

## NOTICE OF THE FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of the members of M/s. IDBI MF Trustee Company Limited will be held in the Small Conference Room of IDBI Bank Limited on the 24<sup>th</sup> floor of IDBI Tower, Cuffe Parade, Mumbai- 400005 on Tuesday, the 25<sup>th</sup> day of August 2015 at 4.00 p.m., to transact the following Ordinary and Special Business:

### **A. Ordinary Business**

#### **1. Item no 1: Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company consisting of Balance Sheet as at 31<sup>st</sup> March, 2015, the statement of Profit and Loss, Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2015 and the reports of the Board of Directors' and the Statutory Auditors' and the comments of the Comptroller & Auditor General of India thereon

#### **2. Item no 2: To fix the remuneration of the Statutory Auditors.**

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139(5) and other applicable provisions, if any, of the Companies Act, 2013, the Statutory Auditors of the Company be appointed subject to the directions given in this regard by the Comptroller and Auditor-General of India for such period as may be prescribed from time to time, subject to ratification of appointment at every Annual General Meeting

RESOLVED FURTHER THAT the remuneration of the Statutory Auditors as appointed by the Comptroller & Auditor General of India (C & AG) under Section 139(5) of the said Act, be and is hereby approved up to Rs 1,50,000/- plus reimbursement of admissible travelling and out of pocket expenses along with service tax as applicable, for the year 2015-16.”

RESOLVED FURTHER THAT the Board is be and hereby authorized to negotiate and finalize the remuneration payable to statutory auditors, including over and above the limit of Rs. 1,50,000/- also.”

## **B. SPECIAL BUSINESS:-**

### **3. Item no 3:Authorisation for Related Party Transactions**

**To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

RESOLVED THAT in terms of provisions of Section 188 and other applicable provisions of the Companies Act 2013 read with rule 15 of the Companies (Meeting of the Board and its powers) Rules 2014 and other applicable rules notified under the act, as amended from time to time, the members of the Company hereby approves the continuation of existing contracts of the Company and further hereby authorize the Board to approve and enter into contracts and arrangements with related parties including sub delegation thereof to a director/committee of Directors as it may think fit, for a value not exceeding Rs. 2 crore for each contract and/or arrangement which is not in ordinary course of business and/or not at arm's length price or at such price with the approval of the Audit Committee of the Board and thereafter of the Board of Directors of the Company without any further reference to the shareholders.

“RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required at the time of according / granting their approvals, consents, permissions and sanctions to such contracts or arrangements proposed to be entered with the related parties and as agreed to by the Board

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board, be and is hereby authorized to do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in their absolute discretion, deem necessary, proper or desirable and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Company, without requiring any further approval of the members and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers, herein conferred, to a committee of Directors to give effect to the aforesaid Resolutions.”

**4. Item no 4: Authorization for Investments of surplus funds of the Company in FD/Mutual Funds**

**To consider and, if thought fit, to give your assent or dissent to the following Resolution, with or without modifications, as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 186, 179(3) and other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals, consents, sanctions and permissions of appropriate authorities, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company including sub delegation thereof to Committee/MD & CEO to invest in mutual funds, fixed deposits, and other debt securities, and/or acquire by way of subscription, purchase or otherwise the securities of any Body Corporate, up to a limit not exceeding Rs. 5 Crore (Rupees Five Crore Only) including ratification for existing investments done if any, notwithstanding that the aggregate of the investment, and/or securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to discuss / negotiate and / or finalise the terms and conditions for aforesaid acquisition(s) and to sign/modify, alter, amend or withdraw any document(s), paper(s) or writing(s) in this regard and to do all such acts, deeds and things as may be considered necessary, expedient or incidental in order to giving effect to this Resolution.”

For and on behalf of the Board of Directors

Place : Mumbai  
Date : June 30, 2015

A C Mahajan  
Chairman for the meeting  
held on June 30, 2015  
IDBI MF Trustee Company Limited  
CIN: U65991MH2010PLC199326

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED & AFFIXED WITH REVENUE STAMP AND MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/proxies should bring the attendance slip duly filled in for attending the meeting.
3. The relevant explanatory statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of business under item no. 2 to 14 are attached herewith.

4. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
5. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

**EXPLANATORY STATEMENT**  
**(Pursuant to Section 102 (1) of the Companies Act, 2013)**

**Item No. 2**

In terms of section 139(5) of the Companies Act 2013, the Company is subjected to Comptroller and Auditor General of India (C&AG) audit. The accounts of the Company are required to be audited by Statutory Auditors appointed by the C&AG. The appointment is required to be ratified in the general meeting of the shareholders by passing Ordinary Resolution under Section 139(1) of the Companies Act, 2013. These Auditors shall hold office as per the directions of the C&AG from time to time. The Company has approached C&AG for appointment of the Statutory Auditors for the Financial Year 2015-16. The C&AG is yet to advise the Company in this regard.

The remuneration of the Statutory Auditors are required to be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. The members are requested to authorise the Board of Directors to fix the remuneration payable to the Statutory Auditors. Therefore, it is proposed that by passing ordinary resolution under section 139(1) of the Companies Act, 2013, the Board may be authorized to negotiate and finalize the remuneration over and above the limits of Rs. 1,40,000/- The other terms and conditions and remuneration of the above Auditors would be as fixed by the Board of Directors of the Company on the recommendations of the Audit Committee. The Ordinary Resolution as contained at Item No.2 of the AGM Notice is accordingly proposed to be passed by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 2.

**Item No. 3**

IDBI MF Trustee Company Limited, is a Wholly owned Subsidiary of IDBI Bank Ltd. IDBI AMC has been appointed as Investment Manager by IDBI MF Trustee Company Limited vide Investment Management Agreement dated 20th February 2010. As per the agreement the Company is required to manage the funds, ensure compliance with regulations and accounting of transactions of schemes, formalize, float and launch new schemes with approval of Trustees, to issue sell units of Mutual fund, to invest in securities as per investment objective on behalf of Mutual Fund, to declare and pay dividend, calculation of NAV, appointment of intermediaries.

Thus in order to ensure smooth operations of the Company, IDBI AMC has entered into various contracts prior to the Commencement of the Companies Act 2013 which includes contracts with related parties in the ordinary course of business and to support the operations of the Company.

The Ministry of Company Affairs have vide circular no 426 dated August 14, 2014 have amended Companies (Meetings of Board and its Powers) Rules 2014 wherein under Rule 15, the criteria for Related Party Transactions requiring prior approval of shareholders by way of Special Resolution have been revised as under

“(3) For the purposes of first proviso to sub-section (1) of section 188, except with the prior approval of the company by a special resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into,— (a) as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188, with criteria as mentioned below - (i) sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten per cent. of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188; (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten per cent. of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188; (iii) leasing of property of any kind exceeding ten per cent. of the net worth of the company or ten per cent. of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;

(iv) availing or rendering of any services, directly or through appointment of agent, exceeding ten per cent. of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

Explanation.—It is hereby clarified that the limits specified in sub-clauses (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(b) is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of subsection (1) of section 188; or

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one per cent. of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation.- (1) The Turnover or Net Worth referred in the above sub-rules shall be computed on the basis of the Audited Financial Statement of the preceding Financial year.

(2) In case of a wholly owned subsidiary, the special resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between the wholly owned subsidiary and the holding company.

(3) The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars,

namely:— (a) name of the related party ; (b) name of the director or key managerial personnel who is related, if any; (c) nature of relationship; (d) nature, material terms, monetary value and particulars of the contract or arrangement; (e) any other information relevant or important for the members to take a decision on the proposed resolution.”

Further under the Companies Amendment Act 2015, which enacted w.e.f. May 29, 2015 amends Section 188 as under:

- 1) The resolution to be passed by the Shareholders to be an Ordinary Resolution.
- 2) A third proviso is being inserted under Section 188 which reads as

"Provided also that the requirement of passing the resolution under first proviso shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.";

Since IDBI Bank is a holding Company of IDBI AMC and the accounts of the Company is consolidated with the accounts of IDBI Bank, Contracts or Arrangements being entered with IDBI Bank would not require approval of the shareholders as enumerated in the above proviso. Further the Companies amendment act 2015 also amends section 177 in sub section (4) in clause (iv) by inserting the proviso which read as under

"Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed;".

Since the conditions for omnibus approval has not been specified, the said section shall come into effect on notification.

IDBI MF Trustee Company Limited currently has the following contracts entered with the related parties

<b>A</b>	<b>B</b>		<b>C</b>	<b>D</b>	<b>E</b>
<b>Sr. no</b>	<b>Name of party</b>	<b>Name of Director or Key Managerial Personnel who is related of any</b>	<b>Relation</b>	<b>Transaction</b>	<b>Whether in ordinary course of business and at arms length price</b>
1.	IDBI Mutual Fund through IDBI Bank Limited by way of Trust	NIL	Group concern	Trusteeship Fees The Trustee shall be entitled to receive a fee not exceeding 0.01% per annum of	In ordinary course of business and in lines with the SEBI

	Deed dated 19 <sup>th</sup> February 2010			the daily/net assets of the Mutual Fund subject to maximum fee not exceeding Rs. 10 lakhs per annum. The Trustee shall also be entitled for reimbursement of all costs, charges and expenses incurred in the course of the administration and execution of the Fund.	regulations
	IDBI Asset Management Limited	NIL	Group Company	<p>Scheme Overlap Expenses Scheme overlap expenses</p> <p>Secretarial &amp; accounting service expenses: Certain common expenses incurred by AMC such as Rent, Electricity, Maintenance relating to Mumbai office premises and also a portion of salary expenses for the services rendered by AMC.</p> <p>Out of the above common expenses we charge 5% to MF Trustee Co</p> <p>The Services of around 12 officials are being used for MF Trustee Co related work as MF Trustee Co. does not have any employee on its roles. These AMC officials take care of the work relating to secretarial</p>	In ordinary course of business

				<p>matters, conducting of meetings, ROC work, accounts/tax matters, SEBI compliance etc.. IDBI AMC is charging 1% of salary expenses which would work out to Rs. 12 lakh p.a.</p> <p>Around 5.5% of total Scheme overlap expenses is also being charged by IDBI AMC</p>	
	IDBI Mutual Fund through IDBI AMC	NIL	MF Trust	Investment of surplus funds	In ordinary course of business and at Arm's Length.

The above contracts or arrangements have been entered into by the Company in the ordinary course of business and at competitive rates. The contracts referred to above are existing contracts and are continuing in nature.

