



IDBI ASSET MANAGEMENT LIMITED
(CIN: U65100MH2010PLC199319)

Annual Report 2016-17

Date of AGM:
September 28, 2017

Place of AGM:
Board Room, IDBI AMC, 05th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021.

IDBI Asset Management Limited
CIN: U65100MH2010PLC199319

Registered office: IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai - 400 005.
Corporate office: 5th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021.

IDBI Asset Management Limited

(CIN: U65100MH2010PLC199319)

CORPORATE INFORMATION
BOARD OF DIRECTORS

(As on September 06, 2017)

Shri. Krishna P. Nair (DIN: 02611496) - **Chairperson**
 Shri. Abhay L. Bongirwar (DIN: 00660262) - **Nominee Director**
 Shri. Annavarapu V. Rammurty (DIN: 00050455) - **Independent Director**
 Ms. Geeta P. Shetti (DIN: 02948958) - **Independent Director**
 Lt. Gen. (Dr.) Mukesh Sabharwal (retd.) (DIN: 05155598) - **Independent Director**
 Shri. Dilip K. Mandal (DIN: 03313130) - **Managing Director & CEO**

AUDIT COMMITTEE

(As on September 06, 2017)

Ms. Geeta P. Shetti (02948958) - **Independent Director (Chairperson)**
 Lt. Gen. Mukesh Sabharwal (retd.) (05155598) - **Independent Director**
 Shri. Annavarapu V. Rammurty (00050455) - **Independent Director**

NOMINATION AND REMUNERATION COMMITTEE

(As on September 06, 2017)

Shri. A.L. Bongirwar (00660262) - **Nominee Director**
 Lt. Gen. Mukesh Sabharwal (retd.) (05155598) - **Independent Director**
 Ms. Geeta P. Shetti (02948958) - **Independent Director**
 Shri. Annavarapu V. Rammurty (00050455) - **Independent Director**

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Chandra Bhushan
 (ACS 30954)

CHIEF FINANCIAL OFFICER

Shri Amit Bhavsar
 (FCA105890)

REGISTERED OFFICE

IDBI Tower, WTC Complex,
 Cuffe Parade, Colaba, Mumbai 400 005.

CORPORATE OFFICE

5th Floor, Mafatlal Centre,
 Nariman Point, Mumbai 400 021.
Tel: (022) 66442800, **Fax:** 66442801
Website: www.idbimutual.co.in

STATUTORY AUDITORS

C.R. Sagdeo & Co.
 Chartered Accountants,
 306, 03rd floor, Mayuresh Cosmos,
 CBD Belapur, Sector 11, Plot 37,
 Navi Mumbai - 400 614.

SECRETARIAL AUDITORS

G. Sreenivasa Rao
 GSR & Co.,
 Company Secretaries,
 Flat No. A-2, 2nd Floor, Sai Niranthara,
 No.14/23, Nagarjuna Nagar, 1st Street,
 Rangarajapuram, Kodambakkam,
 Chennai - 600 024.

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**NOTICE OF
ANNUAL GENERAL
MEETING**

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of **IDBI Asset Management Limited** will be held on Thursday, 28th day of September, 2017 at 10:00 A.M. in the Board Room of IDBI Asset Management Limited at 05th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021, to transact the following business: -

ORDINARY BUSINESS

Item no 1: Adoption of Financial Statement.

To receive, consider and adopt the Audited Financial Statement of the Company consisting of Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date and the reports of the Board of Directors' and the Statutory Auditors' and the Comptroller & Auditor General of India thereon.

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

To consider and, if thought fit, to pass the following Resolution, as an **Ordinary Resolution**: -

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to decide, negotiate and finalise the remuneration of the Statutory Auditors of the Company as appointed by the office of Comptroller and Auditor General of India (C&AG) pursuant to the provisions of Section 139(5) and other applicable provisions, if any, of the Companies Act, 2013, up to an amount as may be recommended by the Audit Committee and at the discretion of the Board, for the year 2017-18.”

Item no. 3: Re-appointment of Director liable to retire by rotation.

To appoint a Director in place of Shri Abhay Laxman Bongirwar (*DIN: 00660262*), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment: -

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**: -

“RESOLVED THAT Shri Abhay Laxman Bongirwar (*DIN: 00660262*), Director of the Company, who retires by rotation and being eligible, has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

Item no 4: Confirmation of appointment of Shri Krishna Prasad Nair (DIN: 02611496) as Director of the Company.

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

“RESOLVED THAT Shri Krishna Prasad Nair (*DIN: 02611496*), who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 28, 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and the Articles of Association of the Company and was elected as the Chairman of the Board consequent to amendment carried

Corporate Office : 5th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021.

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out in the clause 173 of the Articles of Association on approval from Shareholders in the Extra-ordinary General Meeting held on December 23, 2016 and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.”

Item no 5: Authorisation for Related Party Transactions.

To consider and, if thought fit, to pass the following Resolution as an **Ordinary 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/Audit Committee of the Board of Directors 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 including granting of omnibus approval in compliance with the provisions of Section 177 of the Companies Act 2013, for a value not exceeding Rs.25 crore or each contract and/or arrangement whether entered into in ordinary course of business or not and/or whether at arm’s length price or not or at such price with the recommendation and approval of the Audit Committee to the Board of Directors of the Company for their approval, 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 Director/duly constituted Committee of Directors to give effect to the aforesaid Resolutions.”

**For and on behalf of the Board of Director of
IDBI Asset Management Limited**



Chandra Bhushan
06/09/17
(Chandra Bhushan)
**Company Secretary &
Compliance Officer**

Place: Mumbai

Date: September 06, 2017

NOTES:

- **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 AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Members/Proxies Should Bring the Attendance Slip duly filled in for attending the meeting.
- The relevant explanatory statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of business under item no. 2 to 5 are attached herewith.
- Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
- 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 THE PROVISIONS OF
SECTION 102**

Item no 2:

The office of Comptroller and Auditor General of India (C&AG) has *vide* letter no. CA/V/COY/Central Government, IDBIAS(1)/360 dated July 13, 2016 continued the appointment of M/s. C.R. Sagdeo & Co., Chartered Accountants, Navi Mumbai as Statutory Auditor of the Company for the financial year 2016-17 in terms of Section 139 & 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time.

Further, the office of C&AG *vide* its letter dated August 03, 2017 has again continued the appointment of M/s. C.R. Sagdeo & Co., Chartered Accountants, Navi Mumbai as Statutory Auditor of the Company for the financial year 2017-18 in terms of Section 139 & 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time.,

As per the Section 139 of the Companies Act, 2013, the remuneration of Auditors appointed by the office of C&AG, shall be fixed by the Company in the Annual General Meeting. Accordingly, the Notice of the Annual General Meeting includes an item pertaining to remuneration of the Auditors for the year 2017-18.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, in the Resolution mentioned in Item No. 2 for the approval of members.

Item no 3:

IDBI Bank Limited, in terms of Article 171 (b) of the Articles of Association of the Company, *vide* letter no. 228/S&AIC/IAML dated October 27, 2016 had advised appointment of Shri Krishna Prasad Nair (*DIN: 02611496*), Deputy Managing Director, IDBI Bank Limited, as Director and as Chairman on the Board of the Company.

Accordingly, the Board of Directors, in accordance with Article 179 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013, in its meeting held on October 28, 2016 appointed Shri Krishna Prasad Nair (*DIN: 02611496*) as an Additional Director of the Company with effect from the said date. Shri Krishna Prasad Nair (*DIN: 02611496*) was subsequently appointed as Chairman of the Board with effect from December 23, 2016 consequent to approval of amendment in the Articles of Association of your Company in the Extra-ordinary General Meeting held on December 23, 2016.

Brief Profile of Shri Krishna Prasad Nair (*DIN: 02611496*)

Shri Krishna Prasad Nair (*DIN: 02611496*) is the Chairman of IDBI Asset Management Limited and Deputy Managing Director of IDBI Bank Limited. Shri Krishna Prasad Nair started his career with Indian Overseas Bank as Probationary officer in 1981 and has been with IDBI since 1987. He has got over 3 decades of banking experience spanning across Corporate Finance, Retail Banking, Human Resources and Information Technology. Shri Krishna Prasad Nair has led Bank's East (Kolkata) and North (Delhi) zones as Zonal Head and before his elevation to the position of IDBI Bank's Deputy Managing Director, he held charge of various portfolios as Executive Director, including Human Resources and Retail Banking.



The Directorships of Shri Krishna Prasad Nair (*DIN: 02611496*) in other Companies are as under: -

Organisation name	Relationship	Position held
IDBI Bank Limited	Holding Company	Deputy Managing Director
IDBI Intech Limited	Fellow Subsidiary	Director

Under Section 161(1) of the Companies Act, 2013 read with Article 179 of the Articles of Association of the Company, Shri Krishna Prasad Nair (*DIN: 02611496*) holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing the candidature of Shri Krishna Prasad Nair (*DIN: 02611496*) as a candidate for the office of Director. Ministry of Corporate Affairs (MCA) *vide* circular dated June 05, 2015 notified that amongst other exemptions, Section 160 (notice of member signifying his intention to propose appointment of a candidate as Director and deposit of Rs. 1 Lakh thereof) is not applicable to Government Companies. Since your company is a Government Company within the definition of Section 2(45) of the Companies Act 2013, Section 160 is not applicable to your Company.

Shri Krishna Prasad Nair (*DIN: 02611496*) does not receive any remuneration, benefits, or commission from the Company.

Shri Krishna Prasad Nair (*DIN: 02611496*) does not hold by himself or through his relatives any shares in the Company.

Except Shri Krishna Prasad Nair (*DIN: 02611496*), being the appointee, Shri Abhay Laxman Bongirwar (*DIN: 00660262*) being the Executive Director of IDBI Bank Limited, Shri Dilip Kumar Mandal (*DIN: 03313130*), Managing Director & CEO of the Company being on deputation from IDBI Bank Limited, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, in the resolution set out at Item No. 3 for the approval of the Members.

Item no. 4:

IDBI Bank Limited, in terms of Article 171 (b) of the Articles of Association of the Company, *Vide* letter no.82/S&AIC/Nominee/IAML dated July 14, 2016 had advised appointment of Shri Abhay Laxman Bongirwar (*DIN: 00660262*), Executive Director IDBI Bank Limited, as Director on the Board of the Company.

