	89.31
5	Corporate Social Responsibility (CSR)					
	Current Year	-	-	- ⁽⁵⁾	-	-
	Previous Year	-	-	16.10	-	16.10
6	(Recovery) / Reimbursement of expenses					
	Current Year	359.72	4.22 ⁽⁴⁾	-	0.66 ⁽¹⁰⁾	364.60
	Previous Year	12,161.46	1.70	-	(0.05)	12,163.11
7	Other expenses					
	Current Year	144.69	-	-	-	144.69
	Previous Year	269.86	-	-	-	269.86
	Investments					
8	Purchases of units of mutual fund and AIF					
	Current Year	58,221.22	2,670.00 ⁽¹¹⁾	-	-	60,891.22
	Previous Year	142,815.17	500.00	-	-	143,315.17
9	Sales					
	Current Year	55,950.79	-	-	-	55,950.79
	Previous Year	136,303.17	-	-	-	136,303.17
	Balances Outstanding as at 31 March 2017					
10	Investments in mutual fund / AIF					
	Current Year	47,477.53	3,170.00 ⁽¹²⁾	-	-	50,647.53
	Previous Year	43,072.75	500.00	-	-	43,572.75
11	Trade receivables					
	Current Year	5,157.43	2,540.48 ⁽⁶⁾	-	-	7,697.91
	Previous Year	3,652.45	703.24	-	-	4,355.69
12	Trade payables					
	Current Year	8.10	126.53 ⁽⁷⁾	-	-	134.63
	Previous Year	3.16	39.28	-	-	42.44
13	Contractually reimbursable expenses					
	Current Year	-	14.88 ⁽⁹⁾	-	-	14.88
	Previous Year	1,007.73	20.80	-	-	1,028.53

	Current Year	Previous Year
(1) Offshore Non Binding Advisory Fees		
BlackRock India Equities Fund (Mauritius) Ltd.	1,050.57	1,071.96
BlackRock Asset Management North Asia Ltd. <i>(erstwhile BlackRock Hong Kong Ltd.)</i>	2,681.60	1,444.33
DSP BlackRock India Investment Fund	39.63	99.23
AIF Management fees		
DSP BlackRock India Enhanced Equity Fund	1,643.17	216.12
DSP BlackRock Emerging Stars Fund	804.09	100.73
DSP BlackRock AIF Pharma Fund	303.66	-
DSP BlackRock AIF Core Fund	336.20	-
DSP BlackRock India Enhanced Equity SatCore Fund	19.39	-
(2) Reclamation Properties (India) Pvt. Ltd.	404.12	431.42
Reclamation Realty (India) Pvt. Ltd.	65.82	-
(3) BlackRock Financial Management, Inc.	149.06	149.00
(4) DSP BlackRock India Enhanced Equity Fund	0.15	0.63
DSP BlackRock Emerging Stars Fund	-	1.07
DSP BlackRock AIF Pharma Fund	0.53	-
DSP BlackRock AIF Core Fund	3.48	-
DSP BlackRock India Enhanced Equity SatCore Fund	0.05	-
(5) Wildlife Conservation Trust	-	16.10
(6) Balance as at 31 March 2017 - Offshore Non Binding Advisory Fees / AIF Management fees		
BlackRock India Equities Fund (Mauritius) Ltd.	266.06	238.70
BlackRock Asset Management North Asia Ltd. <i>(erstwhile BlackRock Hong Kong Ltd.)</i>	1,438.59	368.01
DSP BlackRock India Enhanced Equity Fund	584.13	53.01
DSP BlackRock Emerging Stars Fund	93.48	34.54
DSP BlackRock AIF Pharma Fund	72.41	-
DSP BlackRock AIF Core Fund	59.79	-
DSP BlackRock India Enhanced Equity SatCore Fund	20.36	-
DSP BlackRock India Investment Fund	5.66	8.98
(7) Trade payables		
BlackRock Financial Management, Inc.	65.28	37.31
Reclamation Properties (India) Pvt. Ltd.	-	0.90
Reclamation Realty (India) Pvt. Ltd.	60.34	-
DSP BlackRock India Enhanced Equity Fund	0.03	-
DSP BlackRock AIF Core Fund	0.83	-
DSP BlackRock India Enhanced Equity SatCore Fund	0.05	-
DSP BlackRock Emerging Stars Fund	-	1.07
(8) Remuneration		
Aditi Kothari	115.90	89.31
(9) Contractually reimbursable expenses		
DSP BlackRock India Investment Fund	14.88	20.80
(10) (Recovery) / Reimbursement of expenses *		
Hemendra Kothari	(0.01)	(0.19)
Aditi Kothari	0.67	0.14
(11) Investments made during the year in AIF		
DSP BlackRock Emerging Star Fund	500.00	500.00
DSP BlackRock AIF Pharma Fund	1,000.00	-
DSP BlackRock AIF Core Fund	670.00	-
DSP BlackRock India Enhanced Equity SatCore Fund	500.00	-
(12) Investments in AIF		
DSP BlackRock Emerging Star Fund	1,000.00	500.00
DSP BlackRock AIF Pharma Fund	1,000.00	-
DSP BlackRock AIF Core Fund	670.00	-
DSP BlackRock India Enhanced Equity SatCore Fund	500.00	-