Since the current net – worth of the Company as on 31st March 2015 is Rs. 90,31,246/- and Turnover of the Company as on 31st March 2014 is around Rs. 62,76,388/-, the value of certain existing contracts exceed the limits provided under Section 188 read with rule 15 of Companies (meetings of the Board and its Powers) Rules 2014.

The Company was not required to seek approval of the shareholders under the erstwhile Companies Act 1956 for contracts entered into ordinary course of business. However, with the applicability of the new Companies Act 2013 w.e.f. 01<sup>st</sup> April 2014 such contracts come under purview of the Related Party Transactions and require approval of the shareholders on and from the Financial year 2014-15 in terms of the limits prescribed under the rules as a percentage of networth/Turnover of the Company.

Hence, It is proposed to the members to authorize the Company to enter into further contracts with the approval of ACB/Board as may be required and to authorize the Board of Directors with powers to enter into contracts for a value not exceeding Rs. 2 crore for each such contract or arrangement which are not in ordinary course of business and/or not at arm's Length and to do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in their absolute discretion, deem necessary including sub delegating the authority to a Committee of Directors and to authorize MD & CEO of IDBI AMC to enter into such contracts and arrangements with prior approval of the board.

The extent of interest and concern of the Directors and Key Managerial Personnel of the Company and their relatives, financial or otherwise, in the resolution set out at Item No. 3 have been disclosed above

#### **Item No. 4**

The company's current investments made in Mutual Funds/FDs are nearing the ceiling limit and it is therefore proposed to increase the inter-corporate loan/ investment limit to Rs 5 crore. Since the returns earned in investments specifically in Mutual Funds are automatically reinvested into the said schemes, it is likely that the limit may breach in future, hence to avoid such eventuality, it is proposed to seek an approval for the same.

The company foresees opportunity for deploying surplus funds, as and when available, into profitable avenues. While several options are available for such deployment, the company will tread cautiously while making the investment decisions. The funds may be invested in Mutual funds, Fixed Deposits and other investments which, in the opinion of the Board/its committee/MD &CEO are safe and secure and will yield a reasonable return. Even while investing in Mutual Funds a fair proportion will be allocated to debt funds which are comparatively more secure than equity funds.

Section 186 of the Companies Act, 2013 prescribes certain limits for investments and if the actual investment should exceed such limit, it can so be done only with the approval of the members by passing a special resolution.

Accordingly, a resolution is proposed under section 186 of the Companies Act, 2013 for the approval of the members. The resolution when approved will be implemented by the Board of Directors of the Company or a Committee of the Board or by MD & CEO on sub-delegation by deciding upon a judicious mix of the various options of investments.

**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: U65991MH2010PLC199326**

**Name of the company: IDBI MF TRUSTEE COMPANY LIMITED**

**Registered office: IDBI TOWER WTC COMPLEX CUFFE PARADE, MUMBAI 400 005**

Name of the member (s):
Registered Address:
Email Id:
Folio no/Client Id:
DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1.Name : .....

Address :

E-mail Id :

Signature :....., or failing him

2.Name : .....

Address:

E-mail Id :

Signature:....., or failing him

3.Name : .....

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourth Annual general meeting of the company, to be held on the Tuesday 25<sup>th</sup> of August 2015 At.4.00 p.m. at the Registered Office of the Company situated at IDBI Tower on the 24<sup>th</sup> floor, WTC

complex, Cuffe Parade, Mumbai 400 005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 Adoption of Annual Accounts of the Company
- 2 To fix the Remuneration of the Statutory Auditors of the Company
- 3 To consider the related party transactions of the Company
4. Authorization for Investments of surplus funds of the Company in FD/Mutual Funds

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

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 48hours before the commencement of the Meeting.

**IDBI MF TRUSTEE COMPANY LIMITED**  
**CIN : U65991MH2010PLC199326**  
**Regd. Office : IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400 005.**

**ATTENDANCE SLIP**  
**(To be filled in and handed over at the entrance of the meeting hall)**

I hereby record my presence at the FOURTH ANNUAL GENERAL MEETING of the Company to be held at the registered office of the Company situated at IDBI Tower on the 24<sup>th</sup> floor, WTC complex, Cuffe Parade, Mumbai 400 005 on Tuesday, 25<sup>th</sup> day of August, 2015, at 4.00 P. M.

Full Name of the *Shareholder/Proxy (in Block Letters)	
Folio No. or Client/ DP ID No.:	
No. of Shares held.:	

\*Strike out whichever is not applicable

NOTE:

Members who have multiple folios / demat accounts with different joint holders may use copies of this attendance slip. Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.

Route map for the venue of AGM

The screenshot displays a Google Maps interface with a route from IDBI Bank Limited to Chhatrapati Shivaji Terminus. The route is shown as a blue line passing through Churchgate, Nariman Point, and the Gateway of India. A transit panel is open, showing a 23-minute journey with a train from Colaba to Chhatrapati Shivaji Terminus. The transit panel includes a 'Leave now' button, a 'Schedule explorer' button, and a 'Satellite' button. The map also shows various landmarks and streets in Mumbai, including Marine Lines, Fort, and Back Bay.

**Transit**

2:08 PM - 2:31 PM  
 23 min  
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 2:14 PM from Colaba  
 8 min every 6 mins  
 Details

25 min  
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20 min  
 7LTD / 25LTD AS-1 AS-6 SPL-2

26 min  
 139

Schedule explorer

Satellite

Chhatrapati Shivaji Terminus  
 45 min 3.5 km

45 min 3.6 km

IDBI Bank Limited

Map data ©2015 Google Terms Privacy Report a problem 1 km

2:08 PM 7/31/2015

## **DIRECTOR'S REPORT**

The Directors take immense pleasure in presenting the Fifth Annual Report together with the Financial Statements of IDBI MF Trustee Company Limited (CIN: U65991MH2010PLC199326) for the financial year 2014-15.

### **I. FINANCIAL SUMMARY AND HIGHLIGHTS**

During the year 2014-15, total income of IDBI MFT was Rs. 0.69 crore as compared to Rs. 0.55 crore during FY 2013-14.

The financial details of the Company for the financial year 2014-15 are as follows.

(Rs in crore)

<b>PARTICULARS</b>	<b>2014 - 15</b>	<b>2013 - 14</b>
Total Income	0.69	0.55
Profit/(Loss) before tax	0.31	0.21
Less : Tax	0.09	0.06
Profit/(Loss) after taxes (PAT)	0.22	0.15
Balance brought forward from earlier period	0.48	0.33
Amount available for appropriation	Nil	Nil
Balance/(Loss) to be carried forward	0.70	0.48
Networth	0.90	0.68

### **II. STATE OF COMPANY'S AFFAIRS:**

IDBI MF Trustee Company Limited (IDBI MFT) (CIN: U65991MH2010PLC199326) acts a Trustee for IDBI Mutual Fund. IDBI MFT has appointed IDBI Asset Management Limited (IAMC) (CIN: U65100MH2010PLC199319) as Investment Manager to IDBI Mutual Fund.

In the fifth year of operation, the average quarterly Asset Under Management (AAUM) of the IAMC has grown from Rs 5,928.67 crores (Jan- March, 2014) to Rs. 7344 crores (Jan- March 31, 2015). IAMC currently manages 16 schemes including two passive equity, four active equity, six debt, one Gold ETF, one FOF (Gold), one gilt and one liquid scheme.

The Trustee fee income y-o-y has increased by 33.08% from Rs.47.16 lakh for the year ended on March 31, 2015 to Rs.62.76 lakh during the current financial year 2015. The total income has increased by 25.60% in the same period from Rs.55.04 lakh to Rs.69.13 lakh.

The other income includes mainly interest income, which has increased from Rs.0.37 Lakh to Rs.0.43 Lakh due to interest received on income tax refund for F.Y. 2012-13 & F.Y.2013-14.

The operating expenses, which are being reimbursed to IDBI AMC on pre-approved ratio, have increased on y-o-y basis from Rs 34.19 Lakhs to Rs 37.91 Lakh due to increase in business activities.

Net profit after tax on y-o-y basis has increased by 52% from Rs. 14.75 lakh to Rs. 22.42 lakh.

### **Business Environment:**

The Indian economy started FY2014-15 on a positive note with significant improvement in market and business sentiment, following the general elections in May 2014. Sharp decline in global commodity prices, particularly crude oil, declining inflation & interest rates resulted in a moderate decrease in the twin fiscal deficit and an improvement in economic output. Better macroeconomic indicators and stable government kept the domestic business sentiments buoyant all through the year.

In FY 2015, the Central Statistical Organization (CSO) introduced a new methodology for calculation of Gross Domestic Product (GDP) and also revised the base year from fiscal 2005 to fiscal 2012. Notable changes in the methodology included replacing GDP at factor cost with GDP at market prices as the official GDP estimate. India's GDP as per the new methodology accelerated to 7.3% in FY15 (from 6.9% in FY14). The improvement was broad based with growth in government consumption (6.6%), private consumption (6.3%) and gross capital formation (5.4%). The gross value added (GVA) was 7.2% in FY15 (vs. 6.6% in FY14) while services and industry grew 10.2% and 6.1%, respectively. The IIP data showed an expansion of 2.8% in FY15 compared to 0.1% contraction in FY14.

The CPI for FY15 at 6.4% was down from 9.5% in FY14, while WPI for the year was at 2.1% down from 6%. Inflation focused RBI kept the rates unchanged for the first nine months of the year and thereafter started cutting the rates only in Jan 2015 and March 2015 by 25 bps each. RBI also reduced the statutory liquidity ratio (SLR) by an aggregate 150 basis points, from 23.0% to 21.5%, during FY 2015.

India's current account deficit shrank to 1.3% of GDP in FY 2015 compared to a deficit of 1.7% of GDP in FY 2014. However, India's trade deficit widened to \$ 137.95 billion for the fiscal 2015 compared to \$135.80 bn in previous year due to disappointing exports and an increase in non oil imports.

The new government, in their first year, undertook a number of initiatives including increasing the foreign investment limit in defense, railways and insurance sectors, deregulating diesel prices, reviewing gas pricing, fiscal Deficit and Current Account Deficit and Direct Benefit Transfer (DBT), improving access to long-term financing for infrastructure projects and auctioning of coal mines and spectrum. In the Union Budget for FY 2015 - 2016, announced on February 28, 2015, key measures included an increase in capital expenditure for the year, formulating a plug-and-play model for awarding long-term projects, proposing reduction in the

corporate tax rate from 30.0% to 25.0% over the next four years along with rationalization of exemptions and setting a target for the Goods & Services Tax (GST) regime to be implemented from April 1, 2016. The government has set a fiscal deficit target of 3.9% in FY 2016, 3.5% in FY 2017 and 3.0% by FY 2018. Fiscal deficit for the year 2015 was contained at 4% of GDP.