Accordingly, the Board of Directors had, by way of circular resolution, which was ratified in the meeting held on August 30, 2016 appointed Shri Abhay Laxman Bongirwar (*DIN: 00660262*) as an Additional Nominee Director of the Company with effect from July 30, 2016.

Brief Profile of Shri Abhay Laxman Bongirwar (DIN: 00660262)

Shri. Abhay Bongirwar, Executive Director at IDBI bank, has more than 32 years of experience in areas like Infrastructure finance, project appraisal, recovery, retail banking, investment banking, corporate advisory, debt Syndication, CDR, etc.

He is a seasoned banker with special expertise in infrastructure & structured finance and business turnarounds with growth orientation through quick decisions and need based delegation.

He has financed projects in almost all the sectors including Road, Power (incl. renewal energy, generation, transmission, distribution), Telecom, Satellite communication, Oil & Gas, Shipping, steel, solid waste management, cement, etc.

He is also closely working with State Government for social development projects in areas like rural development, renewable energy, smart cities, solar pumps etc. Presently, as ED at IDBI, he had been involved in appraisal and funding of more than 40+ cases involving investment of more than Rs.75,000 cr. with debt of approx. Rs.17,000 cr.

As a Managing Director & CEO of IDBI Capital Market & Securities Limited (subsidiary of IDBI Bank Limited), he turnaround the business & competitive position of the Company at a growth rate of more than 200% with increase in profit before tax from Rs.5 crore to Rs. 50 crore in 3 years and handled 83 Corporate Debt Restructuring proposals of more than Rs.1,61,000 crore capturing more than 50% market share in CDR handling. As regional head at infra group at IDBI, he handled 2/3 of IDBI's infra finance portfolio of more than 33000 crore As zonal head of Pune region, he was also directly involved in merger of people, processes and business of 30 branches of IDBI Limited, IDBI Bank, United Western bank and increased business at a growth rate of 125% in 2 years from Rs. 126 crore to Rs.637 crore (debt). Between 1997-01 handled project appraisal and sanction of Power projects of more than 10,000 MW. During post liberalisation era, raised more than Rs. 4000 crore through 32 public issues through Merchant Banking activities.

Under Section 161(1) of the Companies Act, 2013 read with Article 179 of the Articles of Association of the Company, Shri Abhay Laxman Bongirwar (*DIN: 00660262*) holds office only up to the date of this Annual General Meeting.

Ministry of Corporate Affairs (MCA) has vide circular dated June 05, 2015 notified that amongst other exemptions, Section 160 (notice of member signifying his intention to propose appointment of a candidate as Director and deposit of Rs. 1 Lakh thereof) is not applicable to Government Companies. Since your company is a Government Company within the definition of Section 2(45) of the Companies Act 2013, Section 160 is not applicable to your Company.

Shri Abhay Laxman Bongirwar (*DIN: 00660262*) does not receive any remuneration, benefits, or commission from the Company.

Shri Abhay Laxman Bongirwar (*DIN: 00660262*) does not hold by himself any shares in the Company.

The Board considers that the appointment of Shri Abhay Laxman Bongirwar (*DIN: 00660262*) as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company who shall not be liable to determination for retirement by rotation.

Except Shri Krishna Prasad Nair (*DIN: 02611496*), Shri Abhay Laxman Bongirwar (*DIN: 00660262*) being the Executive Director of IDBI Bank Limited and the appointee, Shri Dilip Kumar Mandal (*DIN: 03313130*), Managing Director & CEO of the Company being on deputation from IDBI Bank Limited, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, in the resolution set out at Item No. 3 are for the approval of the Members.

Item no 5:

IDBI Asset Management Limited (“IDBI AMC”) is a subsidiary of IDBI Bank Limited. IDBI AMC has been appointed as Investment Manager for IDBI Mutual Fund by IDBI MF Trustee Company Limited vide Investment Management Agreement dated February 20, 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 inter alia issue, sell units of Mutual fund, to invest in securities as per scheme(s) 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 which includes contracts entered into with related parties prior to the commencement of the Companies Act, 2013 as well as the contracts entered during the year with the approval of the ACB/Board as per the authorization given by the members in the last Annual General Meeting which are in the ordinary course of business and to support the operations of the Company.

The Company currently has the following contracts entered with the related parties: -

A	B	C	D	E	F
S. No.	Name of the party	Name of Director or Key Managerial Personnel who is related of any	Nature of Relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Whether in ordinary course of business and at arm’s length price
1.	IDBI Federal Life Insurance Company Limited–Group Company		Group Company	Group Insurance Continuing and renewed every year by paying premium. All employees of IDBI Asset Management Limited from their date of commencement of service until leaving service, but no later than the normal retirement age of 60 years.	In ordinary course of business and at market price.

				<p>Limit is Rs.57,66,281 for all existing and new employees of IDBI Asset Management Limited basic death benefit 3 times of CTC and Accidental death benefit equal to basic sum assured subject to maximum Rs.50,00,000/- as per member schedule.</p> <p>Sum Insured: Rs.42,53,90,14 0/-.</p> <p>Premium paid Rs. 6,47,075/-.</p>	
2.	<p>IDBI Capital & Securities Limited (Formerly known as IDBI Capital Market Services Ltd) (U65990MH1993 GOI075578) – Group Company</p>		<p>Group Company</p>	<p>Distribution brokerage as per Board approved Compensation Structure.</p> <p>Total paid during FY 2016-17: Rs.1,31,245.04</p>	<p>In ordinary course of business and at market price.</p>
3.	<p>IDBI Mutual Fund – MF Trust constituted under Indian Trust Act, 1882.</p>			<p>Management fees from IDBI Mutual Fund for managing the schemes of the Fund.</p>	<p>In ordinary course of business and at market price.</p>
4.	<p>IDBI Bank Limited (L65190MH2004 GOI148838) – Holding Company</p>		<p>Holding Company</p>	<p>To distribute Mutual Funds of IDBI Mutual Fund. To market the products of</p>	

				IDBI Mutual Fund through their distribution network.	
5.	IDBI Bank Limited (CIN: L65190MH2004 GOI148838)		Holding Company	Rent payable	In ordinary course of business and at market price.
6.	IDBI MF Trustee Company Limited (CIN:U65991MH 2010PLC199326)		Group Company		In ordinary course of business and at market price.
7.	IDBI Bank Limited (CIN: L65190MH2004 GOI148838)		Holding Company	Other Services such as 1) To provide cash management services CMS agreement dated 19 th March 2010, duration is in perpetuity unless terminated Flat charges of Rs. 25,000/- + Cheque return charges of Rs. 30/- per cheque return + courier charges of Rs. 400/- per pick up point per month within city limits and at actual outside city limits. 2) Direct Debit Facility to collect applications of SIP from investors along with Authorization to IDBI Bank to	

				<p>directly debit the account of the investor for monthly/quarterly investment in Mutual Fund scheme of IDBI MF One time charge of Rs. 10/- per mandate</p> <p>Ongoing charges of Rs. 3/- per transactions</p> <p>Cancellation charges of Rs. 10/- per mandate/SI.</p> <p>3) Line of Credit Facility of Rs. 1000 crore for IDBI MF</p> <p>1) To provide a facility to IDBI Mutual Fund (though IDBI Asset Management Limited) of providing credit facility to meet liquidity gap on account of redemptions of debt and liquid fund schemes. Overdraft and intra day facility</p> <p>Rate of Interest: at MCLR rate payable monthly</p> <p>Documentation and out of pocket charges at actual</p> <p>Repayment on</p>
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				<p>Demand</p> <p>2) In built CMS intraday Facility To meet intraday mismatches Rate of Interest: MIBOR + 100bps or MCLR + 520 bps whichever is higher if it becomes intraday</p> <p>3) LER – Treasury Limit LER Limit of Rs. 10 lacs Commission as decided by IDBI Treasury and Other charges at actual For the above facility to pay IDBI Bank Rs. 10 lacs upfront with applicable taxes</p> <p>4) Other banking Services provided from time to time including NEFT, Demat etc.</p>	
8.	IDBI Bank Limited (CIN: L65190MH2004 GOI148838)		Holding Company		In ordinary course of business and IDBI Bank Salary.

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.

IDBI AMC has in pipeline the following contracts to be entered with the related parties: -



A	B	C	D	E	F
S. No.	Name of the party	Name of Director or Key Managerial Personnel who is related of any	Nature of Relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Whether in ordinary course of business and at arm's length price
1	IDBI Bank Limited		Holding Company	<p>IDBI Bank has in co-ordination with IDBI AMC has launched a Reward and Recognition programme for their NISM Certified Branch employees, Branch Heads and Regional Heads for FY 2016-17 titled as "Gurukul Learning Programme". This programme has been launched on 10th June 2016 till 31st March 2017.</p> <p>(1) Qualification norms:</p> <p>a. Eligible Scheme: IDBI Top 100 Equity Fund, IDBI Diversified Equity Fund,</p>	

				<p>IDBI Equity Advantage Fund, IDBI Prudence Fund, IDBI Midcap Fund and any other launch of actively managed Equity fund during the FY 2016-17.</p> <p>b. Identification of branch staff for eligibility, as per their employee code mentioned in sub-Agent code / Branch Code of the Application.</p> <p>c. Branches to quote EUIN number on the form. To be eligible employee has to qualify in both the criteria's as given in Annexure -I.</p> <p>e. Only first installment of SIP will be counted in lump sum criteria.</p> <p>f. SIP mobilized should have a minimum period of 3 years, with minimum SIP amount of Rs. 1000/-.</p> <p>g. All staff in this campaign</p>	
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				<p>to be NISM Certified.</p> <p>h. For Lumpsum the fund should remain invested for atleast 12 months, in the above mentioned eligible schemes.</p> <p>i. No switch-in within equity scheme will be allowed.</p> <p>j. Switch-in only from IDBI Liquid Fund, IDBI Ultra Short Term Fund and IDBI Short Term Fund is allowed into actively managed equity schemes or any other fund notified by IDBI AMC.</p> <p>k. Contest is based on Net sales model. Any interim redemptions during the contest period will have negative credit towards mobilization. Based on the qualification criteria as defined by IDBI Bank in consultation with IDBI</p>
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				<p>AMC, the IDBI AMC shall be rewarding the branch staff, Branch Heads and Regional Heads by nominating for a education programme based on their qualifying criteria as per above levels. IDBI Bank shall recognize their branch staff, Branch Heads and Regional Heads based on their qualifying criteria as per above levels.</p>	
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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 Companies Act, 2013 with effect from April 01, 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 net worth/Turnover of the Company.