Note * Figures inclusive of Service Tax

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

28. Assets Taken on Lease

a. Disclosures in respect of Operating Leases

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Lease payments recognised in the Statement of Profit and Loss during the year	1,215.18	1,127.84

Assets are taken on lease for the periods ranging from 3 to 9 years.

b. Disclosures in respect of Finance Leases

1. The total of minimum lease payments and their present value in respect of assets taken on finance lease are as follows:

	Due not later than one year (Rs. in Lakhs)		Due later than one year but not later than five years (Rs. in Lakhs)	
	Current Year	Previous Year	Current Year	Previous Year
Total minimum future lease payments	48.32	86.26	69.12	65.67
Less: Finance Charge on future lease payments	(7.91)	(10.57)	(7.33)	(6.19)
Present Value of lease payments	40.42	75.69	61.79	59.48

2. Assets are taken on lease for periods ranging from 3 to 4 years.

29. Earnings per share (EPS)

	Current Year	Previous Year
Net Profit (Rs. in Lakhs)	8,497.65	8,373.02
Weighted average number of equity shares (in Lakhs)	200	200
Basic and diluted EPS (Rs.)	42.49	41.87
Face Value / Nominal Value per equity share (Rs.)	10	10

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

30. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 :

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Rs. in Lakhs	As % of consolidated profit or loss	Rs. in Lakhs
Holding Company DSP BlackRock Investment Managers Pvt. Ltd.	101.46% (101.45%)	60,079.08 (51,433.02)	101.61% (101.22%)	8,646.06 (8,485.89)
Subsidiaries				
Indian DSP BlackRock Pension Fund Managers Pvt. Ltd.	-0.10% (-0.09)	-62.15 (-43.73)	-0.35% (0.33%)	-29.47 (27.33)
Foreign DSP BlackRock Investment Managers (Mauritius) Ltd.	-1.35% (-1.36%)	-799.53 (-691.14)	-1.27% (-1.55%)	-107.89 (-129.95)
Total		59,217.40 (50,698.15)		8,508.70 (8,383.27)
Minority Interests in all subsidiaries		975.21 (986.25)		-11.05 (-10.25)

Note: Figures in parenthesis relates to the corresponding previous year.

31. The details of Specified Bank Notes (SBNs) held and transacted during the period 08/11/2016 to 30/12/2016 is as provided in the table below:-

Rs. in Lakhs

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	3.48	16.16	19.64
Add : Permitted Receipts	-	11.87	11.87
Less : Permitted Payments	-	10.11	10.11
Less : Amount deposited in banks	3.48	-	3.48
Closing cash in hand as on 30.12.2016	-	17.92	17.92

32. Previous year's figures

DSP BlackRock Investment Managers Private Limited

Notes to Consolidated Financial Statements

Figures of the previous year are regrouped and reclassified wherever necessary to correspond to the figures of the current year.

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari

Chairman

DIN: 00009873

Sd/-

Uday Khanna

Director

DIN: 00079129

Place: Mumbai

Date: July 11, 2017

Sd/-

Ramamoorthy Rajagopal

Chief Operating Officer

Sd/-

Pritesh Majmudar

Company Secretary

FCS 6259