Foreign Institutional Investor (FII) flows were significantly higher in FY 2015 with net inflows of around Rs 2.7 trillion compared to a net inflow of Rs 516 billion in fiscal 2014. There was a net inflow of Rs 1.1 trillion into equity markets and Rs 1.7 trillion into debt markets during the year. The rupee depreciated by 4.2% during the year, from Rs. 60.1 per US dollar to Rs. 62.6 per US dollar, partly owing to a strengthening of the US dollar against major currencies.

The global economy in FY 2014-15 witnessed divergent trends due to contrasting monetary policies in the major economies and stress in oil producing countries. While the United States withdrew quantitative easing in 2014, the Euro Zone and Japan expanded their monetary easing programmes. Fear of Greece exit from the eurozone kept the market sentiments weak in the second half of the year.

### **Mutual Fund Industry**

The mutual fund industry witnessed another year of growth with the overall Asset Under Management growing from Rs.825, 240 crore as of March 2014 to Rs. 10,82,757 crore as of March 31, 2015, registering a growth of around 30%. The industry witnessed a new milestone when the assets under management crossed Rs. 12, 00,000 Crores in February 2015 for the first time. The industry witnessed healthy net inflows into equity oriented and balanced schemes to the tune of more than Rs. 80,000 Crores and addition of more than 24 lakh folios riding on a buoyant equity market with broad market indices delivering around 25% returns for the 1 year period ended March 31 2015. The Union Budget for FY2015 amended the income tax provisions for debt oriented mutual funds by increasing the tenor of holding to atleast 36 months to qualify for long term capital gains tax from the extant 12 month period. Retail participation in mutual fund products saw a healthy rise during the FY with the retail AUM around 50% of total AUM of the industry at Rs. 541,000 Crores.

SEBI increased the minimum networth criteria for mutual funds from Rs. 10 Crores to Rs. 50 Crores and has given mutual funds that do not meet the revised networth, a period of 3 years to comply with the same. The intent of the Regulator behind increasing the minimum networth criteria is to make individual fund houses financially robust, withstand systemic financial crisis better and to protect interest of investors. Further, SEBI has also introduced the requirement of Sponsor/AMC investing a maximum of 1% of AUM or Rs. 50 lakhs whichever is less as “seed capital” in all open-ended schemes of a mutual fund and retain the seed capital in the scheme in

perpetuity. The objective of seed capital investment is to align the interest of the AMC with that of the Unitholders.

SEBI introduced various investor friendly measures during the year. Cash investments permitted per investor per mutual fund per financial year has been increased from Rs. 20000 to Rs. 50000. SEBI has decided to enable a single consolidated view of all the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories with consolidation being done on the basis of PAN. This initiative will eventually lead to the creation of one record for all financial assets of an individual. As another measure aimed at strengthening investor grievance redressal mechanism, SEBI has required mutual funds to prominently display the contact information pertaining to the Compliance Officer and the CEO at all offices of the mutual fund to enable investors approach them directly in case of any investor grievance/complaint.

### **III. TRANSFER TO RESERVE AND DIVIDEND**

The Company has decided to reinvest its entire profit for future development. Hence, no dividend is recommended for the year under review.

### **IV. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the Financial Year under review, the Company has not dealt in foreign exchange.

### **V. MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

### **VI. BOARD OF DIRECTORS**

Your Company's Board of Directors is broad-based and its constitution is governed by the provisions of the SEBI (MF) Regulations 1996 as amended from time to time, the Companies Act 2013 as amended and then in force and the Articles of Association of your Company. The Board functions directly as well as through various Board-level Committees constituted to provide focused governance in your Company's important functional areas.

As on March 31, 2015, the Board comprised of five Directors including the Chairman, and four Independent Directors. No Director, KMP or its relatives are related to any other Director/KMP on the Board. All Directors have been appointed with prior approval of SEBI in accordance with provisions of SEBI (MF) Regulations 1996.

During the year under review, no changes took place in the composition of the Board of Directors of the Company:

<b>S No</b>	<b>Name of the Director</b>	<b>Particulars</b>	<b>Appointed</b>
1	Shri B K Batra (DIN: 00015732)	Director	28/06/2012
2	Shri J Jayaraman (DIN: 02423487)	Director	28/06/2014*
3	Shri A C Mahajan (DIN: 00041661)	Director	28/06/2014*
4	Shri P Krishnamurthy (DIN: 05336749)	Director	28/06/2014*
5	Shri T M Nagarajan (DIN: 00518074)	Director	28/06/2014*

\* appointed afresh for a period of five years at the 4<sup>th</sup> AGM held on 28/06/2014 in compliance with section 149 of the Companies Act 2013.

The Ministry of Corporate Affairs, Government of India has included various provisions under the Companies Act, 2013 relating to composition of the Board of Directors and Committees of Indian companies. Your Company complies with the composition requirements with respect to Board of Directors and Committees.

**Name of retiring directors and whether or not they offer themselves for re-appointment:**

The Board of the Company comprises of 5 Directors out of which 4 are Independent Directors. As per the requirement, one Director is liable to retire by rotation. Further, as per the Companies Act 2013, Independent Directors are not liable to retire by rotation. As per Articles of Association of your Company, Chairman is not liable to retire by rotation. Thus, keeping in view the above, your Company has no Director is liable to retire by rotation in the ensuing AGM under section 152(6)(a) of the Companies Act 2013.

**VII. BOARD MEETINGS HELD DURING THE YEAR**

Six Board meetings were held during the Financial Year ending 31<sup>st</sup> March 2015 under review-

<b>Dates on which Board Meetings were held</b>	<b>Total strength of the Board</b>	<b>Director's present</b>
April 11, 2014	5	3
June 28, 2014	5	5
August 28, 2014	5	4
October 29, 2014	5	3
December 31, 2014	5	4
February 18, 2015	5	3

### **ATTENDANCE OF DIRECTORS AT BOARD MEETINGS**

Name of the Director	Attendance at the Board meetings held on					
	April 11,2014	June 28,2014	August 28,2014	October 29,2014	December 31, 2014	February 18, 2015
Shri B K Batra* (DIN: 00015732)	✓	✓	Leave of Absence	Leave of Absence	✓	Leave of Absence
Shri J Jayaraman (DIN: 02423487)	✓	✓	✓	✓	✓	✓
Shri A C Mahajan (DIN: 00041661)	Leave of Absence	✓	✓	✓	✓	✓
Shri P Krishnamurthy (DIN: 05336749)	Leave of Absence	✓	✓	Leave of Absence	✓	✓
Shri T M Nagarajan **(DIN: 00518074)	✓	✓	✓	✓	Leave of Absence	Leave of Absence

\* Due to unavoidable circumstances, Shri B K Batra (DIN: 00015732), Chairman was not able to attend three Board Meetings. However, he has been actively participating in the Board processes in disposal of various Board matters. He has also been actively involved in approval process of various Board resolutions through circulation. Given his professional stature and outstanding background, he has also provided important perspectives on all matters relating to business affairs to Board from time to time.

\*\*Mr. T. M. Nagarajan (DIN: 00518074) was not able to attend two consecutive Board Meetings due to medical reasons. Mr. Nagarajan(DIN: 00518074) has around four decades of varied experience in the areas of Banking, Financial Services and attained super annuation as a whole- time Member of the SEBI (June 2003-September 2004). Prior to this, Mr. Nagarajan(DIN: 00518074) was the Chairman of SHCIL, Chairman of IDBI Principal AMC and Deputy Managing Director of erstwhile IDBI. However, he has been an active participant in the Board processes and has provided valuable inputs to Board from time to time.

### **VIII. AUDIT COMMITTEE OF THE BOARD:**

The Audit Committee acts as a link between the Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's audit activities and performs its functions as prescribed under Section 177 of the Companies Act 2013. An Independent Director chairs the Audit Committee and the Committee comprises of Independent Directors only.

The Committee met six times during the financial year ending 31st March 2015 under review-

Dates on which Audit Committee Meetings were held	Total strength of the Committee	Director's present
April 11, 2014	4	2
June 28, 2014	4	4
August 28, 2014	4	4
October 29,2014	4	3
December 31,2014	4	3
February 18,2015	4	3

**ATTENDANCE OF DIRECTORS AT AUDIT COMMITTEE MEETINGS**

Name of the Director	Attendance at the Audit Committee Meeting held on					
	April 11,2014	June 28,2014	August 28,2014	October 29,2014	December 31, 2014	February 18, 2015
Shri T M Nagarajan (DIN: 00518074)	✓	✓	✓	✓	Leave of Absence	Leave of Absence
Shri J Jayaraman (DIN: 02423487)	✓	✓	✓	✓	✓	✓
Shri A C Mahajan (DIN: 00041661)	Leave of Absence	✓	✓	✓	✓	✓
Shri P Krishnamurthy (DIN: 05336749)	Leave of Absence	✓	✓	Leave of Absence	✓	✓

**IX. OTHER COMMITTEES**

**a. Committee of Independent Directors**

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors at its meeting held on August 28, 2014 formally constituted the Committee of Independent Directors.

**Terms of Reference:** The terms of reference of the Committee includes review of the performance of non-independent Directors and the Board as a whole; to review the performance of the Chairperson of the Board taking into account the views of executive

directors and non-executive directors, if any; to assess the quality, quantity and timeliness of flow of information between the IDBI AMC management and the Board that is necessary for the Board to effectively and reasonably perform their duties; to perform such other roles as may be prescribed by the Companies Act, 2013,

**Composition:** The Committee shall comprise of all the Independent Directors of the Company as on the date of the meeting of the said committee.

#### **X. DIRECTOR'S RESPONSIBILITY STATEMENT**

The Directors hereby confirm:

- ❖ In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ❖ The Directors have selected such accounting policies and applied them consistently and made judgements 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 the profit and loss of the company for that period
- ❖ The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- ❖ The Directors have prepared the annual accounts on a going concern basis; and
- ❖ The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively

#### **XI. EXTRACT OF THE ANNUAL RETURN**

The extract of the Annual Return as required to be furnished in the prescribed format has been annexed to the report vide **Annexure -'A'**.

#### **XII. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

The declarations given by Independent Directors has been annexed to the report vide **Annexure – 'B'**.