Hence, it is proposed to the members to authorize the Audit Committee /Board of the Company to approve the proposals for entering into further contracts as may be required and to authorize the Board of Directors with powers to enter into contracts for a value not exceeding Rs.25 crore for each such contract or arrangement which whether in ordinary course of business or not and/or at arm's length or not 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/or to authorize Managing Director & CEO or any other Director as it may deem fit to enter into such contracts and arrangements with prior approval of the Board.

None of the Directors a Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned in Item no. 5 for approval of the members.



For and on behalf of the Board of Director of
IDBI Asset Management Limited



Chandra Bhushan
06/09/17
(Chandra Bhushan)
Company Secretary &
Compliance Officer

Place: Mumbai

Date: September 06, 2017

Attendance Slip

CIN	:	U65100MH2010PLC199319
Name of the Company	:	IDBI ASSET MANAGEMENT LIMITED
Registered Office	:	IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai - 400 005.

I/We hereby record my/our presence at the Seventh Annual General Meeting of the Company to be held on Thursday, 28th day of September, 2017 at 10.00 A.M. in the Board Room of IDBI Asset Management Limited at 05th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021.

.....
Member's Folio.....
Member's/Proxy Name.....
Member's/Proxy Signature

Form No. MGT-11
Proxy Form

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

CIN	:	U65100MH2010PLC199319
Name of the Company	:	IDBI ASSET MANAGEMENT LIMITED
Registered Office	:	IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai - 400 005.

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

I/We, being the members(s) of _____ shares of the above name 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	:	,or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the seventh Annual General Meeting of the Company to be held on Thursday, 28th day of September, 2017 at 10.00 A.M. in the Board Room of IDBI Asset Management Limited at 05th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution No.

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

Signed this.....day of.....2017

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

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

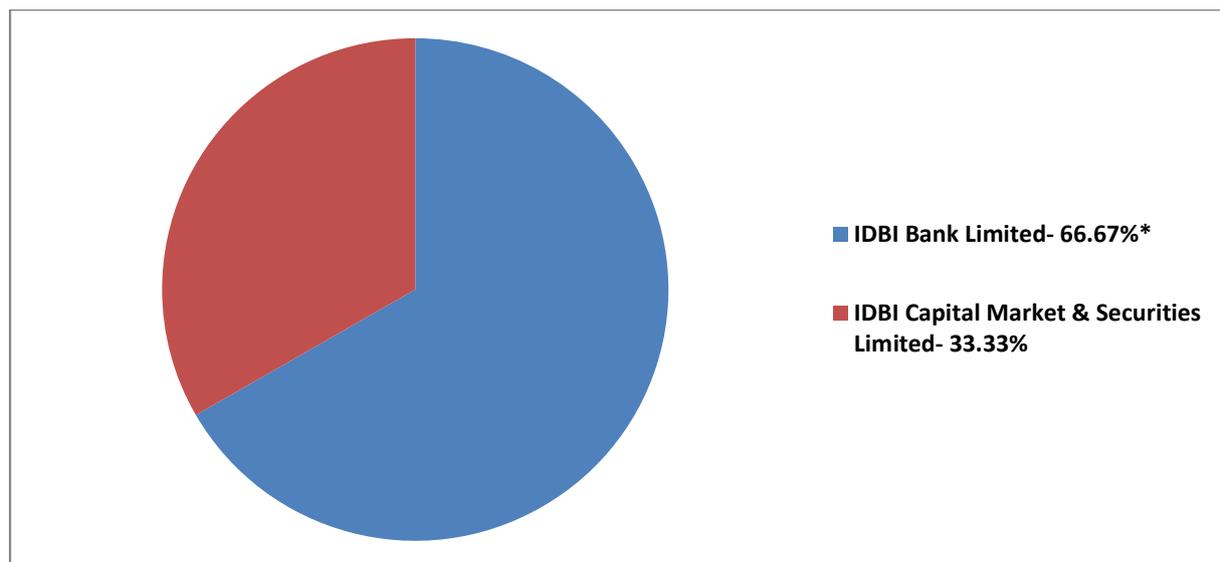
DIRECTORS’ REPORT

DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting **Seventh Annual Report** together with the audited financial statement of the Company for the financial year ended March 31, 2017.

THE SHAREHOLDING PATTERN OF YOUR COMPANY AS ON MARCH 31, 2017 WAS AS UNDER: -



* The shareholding of IDBI Bank Limited includes its six nominee shareholders holding one equity share of Rs.10/- each.

HIGHLIGHTS OF FINANCIAL SUMMARY

The financial statement summary of the Company for the year ended March 31, 2017 was as under: -

Particulars	<i>(Rs. in Lakh)</i>	
	2016 - 17	2015 - 16
Total Income	6506.32	4716.49
Profit/(Loss) before Tax	156.02	(574.75)
Add: Deferred Tax	569.79	922.67
Profit/(Loss) after Taxes	725.81	347.92
Balance brought forward from earlier period	(10283.41)	(10631.33)
Amount available for Appropriation	Nil	Nil
Balance/(Loss) to be carried forward	(9557.60)	(10283.41)
Net worth	10431.01	9690.06

I. STATE OF THE COMPANY'S AFFAIRS

Your company was incorporated on January 25, 2010, under the Companies Act, 1956, with the principal activity to act as “*Investment Manager*” to IDBI Mutual Fund. The Company aims to assist the common man in making informed investment choices through mutual funds.

Your company managed sixteen schemes for the year ended March 31, 2017, including two passive equity, four active equity, six debt, one gold ETF, one FOF (Gold), one gilt and one liquid scheme of IDBI Mutual Fund.

The year 2016-17 is the seventh year of operation of your company. The Average Assets Under Management (AAUM) during the quarter ended March 31, 2017 was Rs.7763.32 Crore. The highest Assets Under Management (AUM) managed during the year under review was Rs.9573.32 Crore.

Your company’s revenue from operations has grown up from Rs.39.37 Crore (financial year 2015-16) to Rs.59.28 Crore (financial year 2016-17) i.e. an increase of 50.57%.

Your company will be focusing on growth of Assets Under Management and profitability by strengthening IDBI Mutual Fund presence in T-15 cities & B-15 cities activating online channels and moving to paperless transactions, having IDBI Bank & Mutual Fund software integration, increasing Mutual Fund transaction through IDBI Net banking, focusing on 500 business potential branches, renewing tapping of retail customers for Systematic Investment Plan (SIP) business, deepening corporate client relationships for AUM and payroll SIP and using IDBI Bank ATMs, Website and E-lounges for transaction and product brand building and visibility.

Business Environment

The year 2017 saw a reasonably moderate GDP growth of 7.1% as against 8% in the previous year (*source: mospi.nic.in*), despite the unexpected shock of demonetization and a poor spatial distribution of rainfall, which resulted in a drought like situation in some states like Tamil Nadu and Kerala. The year saw some reduction in discretionary spends while private sector capex revival was further delayed. The economy however benefited from continued benign crude oil and commodity prices, which helped preserve foreign exchange reserves and also lowered the subsidy bill.

During the year FY 17, CPI inflation continued to decline to 3.89%, from 5.18% in FY 16 (*source: mospi.nic.in*). WPI however saw a modest uptick, recording 5.1% for FY17 compared to -0.91% at the end of FY16 (*source: eaindustry.nic.in*). During FY17, RBI reduced the spread between repo & reverse repo rates to 50 bps from 100 bps while the Statutory Liquidity Ratio (SLR) was kept unchanged at 21.5%. The year also saw repo rate cuts of 50 bps, taking the repo rate to 6.25% at the end of the year, while the reverse repo rate was maintained at 5.75%. The strong liquidity situation with banks, a result of demonetization, helped yields in the money market to also fall sharply.

India also managed to meet its fiscal deficit target at 3.5% of GDP for FY17, aided primarily by lower oil and commodity prices. This was a significant improvement over 3.9% in FY16 and 4.1% in FY15. Foreign Institutional Investors (FIIs) were net buyers in FY17 of Rs.48,411 Crore versus being net sellers of Rs.18,17,600 Crore in FY16 (*source: fpi.nsdll.co.in*). The rupee appreciated by 2.1% during the year, from Rs.66.24 per US dollar to Rs.64.85 per US dollar, owing to strong inflows in domestic debt & equity markets (*source: Bloomberg*).

Mutual Fund Industry

The mutual fund industry witnessed another year of growth with the Average Assets under Management (AAUM) of Rs.18,29,584 Crore during the quarter ended March, 2017.

Securities and Exchange Board of India (SEBI) *vide* circular no. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016 provided the circumstances due to which the redemption in the Scheme can be restricted and the compliances to be adhered. SEBI has also directed the Fund houses to disclose the same in the Scheme Information Document (SID) and Key Information Memorandum (KIM) so that the investor is aware that their right to redeem may be restricted in the exceptional circumstances.

With the view of increasing transparency of information to the investors, SEBI has mandated the fund houses to make additional disclosures in the Consolidate Account Statements (CAS) sent to the investors.

SEBI Registered Investment Advisors (RIAs) are now permitted to use infrastructure of the recognized stock exchanges to purchase and redeem mutual fund units from Mutual Fund/Assets Management Companies on behalf of their clients, including direct plans.

The Government of India has implemented Central Know Your Customer (CKYC), which paves way for a single Know Your Customer (KYC) for the investor to invest across all financial products regulated by different regulators. Accordingly, individual investors who have completed CKYC can invest in any Mutual Fund Scheme using their 14 digit KYC Identification Number (“KIN”).

In light of the role of Housing Finance Companies especially in affordable housing segment and in furtherance to the Government’s goal under Pradhan Mantri Aawas Yojana (PMAY), SEBI has revised the sector exposure in debt oriented mutual fund schemes in financial service sector. It has increased the additional exposure to housing finance companies in financial service sector to 15% (over and above the limit of 25% in finance sector). SEBI has also permitted Mutual Funds to invest in units of Real Estate Investment Trust and Infrastructure Investment Trust in accordance with the applicable investment restrictions.

Change in the nature of Business, if any.