#### **XIII. DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY**

While the provisions of Section 178 of the Companies Act 2013 with respect to Nomination and Remuneration Committee and policy are not applicable, the Company has in place Director's Appointment and Evaluation Policy. The said policy, which was approved on 28<sup>th</sup> August 2014, has been annexed to the report vide **Annexure –'C '**.

**XIV. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

During the financial year under review your Company did not seek/ provide loans and guarantee. Investments made are disclosed in the notes to the financial statements

**XV. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

The contracts or arrangement with related parties is annexed to the report vide **Annexure – ‘D’**.

Your Directors draw attention of the members to Note 12 Point no. 3.3 to the financial statement which sets out related party disclosures.

**XVI. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The Company is not involved in industrial manufacturing; and has not consumed energy more than required for its day to day operations.

**XVII. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The Company acts as a Trustee to IDBI Mutual Fund. The Trustee have been appointed by the Sponsor (IDBI Bank Limited) vide Trust deed dated 19<sup>th</sup> February 2010. Further the Company has appointed IDBI Asset Management Limited (IDBI AMC) as Investment Manager to IDBI Mutual Fund vide Investment Management Agreement dated 26<sup>th</sup> February 2010. Thus, the Company has a supervisory function on the management of operations by IDBI Asset Management Limited which are guided by the SEBI Regulations and Directives and AMFI guidelines issued from time to time. In compliance with the SEBI circular, IDBI AMC has in place a policy manual on managing risks related to the business and is duly implemented. The updated manual was last approved by the Board of the Company in its meeting held on December 31, 2014.

**XVIII. CORPORATE SOCIAL RESPONSIBILITY POLICY**

The Provisions of CSR are not applicable to the Company.

**XIX. AUDITORS**

The Company is a Government Company within the meaning of Government Company defined under the Companies Act 2013. As per section 139(5) of the Companies Act 2013, the Auditor of a Government Company shall be appointed or re-appointed by the Comptroller and Auditor-General of India. Comptroller and Auditor-General of India has vide its letter no CA/V/COY/CENTRAL GOVERNMENT, IDBIAS(1)/355 dated 01<sup>st</sup> August, 2014 appointed M/s P. S. Subramania Iyer & Co. (ICAI Firm Registration Number FRN 004104S) Chartered Accountants, Chennai as the Statutory Auditors of the Company. The Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting subject to extension by C&AG. The Company has made an application to C&AG for appointment of Statutory Auditors of IDBI MF Trustee Company Limited for the FY 2015-16 as per the

requirements laid down under Section 139 and 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

Under Section 139 of the Companies Act, 2013, the remuneration of Auditors appointed by the Comptroller and Auditor General of India, shall be fixed by the Company in the General Meeting. Accordingly, Notice of the Annual General Meeting will include an item pertaining to remuneration of the Auditors for the year 2015-16.

**XX. AUDITOR'S REPORT**

The observations of the Statutory Auditors in their report, read with the relevant notes to the Financial Statements as disclosed in Note no.12 are self explanatory.

**XXI. EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE-**

**1) STATUTORY AUDITORS:**

The Statutory Auditors M/s P. S. Subramania Iyer & Co. (ICAI Firm Registration Number FRN 004104S) have not made any qualification or reservation or adverse remarks in its Auditor Report.

**2) C & AG COMMENTS:**

C&AG has issued a certificate dated 25<sup>th</sup> June 2015 stating that they have decided not to conduct the supplementary audit of the Financial Statements of IDBI MF Trustee Company Limited for the year ended 31<sup>st</sup> March 2015 and as such have no comments to make under 143(6)(b) of the Act.

**XXII. MODEL CODE OF CONDUCT**

The Directors confirm that all Board members have affirmed compliance with the Company's code of conduct for the financial year 2014-15.

**XXIII. PARTICULARS OF EMPLOYEES**

There are no employees covered by Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**XXIV. PERFORMANCE EVALUATION OF THE DIRECTORS ETC**

The Board of Directors at its meeting held on August 28, 2014, had laid down criteria for performance evaluation of Directors, Chairperson, Board Level Committees and Board as a whole.

The performances of the members of the Board, the Board level Committees and the Board as a whole were evaluated at the meeting of the Committee of Independent Directors held on February 18, 2015. The Performance evaluation of each individual Director, without the presence of the Director being present, the Board as a whole and its Committees was conducted by the Board of the Directors held on April 21, 2015.

The process for performance evaluation is as under:

- Committee of Independent Directors evaluates the performance of Non-Independent Directors including Chairperson of the Company taking into account the views of Executive Director and Non-Executive Director and also of the Board as a whole.
- The Committee of Independent Directors shall report to the Board of such evaluation. The Board may evaluate the performance of the Non-Independent Directors, excluding the Director being evaluated, either independently or considering the evaluation of the Committee of Independent Directors.
- The Board shall evaluate the performance of the Independent Directors excluding the Director being evaluated and of the Board as a whole as well as the Committees of the Board.
- The evaluation will be carried out by means of assigning rating, within the effectiveness rating band scale of 1 to 5, to each of the key attributes/parameters of the Directors, quality of interactions among them and its effectiveness etc. The ratings allotted shall be calculated as average of the total parameters.

The Board conducted the performance evaluation of every individual Director of the Board without the presence of the Director being evaluated. The concerned Directors did not participate during their respective evaluation process.

The Board also conducted the evaluation of the Performance of the Board as a whole and its committees namely Audit Committee and Committee of Independent Directors.

## **XXV. SUBSIDIARIES**

Your Company does not have any subsidiary / subsidiaries within the meaning of the Companies Act, 2013.

## **XXVI. FIXED DEPOSITS**

The Company has not accepted any fixed deposits and accordingly no amount was outstanding as on the date of the Balance Sheet.

## **XXVII. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**XXVIII. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There are no frauds reported by auditors under sub-section (12) of Section 143.

**XXIX. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company acts as a Trustee to IDBI Mutual Fund. The Trustee has been appointed by the Sponsor (IDBI Bank Limited- CIN L65190MH2004GOI148838) vide Trust deed dated 19<sup>th</sup> February 2010. Further, the Company has appointed IDBI Asset Management Limited (IDBI AMC) as Investment Manager to IDBI Mutual Fund vide Investment Management Agreement dated 26<sup>th</sup> February 2010. Thus, the Company has the function more of a supervisory on the management of operations by IDBI Asset Management Limited which are guided by the SEBI Regulations and Directives and AMFI guidelines issued from time to time. Since, the operations of the IDBI Mutual Fund are managed by IDBI AMC, the Company has no employees and therefore the above Act is not applicable to the Company.

**XXX. INTERNAL CONTROL SYSTEMS**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

**XXXI. ACKNOWLEDGEMENTS**

The Directors take this opportunity to express their gratitude for the continued support and co-operation extended by the Securities and Exchange Board of India, Reserve Bank of India, IDBI Bank Ltd, the Registrars & Transfer Agents, the Custodians, the Bankers, Market Intermediaries and Distributors, Government Agencies, Auditors, Association of Mutual Funds in India, and the Board of Directors and employees of of IDBI Asset Management Limited.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date June 30, 2015

A C Mahajan (00041661)  
Chairman for the meeting  
held on June 30 ,2015

T M Nagarajan (00518074)  
Director

**Annexure – ‘A’**

**FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2015**

*[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: - U65991MH2010PLC199326  
ii) Registration Date: 25<sup>th</sup> January, 2010  
iii) Name of the Company: IDBI MF TRUSTEE COMPANY LIMITED  
iv) Category / Sub-Category of the Company: PUBLIC COMPANY  
v) Address of the Registered office and contact details: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005  
Ph. No. 66553355; Fax: 66442801  
Email id: [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)  
Website: [www.idbimutual.co.in](http://www.idbimutual.co.in)  
vi) Whether listed company Yes / No: NO  
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NIL

**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:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Trusteeship Services	9971	100%
2			
3			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. N O	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	IDBI BANK LTD	L65190MH2004GOI148838	Holding	100	2(46)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify) <b>Sub-total (B)(1):-</b> 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 c) Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(specify) <b>Sub-total (B)(2):-</b> Total Public Shareholding (B) = (B)(1) + (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	-----	2,00,000	2,00,000	100%	-----	2,00,000	2,00,000	100%	NIL

**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	IDBI Bank Ltd	2,00,000	100%	0	2,00,000	100%	0	NIL
	Total	2,00,000	100%	0	2,00,000	100%	0	NIL

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

Sl. 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
	At the beginning of the year	2,00,000	100%	2,00,000	100%
	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):	NIL	NIL	NIL	NIL
	At the End of the year	2,00,000	100%	2,00,000	100%

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

Sl. 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
	For Each of the Top 10 Shareholders				
	At the beginning of the year	2,00,000	100%	2,00,000	100%
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	2,00,000	100%	2,00,000	100%

(v) Shareholding of Directors and Key Managerial Personnel:

Shri B K Batra (DIN: 00015732) as a nominee of IDBI Bank Limited

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
	At the beginning of the year	1	0.00%	1	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	1	0.00%	1	0.00%

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	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

## 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	N.A.	N.A.	N.A
2.	Stock Option	N.A.	N.A.	N.A
3.	Sweat Equity	N.A.	N.A.	N.A
4.	Commission - as % of profit - others, specify...	N.A.	N.A.	N.A
5.	Others, please specify	N.A.	N.A.	N.A
	Total (A)	N.A.	N.A.	N.A
	Ceiling as per the Act	N.A.	N.A.	N.A

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		T M Nagarajan	J Jayaraman	A C Mahajan	P Krishnamurthy	
3.	Independent Directors					
	• Fee for attending board committee meetings	85,000	1,30,000	1,10,000	90,000	4,15,000
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	85,000	1,30,000	1,10,000	90,000	4,15,000
4.	Other Non-Executive Directors	N.A.	N.A.	N.A	N.A.	N.A
	• Fee for attending board committee meetings	N.A.	N.A.	N.A	N.A.	N.A
	• Commission					
	• Others, please specify					
	Total (2)	N.A.	N.A.	N.A	N.A.	N.A
	Total (B) = (1 + 2)	85,000	1,30,000	1,10,000	90,000	4,15,000
	Total Managerial	NIL	NIL	NIL	NIL	NIL

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Remuneration					
	Overall Ceiling as per the Act	Not more than Rs. 1 Lakh per meeting of Board or Committee thereof				

**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 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	N.A.	N.A.	N.A.	N.A.
2.	Stock Option	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4.	Commission - as % of profit - others, specify...	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.	N.A.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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)
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date June 30, 2015