Your Company was incorporated with the principal activity to act as “Investment Manager” to IDBI Mutual Fund *vide* Investment Management Agreement dated February 20, 2010 entered into by IDBI MF Trustee Company Limited (“*Trustees to IDBI Mutual Fund*”). Your Company has carried on the same business activity during the financial year 2016 -17 and there is no Change in the nature of the business of the Company done during the year.

II. DIVIDEND

No dividend has been recommended during the financial year under review.

III. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there is no unpaid /unclaimed dividend.

IV. COMPLIANCE WITH NET WORTH REQUIREMENTS AS PRESCRIBED BY SEBI

Your Company complies with the minimum net worth requirements of Rs.50 Crore as prescribed by the Securities and Exchange Board of India (“SEBI”). The net worth of your company for the year ended March 31, 2017 was Rs.104.31 Crore.

V. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits in the Statement of Profit and Loss and accordingly no amount has been transferred to the reserves.

VI. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company has incurred expense in foreign exchange of Rs.1,64,626/- towards overseas travelling expenses.

VII. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes occurred in between the financial year ended March 31, 2017 and the date of the report affecting the financial position of the Company. However, during the period under review there has been progress in the performance of the Company.

VIII. BOARD OF DIRECTORS

Changes in Directors and Key Managerial Personnel (KMP): -

Board of Directors

The year under review saw few changes to the Board of Directors (“Board”), including the position of the Chairman.

During the year under review, on December 23, 2016, Shri Krishna Prasad Nair was appointed as the Chairman of the Company in place of Shri Kishor Piraji Kharat as per the recommendation of the IDBI Bank Limited (“ *Holding Company* ”).

The changes took place in the Board of the Company during the year under review is summed up as under: -

S. No.	Name of the Director	Particulars	Date of Appointment	Date of Resignation
1.	Shri Kishor Piraji Kharat (DIN: 07266945)#	Chairman	October 28, 2015	October 27, 2016

2.	Shri Venkatesh Narasinganallore Srinivasan (DIN 01893686)***	Associate Director	May 14, 2015	July 14, 2016
3.	Shri Krishna Prasad Nair (DIN: 02611496)	Chairman	October 28, 2016	N.A.
4.	Shri Abhay Laxman Bongirwar (DIN: 00660262)	Nominee Director	July 30, 2016	N.A.
5.	Shri Jayant Narayan Godbole (DIN: 00056830) **	Independent Director	November 09, 2010	January 23, 2017
6.	Shri Satya Narayan Baheti @ (DIN: 00136476)	Managing Director and CEO	May 09, 2014	August 16, 2016
7.	Shri Dilip Kumar Mandal (DIN: 03313130)	Managing Director and CEO	August 22, 2016	N.A.

*** *Withdrawal of Nomination by IDBI Bank Limited w.e.f. July 14, 2016.*

Withdrawal of Nomination by IDBI Bank Limited w.e.f. October 27, 2016.

@ *Withdrawal of Nomination by IDBI Bank Limited w.e.f. August 16, 2016.*

** *Resigned as Independent Director w.e.f. January 23, 2017.*

The Board placed on record its deep appreciation towards the valuable contributions made by the past Chairman, Managing Director & CEO and Directors.

Key Managerial Personnel

Shri Manesh Gulab Jiandani (FCS 7360) resigned from the position of Company Secretary in view of repatriation to IDBI Bank Limited with effect from March 31, 2017.

Mr. Chandra Bhushan (ACS 30954) has been appointed as the Company Secretary of the Company with effect from April 10, 2017. Further, he was designated as the Compliance Officer with effect from May 22, 2017.

There has been no change in the Directors and Key Managerial Personnel's as at the date of report, after the end of financial year.

Retirement by Rotation

The Board of Director of your Company comprises of six Directors of which three directors are Independent Director as on the date of the Annual General Meeting. According to the provisions of the Companies Act, 2013; out of the remaining three (i.e. Chairman, Managing Director & CEO and the Nominee Director). As per the Articles of Association of your company, the Chairman and the Managing Director & CEO are not liable to retire by rotation. In view of the same Shri Abhay Laxman Bongirwar being the Nominee Director is liable to retire by rotation in the Annual General Meeting of the Company.

IX. BOARD MEETINGS HELD DURING THE YEAR

The Board meets at regular intervals to discuss and decide the operations of the Company. The Notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board meeting is being circulated a week prior to the Board meeting.

During the year under review total of eight Board meetings were held the details of the same has been summed up as under: -

Dates on which Board Meetings were held	Total strength of the Board	Director's present
April 21, 2016	7	7
June 20, 2016	7	7
August 30, 2016	7	5
October 28, 2016	7	5
December 23, 2016	7	7
January 09, 2017	7	6
March 02, 2017	6	6
March 22, 2017	6	5

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Name of the Director	Attendance at the Board Meeting held on							March 22, 2017
	April 21, 2016	June 20, 2016	August 30, 2016	October 28, 2016	December 23, 2016	January 09, 2017	March 02, 2017	
Shri Kishor P.Kharat, Ex-Chairman (DIN: 07266945)	✓	✓	✓	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Venkatesh Narasinganalore Srinivasan, Nominee Director (DIN: 01893686)	✓	✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.),	✓	✓	✓	Leave of Absence	✓	✓	✓	Leave of Absence

Independent Director (DIN: 05155598)									
Shri Jayant Narayan Godbole, Independent Director (DIN: 00056830)	✓	✓	Leave of Absence	Leave of Absence	✓	✓	N.A.	N.A.	
Shri Satya Narayan Ramdeo Baheti, Ex-MD & CEO (DIN: 00136476)	✓	✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Ms Geeta Pursappa Shetti, Independent Director (DIN: 02948958)	✓	✓	Leave of Absence	✓	✓	Leave of Absence	✓	✓	
Shri Annavarapu Venkat Rammurty, Director (DIN: 00050455)	✓	✓	✓	✓	✓	✓	✓	✓	
Shri Krishna Prasad Nair, Chairman & Nominee Director (DIN: 02611496)	N.A.	N.A.	N.A.	✓	✓	✓	✓	✓	
Shri Abhay Laxman Bongirwar, Nominee Director (DIN: 00660262)	N.A.	N.A.	✓	✓	✓	✓	✓	✓	
Shri Dilip Kumar Mandal MD & CEO (DIN: 03313130)	N.A.	N.A.	✓	✓	✓	✓	✓	✓	

IX. AUDIT COMMITTEE OF THE BOARD:

The Audit Committee was constituted in the year 2010 and adopted a Charter for its functioning. The Committee was further reconstituted as per the Section 177 of the Companies Act, 2013 and the Charter was also redefined in lines with the provisions of the said Act. The primary objective of the Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Composition of the Audit Committee as on March 31, 2017 was as under: -

S. No.	Name of the Director	Particulars	Date of Appointment
1.	Ms. Geeta Pursappa Shetti (DIN: 02948958)	Independent Director (Chairperson)	February 12, 2015**
2.	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	Independent Director	June 27, 2014*
3.	Shri Annavarapu Venkat Rammurthy (DIN: 00050455)	Independent Director	April 20, 2015**

*Appointed for a period of five years at the 04th Annual General Meeting held on 27/06/2014 in accordance with Section 149 of the Companies Act, 2013.

** Appointed for a period of five years from their respective date of appointment at the 5th Annual General Meeting held on August 24, 2015 in accordance with Section 149 of the Companies Act, 2013.

During the year under review, Shri Jayant Narayan Godbole, due to resignation from the position of the Independent Director of the Company had ceased to be the member of the Committee.

During the year under review the Committee met seven times, the detail of the same has been summed up as under: -

Dates on which Audit Committee Meetings were held	Total strength of the Committee	Director's present
April 20, 2016	4	4
June 20, 2016	4	4
August 26, 2016	4	4
October 27, 2016	4	4
December 23, 2016	4	4
January 09, 2017	4	3
March 02, 2017	3	3

ATTENDANCE OF DIRECTORS AT AUDIT COMMITTEE MEETINGS

Name of the Director	Attendance at the Audit Committee Meeting held on						
	April 20, 2016	June 20, 2016	August 26, 2016	October 27, 2016	December 23, 2016	January 09, 2017	March 02, 2017
Ms Geeta Pursappa Shetti (DIN: 02948958)	✓	✓	✓	✓	✓	Leave of absence	✓
Shri Jayant Narayan Godbole (DIN: 00056830)	✓	✓	✓	✓	✓	✓	NA
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	✓	✓	✓	✓	✓	✓	✓
Shri Annavarapu Venkat Rammurty (DIN: 00050455)	✓	✓	✓	✓	✓	✓	✓

Vigil Mechanism

The Company's Vigil Mechanism incorporates the whistle blower policy pursuant to the provisions of Sub-Section 9 of Section 177 of the Companies Act, 2013 and Companies (Meeting of Board and its Powers) Rules, 2014. The same is also available on our website www.idbimutual.co.in. A Vigilance Officer has been appointed who shall oversee the Vigil Mechanism of the Company and report any Protected Disclosure to the Audit Committee. The protected disclosures can be made by a whistle blower through an e-mail vigilance@idbimutual.co.in or a letter to the Vigilance Officer or to the Chairman of the Audit Committee.

X. OTHER COMMITTEES

a. Nomination & Remuneration Committee: -

The Nomination & Remuneration Committee was constituted in the year 2014 and adopted a Charter for its functioning. The Committee was further reconstituted as per the Section 178 of the Companies Act, 2013 and the scope was also redefined in lines with the provisions of the said Act. The Nomination and Remuneration Committee (“NRC”) works with the Board to determine the appropriate attributes, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability.