A C Mahajan (00041661)  
Chairman for the meeting  
held on June 30 ,2015

T M Nagarajan (00518074)  
Director

**Annexure 'B'**

**Declaration of Independence  
[Pursuant to Section 149(6) of the Companies Act, 2013]**

Registration No. of Company	: U65991MH2010PLC199326
Nominal Capital	: Rs 5,000,000/-
Paid-up Capital	: Rs. 2,000,000/-
Name of Company	: IDBI MF Trustee Company Limited
Address of its Registered Office	: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

To  
The Members  
IDBI MF Trustee Company Limited  
IDBI Tower, WTC Complex, Cuffe Parade,  
Mumbai- 400 005

All the Independent Directors, declare that pursuant to the provisions of Section 149(6) of the Companies Act, 2013, they meet the criteria of Independence and in the opinion of the Board, are persons of integrity, possess the relevant expertise, experience and that:

- 1) They are not or were not a promoter of the Company or its holding, subsidiary or associate company;
- 2) They are not related to promoters or directors in the company, its holding, subsidiary or associate company;
- 3) They have or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- 4) Neither of their relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- 5) The Directors, neither itself nor on behalf of any of their relatives:
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed;

- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed, of—
  - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- (iii) holds together with their relatives two per cent or more of the total voting power of the company; or
- (iii) is a Chief Executive or Director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (iv) who possesses such other qualifications as may be prescribed.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date June 30, 2015

A C Mahajan (00041661)  
Chairman for the meeting  
held on June 30 ,2015

T M Nagarajan (00518074)  
Director

**Annexure ‘C’**  
**DIRECTORS’ APPOINTMENT AND EVALUATION POLICY**

IDBI MF Trustee Company Limited (IDBI MFT), Trustee to IDBI Mutual Fund (“the Mutual Fund”) is a subsidiary of IDBI Bank Limited.

The provisions of Companies Act 2013 have been made effective from 01st April 2014. In terms of Section 178 (e), Section 134(3)(p) and Schedule IV of the Companies Act 2013, the Company is required to formulate a Director’s appointment and Evaluation policy.

The policy broadly covers the relevant extracts of Articles of Association with respect to the Constitution of Board, appointment of Directors. It also covers the manner of performance evaluation of the Directors and Board as a whole, and relevant formats for evaluation.

**Constitution of the Board**

As per Article 162(a) of the Articles of Association of the Company, the Board of Directors of IDBI Asset Management Limited shall have not less than 4 Directors and not more than 12 Directors. The Constitution of the Board as provided under Article 162(b) read with Article 163(b) shall be as follows :

162(b) Not less than Two third of the total number of members of the Board of Directors shall be Independent Directors having special knowledge or practical experience in the fields such as portfolio management, investment analysis, financial administration etc. not liable to retire by rotation, for an initial term of 5 consecutive years, but shall be eligible for re-appointment on passing of a Special Resolution for not more than one more term of 5 years, subject to the maximum term of 10 years, and disclosure of such appointment in the Board’s report. The Company shall comply with all other relevant provisions pertaining to Independent Directors contained in the Companies Act, 2013 read with the relevant provisions of the SEBI (MF) Regulations 1996 as amended/ reenacted from time to time, as applicable and such other laws as may be applicable to the Company from time to time.

(ii) Notwithstanding anything to the contrary contained in these Articles of Association, IDBI MF Trustee Company Limited shall ensure that at least one Director on the Board has stayed in India for a total period of not less than one hundred and eighty two days in the previous calendar year.

163(b) IDBI Bank Ltd. shall be entitled to appoint/nominate or cause to be elected two Directors out of the total number of Directors on the Board. The Directors so appointed/nominated by IDBI Bank Ltd. shall be liable to be removed by IDBI Bank Ltd. at its discretion and IDBI Bank Ltd. shall also be entitled to nominate/appoint, substitute in his or their place, and upon such removal, the person so nominated/appointed shall cease to be the Director of the Company with effect from the date on which IDBI Bank Ltd. shall advise the Company about the withdrawal of

the nomination/appointment. The Directors shall conform to such criterion as may be prescribed by Mutual Fund Regulations or as may be laid down by SEBI

163(j) No person shall be qualified to be a Director if his appointment is in contravention with any law or Mutual Fund Regulations, if, by amendment of any law or Mutual Fund Regulations, his continuance in office is in contravention of such law or Mutual Fund Regulations and he shall immediately vacate his office and on such vacation and he shall not be entitled to any compensation.

163(l) Notwithstanding anything contained herein, the composition of the Board of Directors shall be such as specified from time to time by SEBI.

164(a) Subject to the provisions of the Act, the Directors may from time to time appoint or re-appoint one or more of them to be the Managing Director(s) or the Whole Time Director(s) of the Company for such terms not exceeding five years and subject to such remuneration, terms and conditions as they may think fit. The Directors except the Chairman, MD &CEO(if any) and Independent Directors shall be liable to retire by rotation

#### **Mode of Appointment of Directors**

- (1) As per the Board constitution provided under Article 163(b), the appointment / nomination of Directors prescribed therein, shall be made by IDBI Bank Limited. Suitable orders will be issued by IDBI Bank to appoint (i) Chairman; (ii) nomination of Associate Director; In terms of the provisions of the Companies Act, 2013, all appointments/nominations made by IDBI Bank shall be submitted to the Board and also approved by the shareholders at the General Meeting.
- (b) After Board's identification as above, the Independent Director is appointed initially as an Additional Director. The candidature of such person shall be submitted to the next General Meeting for approval of the appointment by following the procedure contained under Section 160 of the Companies Act, 2013. All shareholders will be eligible to elect the Independent Directors. The initial term of Independent Directors will be 5 consecutive years extendable to one more term of 5 consecutive years by passing a Special Resolution at the General Meeting. In any case, the total term shall not exceed 10 years in terms of Companies Act 2013.
- (c) After approval of Independent Directors' appointment, a formal appointment letter with contents prescribed under Schedule IV of the Companies Act, 2013 will be issued to the Independent Directors so appointed.
- (d) In terms of Article 162(b)(ii), the Bank will ensure that atleast one of the Directors on the Board has stayed in India for total period of not less than 182 days during the previous calendar year.

- (f) The intermittent vacancy of an Independent Director shall be filled up by the Board at the earliest but not later than immediate next Board Meeting or 3 months from the date of such vacancy, whichever is later.

**Performance Evaluation of Individual Directors by the Board**

- (i) In terms of the provisions of Schedule IV (Para VIII) and Section 134(1)(p) of the Companies Act, 2013, performance evaluation of the Directors individually shall be done annually by the Board of Directors in the first meeting after the end of the financial year or at any meeting in the financial year at the discretion of the Chairman.
- (ii) The performance evaluation of individual Directors by the Board shall be done on the evaluation sheet as per the format given at Annexure I to this Policy.
- (iii) On the basis of the report of performance evaluation, the Board/Chairman will determine whether to extend or dis-continue the term of appointment of Independent Directors.

**Performance Review of Non Independent Directors , Executive Directors, the Chairperson by Independent Directors and the Board as a whole.**

- (i) In terms of the provisions of Schedule IV (Para VII) of the Companies Act, 2013, Independent Directors shall hold an Annual Meeting once every financial year without the attendance of Non Independent Directors and members of the Management and review the performance of Non Independent Directors.
- (ii) The Independent Directors shall also review the performance of Chairperson of the Company taking into account the views of Executive Director and Non Executive Directors. The Performance of the Executive Director shall be reviewed after taking into account the views of the other Directors.
- (iii) The performance review of Non Independent Directors including Executive Director by Independent Directors shall be done on the review sheet as per the format given at Annexure II and that of Chairperson of the Company will be done on the format given at Annexure III. The Performance Review of the Board as a whole shall be as per format given at Annexure IV.

**Rating process and criteria**

(i) The forms shall be handed over to the Chairman at the meeting wherein the performance of the Director or Board is proposed to be evaluated.

(ii) The Director whose performance is being evaluated shall excuse himself from the room at that time.

(iii) The effectiveness rating band shall be of scale 1 to 5 with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2).

(iv) The effectiveness rating shall be provided on each parameter with respect to the Director based on the above scale.

(v) The ratings allotted shall be calculated as average of the total parameters.

(vi) The average marking scheme with respect to the performance of Directors shall be as under

Rating band	Performance criteria
Upto 1	Very Poor
Above 1 and upto 2	Poor
Above 2 and upto 3	Satisfactory
Above 3 and upto 4	Good
Above 4 and upto 5	Excellent

The minimum average score for being considered for continuation as Director shall be 3

(vii) The average marking scheme with respect to the attendance of Directors shall be as under

Criteria	Marks
If the Director has attended the maximum number of Board meetings as required under Companies Act 2013	5
If the Director has not has attended the minimum number of Board meetings as required under Companies Act 2013	0

**Review:**

The Policy shall reviewed by the Board at least on a yearly basis or at such intervals as may be required at the discretion of the Chairman of the Board.

**Record keeping:** The AMC shall maintain records of evaluation sheets perpetually and shall minute the results of the evaluation

The policy shall be effective from 28<sup>th</sup> August 2014.

Annexure 'D'

**FORM NO. AOC.2**

**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 arms length transactions under third proviso thereto**

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

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:** NIL
  - (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
  - (a) **Name(s) of the related party and nature of relationship:** IDBI Asset Management Limited – Group Company
  - (b) **Nature of contracts/arrangements/transactions:** To charge Investment Management fees from IDBI Mutual Fund for managing the schemes of the Fund
  - (c) **Duration of the contracts/arrangements/transactions:** Has authorized IDBI AMC to act as Investment Manager to IDBI Mutual Fund and manage affairs and operations of the Fund. The Company has entered into an Investment Management agreement with IDBI Asset Management Limited.
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Investment Management fees: To charge as a part of recurring expenses and such other costs as per permissible limit prescribed by SEBI. To incur expenses on behalf of Mutual Fund and take on books expenses crossing the threshold limit.
  - (e) **Date(s) of approval by the Board, if any:** 11<sup>th</sup> February, 2010.
  - (f) **Amount paid as advances, if any:** NIL

**(g) Justification for entering into the contracts/arrangements/transactions:** Regulation 52 of SEBI (Mutual Fund) Regulations 1996 allows IDBI Asset Management Limited to recover from the schemes, management fees for managing the schemes of IDBI Mutual Fund as per the Investment Management Agreement dated 26<sup>th</sup> February 2010 entered into with IDBI MF Trustee Company Limited (Trustees to IDBI Mutual Fund).