The composition of the Nomination & Remuneration Committee as on March 31, 2017 was as under:-

S. No.	Name of the Director	Particulars	Date of Appointment
1.	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)* (DIN: 05155598)	Independent Director	June 27, 2014
2.	Ms Geeta Pursappa Shetti (DIN: 02948958)	Independent Director	February 02, 2015
3.	Shri Annavarapu Venkat Rammurty (DIN: 00050455)	Independent Director	April 20, 2015
4.	Shri Abhay Laxman Bongirwar (DIN: 00660262)	Nominee Director	July 30, 2016

**Appointed as Chairperson of the committee with effect from January 23, 2017 in place of Shri Jayant Narayan Godbole.*

During the year under review, the following changes took place in the Nomination & Remuneration Committee: -

S. No.	Name of the Director	Particulars	Date of Appointment	Date of Resignation
1.	Shri Venkatesh Narasinganallore Srinivasan (DIN: 01893686)	Nominee Director	May 14, 2015	July 14, 2016
2.	Shri Abhay Laxman Bongirwar (DIN: 00660262)	Nominee Director	July 30, 2016	NA
3.	Shri Jayant Narayan Godbole (DIN: 00056830)	Independent Director	June 27, 2014	January 23, 2017

During the year under review the Committee met six times, the detail of the same has been summed up as under: -

Dates on which Nomination and Remuneration Committee Meetings were held	Total strength of the Committee	Director's present
April 20, 2016	5	4
June 20, 2016	4	4
August 26, 2016	5	5
October 27, 2016	5	5
December 23, 2016	5	5
March 02, 2017	4	4

Attendance of Directors at Nomination and Remuneration Committee Meetings

Name of the Director	Attendance at the Nomination and Remuneration Committee Meetings held on					
	April 20, 2016	June 20, 2016	August 26, 2016	October 27, 2016	December 23, 2016	March 02, 2017
Shri Jayant Narayan Godbole (DIN: 00056830)	✓	✓	✓	✓	✓	NA
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	✓	✓	✓	✓	✓	✓
Ms Geeta Pursappa Shetti (DIN: 02948958)	✓	✓	✓	✓	✓	✓
Shri Venkatesh Narasinganallore Srinivasan (DIN: 1893686)	Leave of Absence	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Annavarapu Venkat Rammurty (DIN: 00050455)	✓	✓	✓	✓	✓	✓

Shri Abhay Laxman Bongirwar (DIN: 00660262)	N.A.	N.A.	✓	✓	✓	✓
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b. Committee of Independent Directors

The Company has constituted a Committee of its Independent Directors as per the provisions of the Companies Act, 2013.

As on March 31, 2017, the composition of the Committee of Independent Directors was as under: -

S. No.	Name of the Director	Particulars	Date of Appointment
1.	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	Chairperson and Independent Director	June 27, 2014
2.	Ms. Geeta Pursappa Shetti (DIN: 02948958)	Independent Director	February 12, 2015
3.	Shri Annavarapu Venkat Rammurthy (DIN: 00050455)	Independent Director	April 20, 2015

During the year under review, the following changes took place in the Committee of Independent Directors: -

S. No.	Name of the Director	Particulars	Date of Appointment	Date of Resignation
1.	Shri Jayant Narayan Godbole (DIN: 00056830)	Independent Director	June 27, 2014	January 23, 2017

The Committee met thrice during the year under review on April 20, 2016, June 20, 2016 and March 02, 2017.

XI. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm: -

- In the preparation of the Annual Accounts for the year ended March 31, 2017, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.

- c. 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.
- d. The Directors have prepared the annual accounts on a going concern basis; and
- e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

XII. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return as required to be furnished in the format prescribed pursuant to the provisions of Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Form no. MGT-9 and has been annexed to the report as Annexure - "A".

XIII. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

As per Section 149(7) of the Companies Act, 2013 the Company has received the declaration of independence from all the Independent Directors.

XIV. DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY

The Company has devised and adopted separate policies for Appointment and Remuneration being, (a) Director's Appointment and Evaluation Policy; and (b) Nomination and Remuneration Policy.

XV. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Your Company is an Investment Manager to IDBI Mutual Fund. Thus, the operations of the Company are guided by the SEBI Regulations & Directives and AMFI guidelines issued from time to time. In compliance with the SEBI circular, the Company has in place a policy manual on managing risks related to the business being managing the operations of IDBI Mutual Fund as per the Investment Management Agreement and is duly implemented.

XVI. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Provisions of Corporate Social Responsibility (CSR) are not applicable to your company during the year under review. However the Company has formulated and adopted a policy for the CSR in lines with the CSR policy of the IDBI Bank Limited (" *Holding Company* "), the same is available on our website www.idbimutual.co.in.

XVII. OTHER POLICIES OF THE COMPANY

Your Company being an Investment Manager to IDBI Mutual Fund, for its business and operations purposes, is guided by the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time which also includes circulars, orders, etc. In accordance with various applicable regulations, the Company has in place, amongst others as mentioned in the report, an Investment Policy, Employee

Trading Policy, IT Policy, Policy for Dealing with losses on account of Trading Errors, Valuation Policy, IDBI AMC Employee's (Conduct) Rules, 2015, IDBI AMC Employee's (Disciplinary) Rules, 2015, Credit Evaluation Policy, Voting Policy, BCP and DR Manual, HR policies, Documents Retention, Disposal and Archival Policy, etc.

XVIII. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

The information required under this head which relates to the Section 186 of the Companies Act, 2013 is provided in the Note no. 9 under the heading Non-Current Investments of the Balance Sheet of the Company. Members are requested to refer to those notes for the relevant information.

XIX. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188

All the Related Party Transactions are entered in the ordinary course of business and are on arm's length basis, and are in compliance with the applicable provisions of the Companies Act, 2013. Materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel, etc. are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. The AOC-2 for the year under review is attached as **Annexure - "B"**.

All Related Party Transactions are presented to the Audit Committee and the Board.

XX. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

(A) Conservation of energy-

- (i) The steps taken or impact on conservation of energy: **Not Applicable**
- (ii) The steps taken by the company for utilizing alternate sources of energy: **Not Applicable**
- (iii) The capital investment on energy conservation equipment's: **Not Applicable**

(B) Technology absorption-

- (i) The efforts made towards technology absorption: **Not Applicable**
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: **Not Applicable**
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):- **Not Applicable**
 - (a) The details of technology imported
 - (b) The year of import
 - (c) Whether the technology been fully absorbed
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) The expenditure incurred on Research and Development: **Not Applicable**

Your Company has been extensively using Information Technology systems in its operations.

XXI. STATUTORY AUDITOR

The office of Comptroller and Auditor General of India (C&AG) has vide letter no. CA/V/COY/Central Government, IDBIAS(1)/360 dated July 13, 2016 continued the appointment of M/s. C.R. Sagdeo & Co., Chartered Accountants, Navi Mumbai as Statutory Auditor of the Company for the financial year 2016-17 in terms of Section 139 & 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time.

Further, the office of C&AG vide its letter dated August 03, 2017 has again appointed M/s. C.R. Sagdeo & Co., Chartered Accountants, Navi Mumbai as Statutory Auditor of the Company for the financial year 2017-18 in terms of Section 139 & 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time.

As per the Section 139 of the Companies Act, 2013, the remuneration of Auditors appointed by the office of C&AG, shall be fixed by the Company in the Annual General Meeting. Accordingly, the Notice of the Annual General Meeting includes an item pertaining to remuneration of the Auditors for the year 2017-18.

XXII. STATUTORY AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks made by M/s. C.R. Sagdeo & Co., Statutory Auditors, in their report for the financial year ended March 31, 2017.

XXIII. SECRETARIAL AUDITOR'S REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, M/s. G.S.R and Co., Practicing Company Secretary, a fellow member of Institute of Company Secretaries of India, having Membership No. FCS 5691 and Certificate of Practice No. 4966 had appointed to conduct the Secretarial Audit of the Company for the year ended March 31, 2017.

The Secretarial Audit report in Form no. MR 3 is attached to the report as **Annexure - "C"**. The same does not contain any qualification, reservation or adverse remarks.

XXIV. MODEL CODE OF CONDUCT

The Directors confirm that all Board members and Senior Management have affirmed compliance with the Company's code of conduct for the financial year 2016-17.

XXV. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are required to be provided as part of Director's report.

However, Ministry of Corporate Affairs (MCA) has vide circular dated June 05, 2015 notified that amongst other exemptions, Section 197 is not applicable to Government Companies. Since your company is a Government Company within the definition of Section 2(45) of the Companies Act 2013, Section 197 is not applicable to your Company and hence the Company has not disclosed the particular of employees as desired under Section 197(12) of the Companies Act, 2013.

XXVI. EXPLANATION OR COMMENTS OF THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

The report of Statutory Auditor and Secretarial Auditor are free from any qualification, reservation or adverse remark or disclaimer.

XXVII. PERFORMANCE EVALUATION OF THE DIRECTORS ETC.

A meeting of Independent Directors of the Company was held to review the performance of Non-Independent Directors, including the performance of Chairperson of the Company.

The performance evaluation of the Board as a whole and its committees and of every individual Director has been conducted as per the Director's Appointment and Evaluation policy of the Company.

XXVIII. DETAILS OF SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES

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

XXIX. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year and accordingly no amount was outstanding as on the date of the Balance Sheet.

XXX. 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.

XXXI. 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 the Auditors under sub-section (12) of Section 143.

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

Your Company has zero tolerance towards sexual harassment at the workplace. Your Company firmly believes in providing a safe, supportive, secured and friendly workplace environment - a workplace where our Values come to life through the underlying behaviors. Positive workplace environment and a great employee experience are integral parts of our culture. Your Company

believes in providing and ensuring a workplace free from discrimination and harassment based on gender. Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment your Company provides the mechanism to seek recourse and redressal to the concerned individual subjected to sexual harassment.

To achieve the same, the Company has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment.

There were no complaints pending for more than 90 days.

XXXIII. INTERNAL CONTROL SYSTEMS

Management approach to Internal Control Systems:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal control framework practiced in your Company essentially has two elements: (1) structures, policies and guidelines designed to achieve efficiency and effectiveness in operations and compliance with laws and regulations; (2) an assurance function provided by Internal Audit.

The Company also has documented policies, procedures and manuals for various processes which are periodically reviewed for changes warranted due to business needs/ regulatory prescriptions and Industry Standards.

The Audit Committee of the Board meets regularly to review reports, including significant audit observations and follow-up actions thereon. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on financial statements, compliance to accounting policies and procedures, the adequacy and effectiveness of internal control systems.

The Audit Committee regularly interacts with the Internal Auditors and seeks their views on improvement in the essential controls followed by the Company and also regularly interacts with the management to understand the steps taken by the Company to address the concerns of the Auditors and ensures that suitable measures are adopted by the Company. The Audit Committee being a sub-set of the Board places its recommendations to the Board along with the reports of the Auditors.