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date June 30, 2015

A C Mahajan (00041661)  
Chairman for the meeting  
held on June 30 ,2015

T M Nagarajan (00518074)  
Director

**FORM NO. AOC.2**

**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 arms length transactions under third proviso thereto**  
*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

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:** NIL
  - (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
  - (a) **Name(s) of the related party and nature of relationship:** IDBI Bank Limited – Holding Company/settlor
  - (b) **Nature of contracts/arrangements/transactions:** To obtain Trusteeship Fees
  - (c) **Duration of the contracts/arrangements/transactions:**. The Settlor has entered into Trust Deed Dated 19<sup>th</sup> February 2010 with the Company and has constituted a Trust in the name of IDBI Mutual Fund. The Settlor has appointed IDBI MF Trustee Company Limited as Trustees to the Mutual Fund. The Trustees are responsible for the management of Mutual Fund, to hold Trust property, to provide information to Unit Holders, SEBI, Settlor, to ensure compliance by Mutual Fund, to protect interest of the unit holders, To frame, formulate and launch Schemes, The Settlor has contributed Rs. 20 lakhs in the paid up equity capital of the Company (2 lakh equity shares of Rs. 10/- each).
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**

Trusteeship fees: The Trustee shall be entitled to receive a fee not exceeding 0.01% per annum of the daily net assets of the Mutual Fund subject to maximum fee not exceeding Rs. 10 lakhs per annum. The Trustee shall also be entitled for reimbursement of all costs, charges and expenses incurred in the course of the administration and execution of the Fund. Such reimbursement would always be to the extent permitted under the Regulations.
  - (e) **Date(s) of approval by the Board, if any:** 11<sup>th</sup> February, 2010.
  - (f) **Amount paid as advances, if any:** NIL

**(g) Justification for entering into the contracts/arrangements/transactions:** Schedule III of SEBI (Mutual Fund) Regulations 1996 allows IDBI MF Trustees Company Limited to recover from the schemes Trusteeship fees for supervising the operations of the schemes of IDBI Mutual Fund as per the Trust deed dated 19<sup>th</sup> February 2010 entered into with IDBI Bank Limited (Sponsor to IDBI Mutual Fund).

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date June 30, 2015

A C Mahajan (00041661)  
Chairman for the meeting  
held on June 30 ,2015

T M Nagarajan (00518074)  
Director

**FORM NO. AOC.2**

**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 arms length transactions under third proviso thereto**  
*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

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:** NIL
  - (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
  - (a) **Name(s) of the related party and nature of relationship:** IDBI Asset Management Limited – Group Company
  - (b) **Nature of contracts/arrangements/transactions:** To pay scheme Overlap Expenses
  - (c) **Duration of the contracts/arrangements/transactions:** the arrangement shall be in existence till the IDBI AMC acts as investment manager to IDBI Mutual Fund in terms of Investment Management agreement entered into with IDBI AMC.
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**

IDBI Asset Management Limited being an investment manager to IDBI Mutual Fund also provides secretarial and account services to the Company. The employees of IDBI AMC manage the above services. Further all other expenses towards utility bills etc are borne by IDBI AMC.

**Secretarial & accounting service expenses:** Certain common expenses incurred by AMC such as Rent, Electricity, Maintenance relating to Mumbai office premises and also a portion of salary expenses for the services rendered by AMC. Out of the above common expenses IDBI AMC charges 5% to MF Trustee Co. The Services of around 12 officials are being used for MF Trustee Co related work as MF Trustee Co. does not have any employee on its roles. These AMC officials take care of the work relating to secretarial matters, conducting of meetings, ROC work, accounts/tax matters, SEBI compliance etc. IDBI AMC is charging 1% of salary expenses to IDBI MFT which

would work out to Rs. 12 lakh p.a. Around 5.5% of total Scheme overlap expenses is also being charged by IDBI AMC

**(e) Date(s) of approval by the Board, if any:** 22<sup>nd</sup> October, 2013.

**(f) Amount paid as advances, if any:** NIL

**(g) Justification for entering into the contracts/arrangements/transactions:** The secretarial and account services of the Company are managed by the employees of the IDBI AMC (Investment Manager to IDBI Mutual Fund), since the Company has no employees on roll. Also since the Company also shares premises due to above services, it is prudent to also share other expense with IDBI AMC. Thus with approval of Board a percentage share was arrived at so as to cover the expenses and services and a policy in this regard was formulated and put in place.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date June 30, 2015

A C Mahajan (00041661)  
Chairman for the meeting  
held on June 30 ,2015

T M Nagarajan (00518074)  
Director



भारतीय लेखा तथा लेखापरीक्षा विभाग  
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा पदेन सदस्य, लेखापरीक्षा बोर्ड - I, मुम्बई

INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-I, MUMBAI

No. GA/R-III/A/Cs/IDBI MF Trustee /2014-15/57  
**Confidential**

25 JUN 2015

To

The Director,  
IDBI MF Trustee Company Limited,  
IDBI Tower, WTC Complex,  
Cuffe Parade,  
Mumbai - 400 005

सत्य  
26/6  
C.J.

**Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of IDBI MF Trustee Company Limited for the year ended 31 March 2015**

Sir,

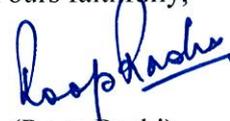
Please find enclosed the comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of IDBI MF Trustee Company Limited for the year ended 31 March 2015. The comments may be placed next to the Statutory Auditor's report with a proper indication in the list of contents in the printed Annual Report.

A copy of the proceedings of the Annual General Meeting (AGM) adopting the certified accounts, Statutory Auditor's report and comments of the Comptroller and Auditor General of India may be forwarded to this office immediately after conclusion of the AGM.

Ten copies of the printed Annual Report may also be sent to this office.

Receipt of this letter and the enclosures may please be acknowledged.

Yours faithfully,

  
(Roop Rashi)

Principal Director of Commercial Audit and  
ex-officio Member, Audit Board-I, Mumbai

Encl.: As above

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF IDBI MF TRUSTEE COMPANY LIMITED FOR THE YEAR  
ENDED 31 MARCH 2015**

The preparation of financial statements of IDBI MF Trustee Company Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 April 2015.

The assets under management through various schemes managed by IDBI MF Trustee Company Limited are not reflected in its Balance Sheet, since these assets do not form part of the IDBI MF Trustee Company Limited. Therefore, I have not looked into operation of these schemes including decision making regarding acquisition, management and disposal of the assets managed by the IDBI MF Trustee Company Limited and express no opinion on the soundness of the investments.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IDBI MF Trustee Company Limited for the year ended 31 March 2015 and as such have no comments to make under section 143(6)(b) of the Act.

For and on the behalf of the  
Comptroller and Auditor General of India



(Roop Rashi)

Principal Director of Commercial Audit and  
ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai  
Date : 25 June 2015



# P.S. SUBRAMANIA IYER & CO.

CHARTERED ACCOUNTANTS

JAYSHREE APARTMENTS, NEW NO.60, OLD NO.39, SECOND MAIN ROAD, RAJA ANNAMALAI PURAM, CHENNAI - 600 028.  
PHONE : 2435 30 20 / 2435 40 30 / 2435 30 40 TELE FAX : 2435 30 60 / 4230 31 93 E-mail : viswaca1@gmail.com

## AUDITOR'S REPORT

To The Members of  
IDBI MF Trustee Company Limited

We have audited the accompanying financial statements of IDBI MF Trustee Company Limited, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the matters in section 134(5) of the companies Act 2013("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India including the Accounting Standard specified under Section 133 of the Act read with Rule 7 of the Companies(Accounts) Rules 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the 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 internal financial control that were operating effectively for ensuring 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken in to 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 Ruled made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. a. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



## Opinion

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

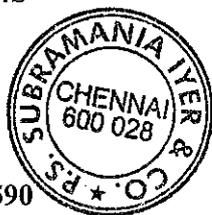
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other legal and Regulatory requirements:

1. As required by the Companies (Auditor's Report) order, 2015 ("the order") issued by the Central Government of India in terms of section 143 of the Companies Act 2013, we give in the Annexure of statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required under section 143(5) of the companies Act 2013, we have reported on the matters specified under directions issued by the Controller and Auditors General of India as annexure to this Report.
3. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the act read with the Rule 7 of the Companies Accounts Rules 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.

For P.S.Subramania Iyer & Co.,  
Chartered Accountants  
Firm Regn.No.004104S

  
V.Mohan  
Partner  
Membership No.026590



Place: Mumbai  
Date : 21<sup>st</sup> April 2015

**Annexure to the Auditor's Report u/s 143 of The Companies Act, 2013**

Referred to in our para 3 of our report of even date of the accounts for the period ended 31<sup>st</sup> March 2015 of IDBI MF Trustee Company Limited.

The Nature of companies activities during the period has been such that clauses i), ii), of para 3 of the order are not applicable to the company for the period.

1. As per the books of account examined by us, the company has not granted/taken Loan secured/unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the companies Act 2013.
2. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of Inventory, Fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in internal controls.
3. The company has not accepted any deposits from the public, within the meaning of Sections 73 to 76 Act., As explained to us, the provisions of sub section(1) of section 148 of the Companies Act, 2013 for maintenance of cost records are not applicable to the company
  - a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Contribution under Employees State Insurance Act, Income-tax, Sales-tax, Wealth Tax, Service Tax, Cess and other statutory dues with the appropriate authorities.
  - b) According to the information and explanations given to us, no undisputed amount is payable in respect of income tax, wealth tax, sales tax, service tax, cess and other statutory dues as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - c) No amount is pending to be transferred to investor education and protection fund and rules made there under.
4. The Company has no accumulated loss and has not incurred cash loss either during the current year or in the previous year.
5. The company has not availed any Credit facility and hence the clause ix), x) and xi) are not applicable for the company.
6. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

**For P.S.Subramania Iyer & Co.,**  
Chartered Accountants  
Firm Regn.No.004104S

  
**V.Mohan**  
Partner  
Membership No.026590



**Place: Mumbai**  
**Date : 21<sup>st</sup> April 2015**

**Annexure to the Auditor's Report u/s 143(5) of The Companies Act, 2013**

1. The company has adequate Internal control system in place and is operating effectively.
2. During the course of our audit and as per programme of our verification, we have not noticed any adverse features on the functioning of the company.
3. Comment on other matters :

**Directions issued u/s 143 (5) of the Companies Act, 2013 by C & AG**

S.No	PARTICULARS	STATUTORY AUDITORS REMARKS
1	<b>Dis Investment</b>	
	If the company has been selected for disinvestment, a complete status Report in terms of valuation of Assets(Including Intangible Assets and land) and liabilities(including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	We were informed that the company has not been selected for disinvestment and hence the points required to be reported are not applicable for this company.
2	<b>Waiver/Write off of debts/loans /interest</b>	
	Report the cases of waiver/write off of Debts/loans /Interest etc.	The company has no outstanding in respect of Debts/loans/interest etc and hence the question of write off does not arise for the company
3.	<b>Maintenance of records for Inventories/Assets</b>	
	Whether proper records are maintained for Inventories lying with Third Parties & assets received as Gift from Govt or other authorities.	The company does not have any Inventory/Assets and hence maintenance of records do not arise for this company
4	<b>Age wise analysis of pending legal/arbitration cases</b>	
		We were informed that no cases were pending under Legal/arbitration as on 31.03.2015 and hence Age wise reporting of the same does not arise for this company.