Internal Audit Function

The Internal Auditors continuously monitors the efficacy and adequacy of the internal controls/compliance with the objective of providing to Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization's operating systems, adherence to Company's policies, applicable laws and processes and manner of safeguarding of its assets, prevention and detection of frauds and errors,

the accuracy and completeness of the accounting records, the timely preparation of reliable financial information, risk management, control and governance processes.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. To maintain its objectivity and independence, the Internal Auditors reports to the Audit Committee of the Board. This system of internal control facilitates effective compliance of Section 138 of the Companies Act, 2013.

Board oversight on the Internal Financial Controls

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended March 31, 2017.

XXXIV. 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 Limited, 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 of IDBI MF Trustee Company Limited.

***For and on behalf of the Board of Directors
of IDBI Asset Management Limited***

**Sd/-
(Dilip Kumar Mandal)
DIN: 03313130
Managing Director & CEO**

**Sd/-
(Krishna Prasad Nair)
DIN: 02611496
Chairman**

**Place: Mumbai
Date: August 31, 2017**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	U65100MH2010PLC199319
2	Registration Date	25th JANUARY, 2010
3	Name of the Company	IDBI ASSET MANAGEMENT LIMITED
4	Category/Sub-Category of Company	PUBLIC COMPANY
5	Address of the Registered office and contact details	IDBI TOWER, WTC COMPLEX, CUFFE PARADE, COLABA, MUMBAI - 400 005, MAHARASHTRA. Tel: (022) 66442800 Fax: (022) 66442801 Website: www.idbimutual.co.in Email: corp.secretarial@idbimutual.co.in
6	Whether listed company	NO
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

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:-

S.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	The principal activity of the Mutual Fund is to provide Asset Management Services.	66301*	100.00%

**(As per National Industrial Classifications (NIC) 2008 code)*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IDBI BANK LIMITED	L65190MH2004GOI148838	Holding	66.67	2(46)
2	IDBI CAPITAL MARKETS & SECURITIES LIMITED (FORMERLY KNOWN AS IDBI CAPITAL MARKET SERVICES LIMITED)	U65990MH1993GOI075578	Associate	33.33	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0			0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	6,66,60,000	6,66,60,000	33.33	0	6,66,60,000	6,66,60,000	33.33	0
e) Banks/FI	0	13,33,40,000	13,33,40,000	66.67	0	13,33,40,000	13,33,40,000	66.67	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	0	20,00,00,000	20,00,00,000	100	0	20,00,00,000	20,00,00,000	100	Nil
2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding (A)= (A)(1)+(A)(2)	0	20,00,00,000	20,00,00,000	100	0	20,00,00,000	20,00,00,000	100	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

i) Others	0	0	0	0	0	0	0	0	0
Foreign Holdings (FIIs/FCs/FFIs/NRIs/OCBs)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	Nil
2. Non- Institutions									
a) Bodies Corporates	0	0	0	0	0	0	0	0	0
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs.1lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0	0	0
c) Others	0	0	0	0	0	0	0	0	0
Sub-total(B)(2):-	0	0	0	0	0	0	0	0	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	Nil
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	Nil
Grand Total (A+B+C)	0	20,00,00,000	20,00,00,000	100	0	20,00,00,000	20,00,00,000	100	Nil

ii. Shareholding of Promoters								
S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	IDBI Bank Limited (CIN: L65190MH2004GOI148838) along with six other individual nominees.	13,33,40,000	66.67	0	13,33,40,000	66.67	0	0
2	IDBI Capital Markets & Securities Limited (Formerly known as IDBI Capital Market Services Ltd) (CIN: U65990MH1993GOI075578)	6,66,60,000	33.33	0	6,66,60,000	33.33	0	0
Total		20,00,00,000	100	0	20,00,00,000	100	0	0

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year	20,00,00,000.00	100.00	20,00,00,000.00	100.00
2	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment sweat equity etc.	-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
3	At the end of the year	20,00,00,000.00	100.00	20,00,00,000.00	100.00

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL					
S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	-	-	-	-
3	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-
v. Shareholding of Directors and Key Managerial Personnel: NIL					
S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	Nil			
2	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)				
3	At the end of the year (or on the date of separation, if separated during the year)				
V. INDEBTEDNESS:					
Indebtedness of the Company including interest outstanding/accrued but not due for payment:					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year	-	-	-	-	
i)Principal Amount	-	-	-	-	
ii)Interest due but not paid	-	-	-	-	
iii)Interest accrued but not due	-	-	-	-	
Total (i+ii+iii)	-	-	-	-	
Change in Indebtedness during the financial year					
Addition	-	-	-	-	
Reduction	-	-	-	-	
Net Change	-	-	-	-	
Indebtedness at the end of the financial year					
i)Principal Amount	-	-	-	-	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
Total (i+ii+iii)	-	-	-	-	

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (In Rs.)
1	Gross salary	Shri Dilip Kumar Mandal* (DIN: 03313130) (Managing Director & CEO) (For the period from August 22, 2016 to March 31, 2017)	17,13,834
	(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 section17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit		-
	- others specify		-
5	Others, please specify		-
	Total(A1)		17,85,047
	Ceiling as per the Act		-
S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (In Rs.)
1	Gross salary	Shri S. N. Baheti* (DIN: 00136476) (Managing Director & CEO) (For the period from April 01, 2016 to August 16, 2016)	9,52,414
	(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 section17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit		-
	- others specify		-
5	Others, please specify		-
	Total(A2)		9,91,032
	Ceiling as per the Act	* On deputation from IDBI Bank Limited. The Remuneration is paid by IDBI Bank Limited and is reimbursed by the Company to the IDBI Bank Limited.	Your Company is a Government Company as provided under Section 2(45) of the Companies Act, 2013 and accordingly as per the Ministry of Corporate Affairs circular dated June 05, 2015 the provisions of Section 197 is not applicable on your Company.

B. REMUNERATION TO OTHER DIRECTORS:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri. Jayant N. Godbole*	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Shri. A.V Rammurty	Ms. Geeta Pursappa Shetti	
1	Independent Directors					
	• Fee for attending board committee meetings	Rs. 2,80,000	Rs. 3,70,000	Rs. 4,10,000	Rs. 3,40,000	Rs. 14,00,000
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Rs. 2,80,000	Rs. 3,70,000	Rs. 4,10,000	Rs. 3,40,000/-	Rs. 14,00,000
2	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil
	• Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission					
	• Others, please specify					
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B) = (1 + 2)	Rs. 2,80,000	Rs. 3,70,000	Rs. 4,10,000	Rs. 3,40,000	Rs. 14,00,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
Overall Ceiling as per the Act		Not more than Rs. 1 Lakh per meeting of Board or Committee thereof.				

* Shri Jayant N. Godbole resigned from the Board of Directors of the Company on Januray 23, 2017.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO Amit Bhavsar	Shri. Jiandani *	Company Secretary Shri. Manesh G. Jiandani *	Total
1	Gross salary				
	(a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961	32,00,004		10,93,826	42,93,830
	(b)Value of perquisites u/s 17(2)Income-tax Act,1961	2,25,000		33,916	2,58,916
	(c)Profits in lieu of salary under section17(3)Income-tax Act,1961	-		-	-
2	Stock Option	-		-	-
3	Sweat Equity	-		-	-
4	Commission	-		-	-
	- as % of profit	-		-	-
	- others, specify	-		-	-
5	Others, please specify	-		-	-
	Total	34,25,004		11,27,742	45,52,746
*Shri Manesh G. Jiandani (FCS 7360) Company Secretary was on deputation from IDBI Bank Limited. The Remuneration was paid to him by IDBI Bank Limited, which was reimbursed by the Company to IDBI Bank. Shri Manesh G. Jiandani has been repatriated to IDBI Bank Limited with effect from April 01, 2017 and accordingly had resigned from the position of Company Secretary of the Company with effect from March 31, 2017.					
VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE					
Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A.COMPANY					
Penalty					
Punishment		NONE			
Compounding					
B.DIRECTORS					
Penalty					
Punishment		NONE			
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment		NONE			
Compounding					

For and on behalf of the Board of Directors

Sd/-
(Dilip Kumar Mandal)
Managing Director
DIN: 03313130

Sd/-
(Krishna Prasad Nair)
Chairman
DIN: 02611496

Date : August 31, 2017
Place : Mumbai

FORM NO. AOC 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis: -

S. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship.	IDBI Federal Life Insurance Company Limited-Group Company
2.	Nature of contracts/arrangements/transactions.	Group Insurance Policy
3.	Duration of the contracts/arrangements/transactions.	Renewed on yearly basis.
4.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Limit is Rs. 57,66,281 for all existing and new employees of IDBI Asset Management Ltd. basic death benefit 3 times of CTC and Accidental death benefit equal to basic sum assured subject to maximum Rs. 50,00,000/- as per member schedule. Sum Insured: Rs. 42,53,90,140.
5.	Date of approval by the Board.	April 20, 2015
6.	Amount paid as advances, if any.	NIL
7.	Justification for entering into the contracts/arrangements/transactions.	The Company as part of its social security measure had taken this policy. Further the same was selected on a quotation basis and was found competitive compared to quotes offered by other Insurance Companies.

**For and on behalf of the Board of Directors
of IDBI Asset Management Limited**

**Sd/-
(Dilip Kumar Mandal)
Managing Director & CEO
DIN: 03313130**

**Sd/-
(Krishna Prasad Nair)
Chairman
DIN: 02611496**

FORM NO. AOC 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship.	IDBI Capital Market & Securities Limited (Formerly known as IDBI Capital Market Services Ltd) (U65990MH1993GOI075578) - Group Company
2.	Nature of contracts/arrangements/transactions.	To distribute Mutual Funds of IDBI Mutual Fund. To market the products of IDBI Mutual Fund through their distribution network.
3.	Duration of the contracts/arrangements/transactions.	The transactions are done on a regular basis based on the applications received, commissions are paid on upfront as well as trail basis at the rates which are determined on a quarterly basis.
4.	Salient terms of the contracts or arrangements or transactions including the value, if any.	As per Annexure.
5.	Date of approval by the Board.	April 20, 2015, June 27, 2015, October 28, 2015 and December 30, 2015.
6.	Amount paid as advances, if any.	NIL
7.	Justification for entering into the contracts/arrangements/transactions.	IDBI Capital Market Services Limited is a AMFI registered Mutual Fund Distributor. Further, IDBI Capital Market Services Limited has presence in major cities of India. In order to tap the clients of IDBI Capital Market Services Limited and to have a wider publicity for the schemes of IDBI Mutual Fund, IDBI Capital Market Services Limited was empanelled amongst other Distributors. The company has empanelled more than 7002 distributors.

**For and on behalf of the Board of Directors
of IDBI Asset Management Limited**

**Sd/-
(Dilip Kumar Mandal)
Managing Director & CEO
DIN: 03313130**

**Sd/-
(Krishna Prasad Nair)
Chairman
DIN: 02611496**

Annexure

It is not possible to ascribe a monetary value to the transactions that may be undertaken by the Company under the said Contract in future, since the same would depend on various factors such as the industry scenario, volume of transactions, regulatory limits and the term of the said Contract.

Terms & conditions

- The rate defined in the structure would be applicable for lump sum as well as SIP, STP investments. For Systematic Transactions, respective scheme commission structure will be applicable.
- All Brokerages/Incentives are gross & inclusive of all statutory levies including service tax & education cess. Net Amount after deducting the statutory levies will be paid to the distributor. The service tax will be deducted from the brokerage payout at the time of payment.
- Trail brokerage is payable monthly.
- Recovery of Distribution incentive Paid: Upfront incentive (inclusive of any promotional incentive) paid to the Distributor is being recovered in the following manner:
 - The upfront incentive paid to a Distributor will be recovered from the Distributor, if the money (for which such distribution incentive was paid) is redeemed (change in the broker code shall be considered as redemption) before the completion of one year from the date of allotment of units (specified period) for such scheme/ investment.
 - The Recovery will be made on a pro-rata basis, depending upon the number of days for which the investment has stayed invested in the fund before being redeemed within the specified period.
 - No. of days will be considered for the computation of the recoveries wherever the specified period are mentioned in 1 year as 365 days respectively.
 - For redemptions within the specified period, the recovery of the brokerage will be equal to distribution incentive paid x (No. of days for the specified period – No. of days the monies have stayed in the funds) / (No. of days for the specified period).
 - **RECOVERY OF THE DISTRIBUTION INCENTIVE OR ADDITIONAL INCENTIVE WILL BE AT THE ARN LEVEL AND NOT THE SCHEME LEVEL**
- On triggered SIPs/STPs, rate existing at the time of SIP/STP registration will be applicable.
- IDBI Asset Management Ltd. reserves the rights to change /modify/discontinues/ withhold the rates and slabs mentioned at its sole discretion without any prior intimation or notification or in case of
- Regulatory Changes / Change in Industry practices in respect to payment of Brokerages. The AMC, its employees or Trustees shall not be responsible for any losses incurred by anyone due to change or errors in the brokerage structure.
- The brokerage structure mentioned herein is solely payable to AMFI certified & KYD complied distributors empanelled with us.
- Trail rate mentioned may change in case of any change in SEBI/AMFI regulations or cost structure.
- No upfront brokerage will be payable for intra-scheme switches.
- The rules and regulations of SEBI / AMFI pertaining to brokerage payment to distributors will also be applicable for payment of the contest incentive. The distributor shall adhere to SEBI circular dated 26th June, 2002 on code of conduct and ensure that no rebate is given to investors in any form.
- All distributors should abide by the code of conduct and rules/regulations laid down by SEBI & AMFI.
- Mutual Funds investments are subject to market risks. Please read the scheme documents carefully. Please read the Statement of Additional Information (SAI) and Scheme Information Document (SID) to confirm the scheme details and refer to our website www.idbimutual.co.in, for any further details.

- The brokerage/commission/remuneration structure is subject to the terms and conditions mentioned in the distributor agreement and or/Empanelment Form, as may be amended from time to time.
- Please note that commission will be withheld if the total commission payable is less than Rs 100/-. Such commission will be paid in the subsequent payment cycle provided if the commission amount exceeds Rs 100/-.
- Kindly ensure to mention the EUIN along with ARN code in all the Application Forms/ Transaction slip in the designated space. If the transaction is execution only, please arrange for the investor's signature in the designated space for EUIN declaration.
- As per AMFI circular ref. CIR/ ARN-13/11-12 dated October 14, 2011, the payment of commission (upfront/trail) accrued after the expiry of ARN is to be suspended till renewal of ARN. No commission shall be paid for new business procured during the suspended period of ARN. In case ARN is not renewed within 6 months of expiry, the entire commission accrued will be written off. Also commissions will be suspended if distributors do not furnish self-declaration certificate within 3 months of the end of the financial year. Kindly refer the circular for more details.
- Additional Terms & Conditions for B15 cities
- B15 incentive is payable upfront for single applications less than or equal to Rs. 2 Crores. For single applications exceeding Rs. 2 Crores, B15 incentive will be paid in 12 monthly equal installments.
- The AMC reserves the right not to pay Commission/Incentive on assets mobilized through multiple / split applications from the same investor where such arrangement is made with an intention to benefit from incentive structure.
- Top 15 cities refers to Top 15 Cities provided by AMFI & Beyond 15 cities refers to all the cities beyond the Top 15 cities. The list of Top 15 cities are:
- Ahmedabad, Bangalore, Baroda, Chandigarh, Chennai, Hyderabad, Jaipur, Kanpur, Kolkata, Lucknow, Mumbai (Including Thane & Navi Mumbai), New Delhi including NCR, Panjim, Pune and Surat.
- B15 incentive will be payable on the applications procured from residents of all the cities beyond the Top 15 cities as per Pincode Master circulated by AMFI from time to time.
- Identifying and tagging of a transaction as B15 transaction will be at the sole discretion of AMC and as per the guidelines and list of Pin codes issued by SEBI and/or AMFI from time to time.
- Applications procured from eligible Foreign Institutional Investors business will not be eligible for B-15 incentive.
- Recovery of Additional incentive Paid: Recovery of additional incentive paid to the distributor is being introduced in the following manner:
 - The additional incentive paid to a distributor will be recovered in full from the distributor, if the investment (for which such additional incentive was paid) is redeemed before the completion of one year (365 days) of such investment.
 - The Recovery will be made from the brokerage payable to the distributor for the month in which redemption has been made. E.g. If the redemption has been made in the month of July '15, the recovery will be made from the Brokerage payable for the month of Aug '15.
 - In case the Brokerage payable to the distributor is insufficient to cover the recovery amount, the recovery will be tried for three consecutive months.
- In case the recovery is still not possible, a demand notice will be sent to the distributor asking him to refund the money to the AMC. In case the distributor does not pay the money within 1 month from the date of the receipt of the notice, the AMC will approach AMFI for the resolution of the same or initiate the required corrective action including legal proceedings as it may deem fit.
- **RECOVERY OF THE DISTRIBUTION INCENTIVE OR ADDITIONAL INCENTIVE WILL BE AT THE ARN LEVEL AND NOT THE SCHEME LEVEL.**

FORM NO. AOC 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis: -

S. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship.	IDBI Mutual Fund - MF Trust constituted under Indian Trust Act, 1882.
2.	Nature of contracts/arrangements/transactions.	To obtain Management fees from IDBI Mutual Fund for managing the schemes of the Fund.
3.	Duration of the contracts/arrangements/transactions.	Has authorized IDBI Asset Management Limited ("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.
4.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Management fees. To charge with 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.
5.	Date of approval by the Board.	February 13, 2010.
6.	Amount paid as advances, if any.	NIL
7.	Justification for entering into the contracts/arrangements/transactions.	Regulation 52 of SEBI (Mutual Funds) 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 February 26, 2010 entered into with IDBI MF Trustee Company Limited (Trustees to IDBI Mutual Fund).

**For and on behalf of the Board of Directors
of IDBI Asset Management Limited**

**Sd/-
(Dilip Kumar Mandal)
Managing Director & CEO
DIN: 03313130**

**Sd/-
(Krishna Prasad Nair)
Chairman
DIN: 02611496**

FORM NO. AOC 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship.	IDBI Bank Limited (L65190MH2004GOI148838) - Holding Company
2.	Nature of contracts/arrangements/transactions.	To distribute Mutual Funds of IDBI Mutual Fund. To market the products of IDBI Mutual Fund through their distribution network.
3.	Duration of the contracts/arrangements/transactions.	The transactions are done on a regular basis based on the applications received, commissions are paid on upfront as well as trail basis at the rates which are determined on a quarterly basis.
4.	Salient terms of the contracts or arrangements or transactions including the value, if any.	As per Annexure.
5.	Date of approval by the Board.	April 20, 2015, June 27, 2015, October 28, 2015 and December 30, 2015.
6.	Amount paid as advances, if any.	NIL
7.	Justification for entering into the contracts/arrangements/transactions.	IDBI Bank Limited is a AMFI registered Mutual Fund Distributor. Further, IDBI Bank Limited has more than 1800 branches in India. In order to tap the clients of IDBI Bank Limited, to provide an additional bouquet of investment as part of financial inclusion and to have a wider publicity for the schemes of IDBI Mutual Fund, IDBI Bank Limited was empanelled amongst other Distributors. The company has empanelled more than 7002 distributors.

**For and on behalf of the Board of Directors
of IDBI Asset Management Limited**

Sd/-
(Dilip Kumar Mandal)
Managing Director & CEO
DIN: 03313130

Sd/-
(Krishna Prasad Nair)
Chairman
DIN: 02611496

Annexure

Trail Commission/Brokerage: It is not possible to ascribe a monetary value to the transactions that may be undertaken by the Company under the said Contract in future, since the same would depend on various factors such as the industry scenario, volume of transactions, regulatory limits and the term of the said Contract.