**For P.S.Subramania Iyer & Co.,  
Chartered Accountants  
Firm Regn.No.004104S**



**V.Mohan  
Partner  
Membership No.026590**



**Place: Mumbai  
Date : 21<sup>st</sup> April 2015**

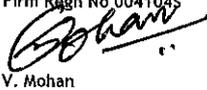


IDBI MF TRUSTEE COMPANY LIMITED  
(CIN:U65991MH2010PLC199326)  
Balance Sheet as at 31st March 2015

Amount in Rupees

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	2,000,000	2,000,000
(b) Reserves and surplus	2	7,031,246	4,788,519
(c) Money received against share warrants		-	-
		9,031,246	6,788,519
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	3	388,110	329,996
(d) Short-term provisions	4	50,880	-
		438,990	329,996
<b>TOTAL</b>		<b>9,470,236</b>	<b>7,118,516</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	5	-	2,500,000
(c) Deferred tax assets (net)		-	6,180
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
		-	2,506,180
<b>2 Current assets</b>			
(a) Current investments	5	8,735,038	3,450,283
(b) Inventories		-	-
(c) Trade receivables	6	491,128	431,268
(d) Cash and cash equivalents	7	33,782	16,325
(e) Short-term loans and advances		-	-
(f) Other current assets	8	210,288	714,459
		9,470,236	4,612,336
<b>TOTAL</b>		<b>9,470,236</b>	<b>7,118,516</b>

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
Firm Regn No. 0041045

  
V. Mohan  
Partner  
M.No.026590  
Place: Mumbai  
Date: 21st April 2015

For IDBI MF Trustee Company Limited

  
B K Batra  
Chairman  
DIN: 00015732

  
T M Nagarajan  
Director  
DIN: 00518074



IDBI MF Trustee Company Limited

(CIN:U65991MH2010PLC199326)

Profit and loss statement for the period ended 31st March 2015

Amount in Rupees

Particulars	Refer Note No.	For the period ended 31st March 2015	For the period ended 31st March 2014
I. Revenue From Operations	9	6,870,168	5,467,020
II. Other income		43,660	37,411
III. Total Revenue (I + II)		6,913,828	5,504,431
IV. Expenses:			
Employee benefits expense		-	-
Operating Costs	10	3,791,313	3,419,446
Marketing, Sales & Distribution Expenses	11	-	-
V. Profit before exceptional and extraordinary items and tax (III-IV)		3,122,515	2,084,985
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		3,122,515	2,084,985
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		3,122,515	2,084,985
X Tax expense:			
(1) Current tax		873,608	603,662
(2) Deferred tax		6,180	6,180
XI Profit (Loss) for the period from continuing operations (VII-VIII)		2,242,727	1,475,143
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		2,242,727	1,475,143
XVI Earnings per equity share:		11.21	7.38

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
Firm Regn No 0041045

V. Mohan  
Partner

M.No.026590

Place: Mumbai

Date: 21st April 2015

For IDBI MF Trustee Company Limited

B K Batra  
Chairman

DIN: 00015732

T M Nagarajan  
Director

DIN: 00518074

**Note 1 :**

Amount in Rupees

<u>Share Capital</u>	Note No.	As at 31st March 2015	As at 31st March 2014
<b><u>Authorised</u></b> 5,00,000 Equity shares of Rs. 10/- each	1	5,000,000	5,000,000
<b><u>Issued</u></b> 2,00,000 Equity shares of Rs. 10/- each are held by IDBI Bank Limited, Holding Company, and no Fresh allotment has been made in the year.		2,000,000	2,000,000
<b><u>Subscribed &amp; fully Paid up</u></b> 2,00,000 Equity shares of Rs. 10/- each are held by IDBI Bank Limited, Holding Company, and no Fresh allotment has been made in the year.		2,000,000	2,000,000
<b><u>Subscribed but not fully Paid up</u></b>		-	-
<b>Total</b>		2,000,000	2,000,000



IDBI MF Trustee Company Limited  
(CIN:U65991MH2010PLC199326)

Amount in Rupees

Cash Flow Statement for the period ended 31.03.2015			
Ref No	Particulars	31 March' 2015	31 March' 2014
(A)	<b>Cash Flow from Operating Activities :</b>		
	Profit/(Loss) after Tax	2,242,727	1,475,143
	<b>Adjustments-</b>		
	Deferred tax	6,180	6,180
	Depreciation	-	-
	Interest Income	-	-
	Profit on sale of investments	(259,025)	(28,942)
	Dividend Income	(334,755)	(133,885)
	Other Income	(43,660)	(37,411)
	Operating Profit/(Loss) before Working Capital changes	1,611,467	1,281,084
	(Increase)/Decrease in Current Assets	444,310	378,134
	Increase/(Decrease) in Current Liabilities	108,994	(1,631,570)
	<b>Net Cash from Operating activities (A)</b>	<b>2,164,772</b>	<b>27,648</b>
(B)	<b>Cash Flow from Investing activities</b>		
	Purchase of Fixed Assets	-	-
	(Increase)/Decrease in Investments	(2,784,754)	(2,950,283)
	Profit on sale of investments	259,025	28,942
	Sale of Fixed Assets	-	-
	Dividend Income	334,755	133,885
	Interest Income	-	-
	Other Income	43,660	37,411
	<b>Net Cash used in Investing Activities (B)</b>	<b>(2,147,315)</b>	<b>(2,750,044)</b>
(C)	<b>Cash Flow from Financing activities</b>		
	Increase in Share Capital	-	-
	<b>Net Cash from Financing Activities (C)</b>	<b>-</b>	<b>-</b>
	Cash & Cash Equivalents for the year	17,457	(2,722,396)
	Cash & Cash Equivalents at the Beginning of the year	16,325	2,738,720
	Cash & Cash Equivalents at the End of the year	33,782	16,324
	<b>Cash &amp; Cash Equivalents Comprise of :</b>		
	Cash on hand	-	-
	Bank Accounts	33,782	16,325

Significant Accounting Policies and Notes to Accounts  
Vide our Report of Even Date

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
Firm Regn No 004104S

V. Mohan

Partner

M.No.026590

Place: Mumbai

Date: 21st April 2015

For IDBI MF Trustee Company Limited

B K Batra

Chairman

DIN: 00015732

T M Nagarajan

Director

DIN: 00518074

Note 2 :

Amount in Rupees

<u>Reserves &amp; Surplus</u>	As at 31st March 2015	As at 31st March 2014
<b>a. Capital Reserves</b>		
Opening Balance		
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>b. Capital Redemption Reserve</b>		
Opening Balance		-
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>c. Securities Premium Account</b>		
Opening Balance		-
Add : Securities premium credited on Share issue		-
<u>Less : Premium Utilised for various reasons</u>		-
Premium on Redemption of Debentures		-
For Issuing Bonus Shares		-
Closing Balance		-
<b>d. Debenture Redemption Reserve</b>		
Opening Balance		-
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>e. Revaluation Reserve</b>		
Opening Balance		
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>f. Share Options Outstanding Account</b>		
Opening Balance		-
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>g. Profit &amp; Loss</b>		
Opening balance	4,788,519	3,313,376
(+) Net Profit/(Net Loss) For the current year	2,242,727	1,475,143
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Income Tax Provision of Last Year Transfer	-	-
(-) Deferred Tax Provision of Last Year Transfer	-	-
Closing Balance	<b>7,031,246</b>	<b>4,788,519</b>
<b>Total</b>	<b>7,031,246</b>	<b>4,788,519</b>

**Note 3 :**

Amount in Rupees

Other Current Liabilities	As at 31st March 2015	As at 31st March 2014
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Other payables (specify nature)	-	-
Creditors for Expenses	223,486	215,996
Service Tax Payable	-	-
TDS Payable	83,624	33,000
Payable to Parent Company	-	-
Audit Fees Payable	81,000	81,000
<b>Total</b>	<b>388,110</b>	<b>329,996</b>



Note 5 :

Particulars	Amount in Rupees	
	As at 31st March 2015	As at 31st March 2014
(a) Investment in Equity Instruments	-	-
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	8,735,038	5,950,283
(f) Investments in partnership firms*	-	-
(g) Other non-current investments (specify nature)	-	-
Total (A)	-	-
Less : Provision for diminution in the value of Investments	-	-
Total	8,735,038	5,950,283

Particulars	Amount in Rupees	
	As at 31st March 2015	As at 31st March 2014
Aggregate amount of quoted investments (Market Value Rs. 87,36,874 P/Market Value Rs. 6,294,640)	8,735,038	5,950,283
Aggregate amount of unquoted investments (Previous Year 2012)	NIL	NIL

Note 5 :

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted / Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)	Basis of Valuation
			2015	2014		2015	2014		
(a)	Investment in Equity Instruments								
(b)	Investments in Preference Shares								
(c)	Investments in Government or Trust securities								
(d)	Investments in Debentures or Bonds								
(e)	Investments in Mutual Funds JBI FMP-Series III 365 Day (Sept 2013)-K - Direct Plan-Growth		250,000.0					2,500,000	
(f)	Investments in partnership firms*								
(g)	Other non-current investments (specify nature)								
(h)	Limited Liability Partnership								
Total								2,500,000	

cont...

Note 5 contd.

Details of Current Investments										
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted / Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Basis of Valuation
			2015	2014		2015	2014	2015	2014	
(a)	Investment in Equity Instruments									
(b)	Investments in Preference Shares									
(c)	Investments in Government or Trust securities									
(d)	Investments in Debentures or Bonds									
(e)	Investments in Mutual Funds									
	ICSI Liquid Fund - Direct Plan - Daily Dividend (Market Value Rs. 87,36,874 PY /Market Value Rs.34,51,555)		8,727.4	3,448.0	Quoted			8,735,038	3,450,283	
(f)	Investments in partnership firms*									
(g)	Other non-current investments (specify nature)									
	(h) Limited Liability Partnership									
	<b>Total</b>							<b>8,735,038</b>	<b>3,450,283</b>	

**Note 6 :**

Amount in Rupees

Trade Receivables	As at 31st March 2015	As at 31st March 2014
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	491,128	431,268
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	491,128	431,268
exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	-
<b>Total</b>	<b>491,128</b>	<b>431,268</b>

**Note 7 :**

Amount in Rupees

Cash and cash equivalents	As at 31st March 2015	As at 31st March 2014
a. Balances with banks in current account*	33,782	16,325
This includes:		
Earmarked Balances (eg/- unpaid dividend accounts)	-	-
Margin money	-	-
Security against borrowings	-	-
Guarantees	-	-
Other Commitments	-	-
Bank deposits with more than 12 months maturity	-	-
b. Cheques, drafts on hand	-	-
c. Cash on hand*	-	-
d. Others (specify nature)	-	-
	<b>33,782</b>	<b>16,325</b>

**Note 4 :**

Amount in Rupees

Short Term Provisions	As at 31st March 2015	As at 31st March 2014
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Funded)	-	-
Leave Encashment (funded)	-	-
Superannuation (funded)	-	-
ESOP / ESOS	-	-
<b>(b) Others</b>		
Provision For Income Tax	50,880	-
Provision For Other Liabilities	-	-
<b>Total</b>	<b>50,880</b>	<b>-</b>



**Note 8 :**

Amount in Rupees

Other Current Assets	As at 31st March 2015	As at 31st March 2014
a. Loans & Advances		
Income Tax Refund Due	15,360	594,217
b. Advance Tax Paid	-	-
c. Service Tax Receivable	194,927	120,241
d. Advance to Vendors	-	-
	210,288	714,459

## Notes to Profit & Loss Account

		Amount in Rupees	
		For the period ended 31st March 2015	For the period ended 31st March 2014
<b>Note 9 :</b>	<b>Sale of Services</b>		
	Trusteeship Fees	6,276,388	4,716,737
	Profit on Sale of Investments	259,025	616,398
	Dividend Income	334,755	133,885
		<b>6,870,168</b>	<b>5,467,020</b>
	<b>Other Income</b>		
	Interest Income	43,660	37,411
		<b>43,660</b>	<b>37,411</b>
<b>Note 10 :</b>	<b>Office Expenses</b>		
	Secretarial and Accounts Services Fees	2,636,490	2,429,297
	Rates & Taxes	31,000	3,615
	Travel & Halting Expenses	565,873	486,535
	Statutory Levies and Interest	-	
	Bank Charges, Commission & Fee	-	
	Audit Fees	95,000	75,000
	Other Services		20,000
	Professional Associations	47,950	15,000
	Director Sitting Fees	415,000	390,000
		<b>3,791,313</b>	<b>3,419,446</b>
<b>Note 11 :</b>	<b>Marketing, Sales &amp; Distribution Expenses</b>		
	Scheme Expenses	-	-
		-	-

**IDBI MF TRUSTEE COMPANY LIMITED**  
(CIN:U65991MH2010PLC199326)

## **Schedules to the Financial statements**

For the period ended 31<sup>st</sup> March 2015  
(Currency: Indian rupees)

### **1 Background**

IDBI MF Trustee Company Limited was incorporated on 25 Jan 2010 as a Public limited company. The principle activity of the Company is to act as Trustee for the schemes of the Mutual Fund ("the Fund") by devising various mutual fund schemes for raising funds and deploying them to earn reasonable returns.

### **2 Significant Accounting Policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006, to the extent possible.

#### **2.2 Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles ("GAAP") in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### **2.3 Revenue Recognition**

##### **Trusteeship fees:**

Trusteeship fees are recognized on an accrual basis as a percentage of the average daily net assets of the schemes of IDBI Mutual funds, such that it does not exceed the rates prescribed by the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations, 1996 (the 'Regulations') and any other amendments or offer document of the respective schemes.

#### **Other income:**

Income from Investments is accounted on an accrual basis. Dividend income is recognized when the right to receive dividend is established.

#### **2.4 Scheme / other Expenses**

Expenses of the scheme of IDBI Mutual Fund in excess of the limits prescribed by the Securities and Exchange Board of India (Mutual Fund) Regulations Act 1996 can be borne by the Company. However during the period under review no such expenses are charged to profit and loss account. IDBI Asset Management Limited has apportioned a part of the Secretarial and other charges attributable to the IDBI MF trustee company Limited on a reasonable and equitable basis and such expenses are charged to the Profit and Loss account.

#### **2.5 Earnings per share**

The basic earning per share is computed by dividing the net profit attributable to the equity shareholders by number of equity shares outstanding during the reporting period.

#### **2.6 Taxation**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

##### **Current taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

##### **Deferred taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

#### **2.7 Provisions and Contingencies**

The Company created a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the

amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

### 3. NOTES TO ACCOUNTS

**3.0** Investments are classified as Long Term Investments and Current investments. Long term Investments are those which are held for a fairly long period to earn Income by way of Dividend and Gain. Long term Investments are stated at cost and provision for diminution in value is made if the fall in market value is permanent.

Investments other than Long Terms are Current which is carried at lower of cost or net realizable value.

#### 3.1 Earnings per share has been computed as under:

In Accordance with Accounting Standard 20 on Earnings per share, the computation of earnings per share is set out below:

Earnings per share	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
Net (Loss)/ Profit after tax attributable to equity shareholders(A) Rs.	Rs 22,42,727	Rs 14,75,143
Calculation of weighted average number of equity shares(B) :	2,00,000	2,00,000
- No. of shares at the beginning of the period	2,00,000	2,00,000
- No. of shares issued during the period	NIL	NIL
- Total No. of shares outstanding at the period	2,00,000	2,00,000
- Nominal Value of the equity share - Rs. per share	Rs 10/-	Rs 10/-
- Paid up value of the equity share - Rs. Per share	Rs10/-	Rs10/-
Basic (loss)/ earnings per share of the face value of Rs.10/- for the period(A)/(B)-Rs.	Rs.11.21	Rs. 7.38

3.2 The Company is primarily engaged in the business of providing Trusteeship Fees to Mutual Fund. As such, there are no separate reportable segments, as per the Accounting Standards (AS-17) "Segment Reporting". The Company has no office or assets outside India.

**3.3 Related party disclosures:**

As required under Accounting Standards (AS-18) -"Related Parties Disclosure " the related parties of the Company are as follows :

(A) List of related parties and relationships :

<b>I</b>	<b>Individuals having control with relatives &amp; associates</b>	
	Satya Narayan Baheti	Managing Director and Chief Executive Officer of IDBI Asset Management Limited

<b>II</b>	<b>Key Management Personnel</b>	
	Satya Narayan Baheti	Managing Director and Chief Executive Officer of IDBI Asset Management Limited

<b>III</b>	<b>Entities owned or significantly influenced by Directors and/or key management personnel or their relative and with whom Company has entered into transactions during the period under review</b>	
	IDBI Bank Limited	Holding Company
	IDBI Asset Management Limited	Fellow Subsidiary

**Transaction with related parties:**

<b>IDBI Bank Limited :</b>	<b>31<sup>st</sup> March 2015</b>	<b>31<sup>st</sup> March 2014</b>
Deposits Placed with IDBI Bank	NIL	NIL
Deposits matured with IDBI Bank	NIL	NIL
Contribution to capital of the Company	NIL	NIL
Transactions with IDBI Bank	NIL	NIL
Amount outstanding	NIL	NIL

<b>IDBI Asset Management Limited</b>		
Expenses Debited	26,36,490.00	24,29,297.00
Trustee Fee Received	62,76,388.00	47,16,737.00

**Balances with related parties:**

Particulars		31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
1.	IDBI Bank Limited (Holding Company)	20,00,000	20,00,000
2.	IDBI Asset Management Company (Payable)	2,23,486	2,15,996

**Notes :**

1. The capital contributed by IDBI Bank Limited (the Holding Company) at the time of inception was 2,00,000 Equity shares of Rs.10/- each fully paid up.

**3.4 Earnings in foreign exchange: NIL**

**3.5 Expenditure in foreign exchange: NIL**

**3.6 Dues to Micro, Small and Medium Enterprises:**

On the basis of the information and records available with the management, there are no dues to Micro, Small and Medium enterprises, which have registered with the competent authorities

**3.7 Income Taxes:**

In accordance with Notified Accounting Standard 22 (AS-22), Accounting for taxes on Income, the major components of deferred tax as at 31<sup>st</sup> March 2015 are as follows :

Deferred Tax asset	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
Preliminary expenses written off	Rs 1,47,200	Rs 1,47,200
Permanent Difference on Preliminary Expenses	Rs 47,200	Rs 47,200
Temporary Difference	Rs 1,00,000	Rs 1,00,000
Preliminary Exp allowable as per Income Tax	Rs 20,000	Rs 20,000
Timing Difference	Rs 80,000	Rs 80,000
DTA Provision at 30.9%	Rs 24,720	Rs 24,720
Current Year Reversal	Rs 6,180	Rs 6,180

Previous Year Reversal	Rs 6,180	Rs 6,180
Closing Balance of DTA as at 31.03.15	NIL	Rs 6,180

**3.8 Details of Audit Fees Paid ( excluding service tax)**

Particular	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
For Statutory Audit	Rs 75,000	Rs 75,000
For Other Services	Rs. 20,000	Rs. 20,000
Out of pocket expenses	NIL	NIL

- 3.9 Balance of Sundry creditors, loans and advances and payables are subject to confirmation and reconciliation/consequential adjustments if any
- 3.10 Figures have been rounded off to the nearest rupee
- 3.11 Figures have been regrouped wherever necessary.

For P.S. Subramania Iyer & Co.,

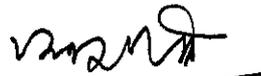
For IDBI MF Trustee Company Limited

Chartered Accountants  
Firm Regn. No 0041045



V. Mohan

Partner  
M.No.026590  
21<sup>st</sup> April 2015



B K Batra

Chairman  
DIN:00015732



T-M Nagarajan

Director  
DIN:00518074