TERMS & CONDITIONS

- The rate defined in the structure would be applicable for lump sum as well as SIP, STP investments. For Systematic Transactions, respective scheme commission structure will be applicable.
- All Brokerages/Incentives are gross & inclusive of all statutory levies including service tax & education cess. Net Amount after deducting the statutory levies will be paid to the distributor. The service tax will be deducted from the brokerage payout at the time of payment.
- Trail brokerage is payable monthly.
- Recovery of Distribution incentive Paid: Upfront incentive (inclusive of any promotional incentive) paid to the Distributor is being recovered in the following manner:
- The upfront incentive paid to a Distributor will be recovered from the Distributor, if the money (for which such distribution incentive was paid) is redeemed (change in the broker code shall be considered as redemption) before the completion of one year from the date of allotment of units (specified period) for such scheme/ investment.
- The Recovery will be made on a pro-rata basis, depending upon the number of days for which the investment has stayed invested in the fund before being redeemed within the specified period.
- No. of days will be considered for the computation of the recoveries wherever the specified period are mentioned in 1 year as 365 days respectively.
- For redemptions within the specified period, the recovery of the brokerage will be equal to $\text{distribution incentive paid} \times (\text{No. of days for the specified period} - \text{No. of days the monies have stayed in the funds}) / (\text{No. of days for the specified period})$.
- **RECOVERY OF THE DISTRIBUTION INCENTIVE OR ADDITIONAL INCENTIVE WILL BE AT THE ARN LEVEL AND NOT THE SCHEME LEVEL**
- On triggered SIPs/STPs, rate existing at the time of SIP/STP registration will be applicable.
- This attached brokerage structure is applicable for the period 1st July, 2015 to 30th September 2015. IDBI Asset Management Ltd. reserves the rights to change /modify/discontinues/ withhold the rates and slabs mentioned at its sole discretion without any prior intimation or notification or in case of
- Regulatory Changes / Change in Industry practices in respect to payment of Brokerages. The AMC, its employees or Trustees shall not be responsible for any losses incurred by anyone due to change or errors in the brokerage structure.
- The brokerage structure mentioned herein is solely payable to AMFI certified & KYD complied distributors empanelled with us.
- Trail rate mentioned may change in case of any change in SEBI/AMFI regulations or cost structure.
- No upfront brokerage will be payable for intra-scheme switches.
- The rules and regulations of SEBI / AMFI pertaining to brokerage payment to distributors will also be applicable for payment of the contest incentive. The distributor shall adhere to SEBI circular dated 26th June, 2002 on code of conduct and ensure that no rebate is given to investors in any form.
- All distributors should abide by the code of conduct and rules/regulations laid down by SEBI & AMFI.
- Mutual Funds investments are subject to market risks. Please read the scheme documents carefully. Please read the Statement of Additional Information (SAI) and Scheme Information Document (SID) to confirm the scheme details and refer to our website www.idbimutual.co.in, for any further details.

- The brokerage/commission/remuneration structure is subject to the terms and conditions mentioned in the distributor agreement and or/Empanelment Form, as may be amended from time to time.
- Please note that commission will be withheld if the total commission payable is less than Rs 100/-. Such commission will be paid in the subsequent payment cycle provided if the commission amount exceeds Rs 100/-.
- Kindly ensure to mention the EUIN along with ARN code in all the Application Forms/ Transaction slip in the designated space. If the transaction is execution only, please arrange for the investor's signature in the designated space for EUIN declaration.
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- In case the recovery is still not possible, a demand notice will be sent to the distributor asking him to refund the money to the AMC. In case the distributor does not pay the money within 1 month from the date of the receipt of the notice, the AMC will approach AMFI for the resolution of the same or initiate the required corrective action including legal proceedings as it may deem fit.
- **RECOVERY OF THE DISTRIBUTION INCENTIVE OR ADDITIONAL INCENTIVE WILL BE AT THE ARN LEVEL AND NOT THE SCHEME LEVEL.**

FORM NO. AOC 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship.	IDBI Bank Limited (L65190MH2004GOI148838) - Holding Company
2.	Nature of contracts/arrangements/transactions.	Office space at 13 locations to employees of IDBI AMC on leave and License basis. Office Space is being provided to employees within the office premises of IDBI Bank.
3.	Duration of the contracts/arrangements/transactions.	The contracts are entered on a perpetual basis subject to termination by either party
4.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Rent payable as and when raised by IDBI Bank Limited for 13 locations for the F.Y. 2016-17 is Rs. 2,79,19,953/-.
5.	Date of approval by the Board.	April 20, 2015. (in existence prior to commencement of Companies act 2013)
6.	Amount paid as advances, if any.	NIL
7.	Justification for entering into the contracts/arrangements/transactions.	IDBI Bank Limited has more than 1800 branches in India. In order to create synergy between the business of two Companies The Mission of the Company is to promote Financial inclusion by assisting the common man in making informed investment choices, through mutual funds and thus bring to them, the prosperity of the capital markets. Thus it was felt that operating from the IDBI Bank premises would yield better results and help the Company in increasing its business reach to niche clients of the bank at Arm's length basis. The rent charged by IDBI Bank is as per market valuation done by the Bank.

For and on behalf of the Board of Directors
of IDBI Asset Management Limited

Sd/-
(Dilip Kumar Mandal)
Managing Director & CEO
DIN: 03313130

Sd/-
(Krishna Prasad Nair)
Chairman
DIN: 02611496

FORM NO. AOC 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship.	IDBI MF Trustee Company Limited (CIN:U65991MH2010PLC199326) - Group Company.
2.	Nature of contracts/arrangements/transactions.	To recover Secretarial accounts and Administration fees from IDBI MF Trustee Company Limited for providing the Secretarial, Accounting and Administration fees to IDBI MF Trustee Company Limited.
3.	Duration of the contracts/arrangements/transactions.	The Board of IDBI MFT has approved the said policy in its meeting specifying the percentage and manner of recovering the said service charges.
4.	Salient terms of the contracts or arrangements or transactions including the value, if any.	<p>Certain common expenses incurred by Asset Management Limited ("IDBI AMC") such as Rent, Electricity, Maintenance relating to Mumbai office premises and also a portion of salary expenses for the services rendered by IDBI AMC.</p> <p>Out of the above common expenses we charge 5% to MF Trustee Company Limited.</p> <p>The IDBI 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.</p>
5.	Date of approval by the Board.	October 22, 2013.
6.	Amount paid as advances, if any.	NIL
7.	Justification for entering into the	IDBI MF Trustee Company Limited is a group Company within the 3 tier Structure of IDBI

	contracts/arrangements/transactions.	Mutual Fund and is a wholly owned subsidiary of IDBI Bank Limited. The Company does not have employees on its rolls and hence the day to day operations of the said Company is managed by the employees of IDBI AMC from their office located at 5 th Floor Mafatlal Centre, Nariman Point, Mumbai 400021. Thus in order to maintain arm's length relationship with the Company, it was felt to recover a certain percentage of expenses as fees for main areas of services.
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**For and on behalf of the Board of Directors
of IDBI Asset Management Limited**

**Sd/-
(Dilip Kumar Mandal)
Managing Director & CEO
DIN: 03313130**

**Sd/-
(Krishna Prasad Nair)
Chairman
DIN: 02611496**

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of
the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
M/s. IDBI Asset Management Limited
CIN: U65100MH2010PLC199319
IDBI Tower, WTC Complex,
Cuffe Parade, Colaba, Mumbai – 400 005

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. IDBI Asset Management Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. IDBI Asset Management Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder; and
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



G.S.R. & Co.,
COMPANY SECRETARIES

- (iii) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
- (a) The Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 as amended from time to time.;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (iv) Other Laws like labour laws, taxation and other laws applicable to the Company was as per representation given by the Company.

We have also examined compliance with the applicable clauses of the following:-

Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the SEBI (Mutual Funds) Regulations, 1996 as specifically applicable to the Company.

During the period under review, the Company has not received any letter from SEBI regarding non-compliance. The Company has adequate compliance mechanism in place. Any exceptions are regularly reported to the Board and SEBI on quarterly basis as per stated regulations.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as provided under the Companies Act, 2013 and SEBI (Mutual Funds) Regulations, 1996. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Regulations.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and less than seven days in applicable cases in accordance with the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with majority voting while dissenting member's views, if any, are captured and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.



**G.S.R. & Co.,
COMPANY SECRETARIES**

We further report that based on the review of the compliance mechanism established by the Company, there are adequate systems and processes in place in the Company commensurate with the size, nature of business and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events have occurred which have a major bearing on the Company's affairs.

We further report that during the audit period the shareholders have given approval for :

- (a) Authorization for related party transactions under section 188 of the Companies Act, 2013 and authorization to Board to enter into related party transactions vide special resolution passed at the Annual General Meeting held on 30.08.2016.
- (b) For amendment to Articles of Association under section 14 of the Companies Act, 2013 substituting Article No.173 vide special resolution passed at the Extra-ordinary General Meeting held on 30.08.2016.
- (c) For amendment to Articles of Association under section 14 of the Companies Act, 2013 substituting Article No.173 vide special resolution passed at the Extra-ordinary General Meeting held on 23.12.2016.

Place: Mumbai
Date : 11th August, 2017



For G.S.R. & Co.,
COMPANY SECRETARIES


G. SREENIVASA RAO
(C.P. No. 4956)

Note: This report is to be read with our letter of even date which is annexed as Appendix-A and forms an integral part of this report.

ANNEXURE 'A'

To
The Members
M/s. IDBI Asset Management Limited
CIN: U65100MH2010PLC199319
IDBI Tower, WTC Complex,
Cuffe Parade, Colaba, Mumbai - 400005

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date : 11th August, 2017



For G.S.R. & Co.,
COMPANY SECRETARIES


G. SREENIVASA RAO
(C.P. No. 4966)

**AUDITOR'S
REPORT &
FINANCIAL
STATEMENT**



INDEPENDENT AUDITOR'S REPORT

**To the members of
IDBI Asset Management Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **IDBI Asset Management Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on





C.R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 issued by the Central Government vide its order dated 29th March 2016, we give in the annexure attached herewith a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) In our opinion, there are no major matters which could be considered to have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report.





C.R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3.12 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts and the Company did not have any derivative contracts during the year.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has made requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08.11.2016 to 30.12.2016 and these are in accordance with the books of accounts maintained by the Company.

3. As per directions under section 143 (5) of the Companies Act 2013 our comments are as follows;

Sr.	Directions	Observations of Auditor
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available.	The company does not own any freehold or leasehold land, hence not applicable.
2	Please report whether there are any cases of waiver / write off of debts/loans/interest etc., if yes, the reason there for and the amount involved.	There are no cases of waiver / write off of debts/loans/interest etc.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift from government or other authorities.	The company does not own any inventory hence not applicable.
4	Whether there are any cases of waiver of fees / reversal of accounted fees which was due but not received / written off. If yes, the reason therefore and amount involved case wise.	During the financial year 2016-17 there has been no instance of waiver or write off of fees which was charged / due.

For C. R. Sagdeo & Co
Chartered Accountants
(Firm's Registration No.108959W)

(Suman Bose)
(Partner)
(Membership No. 45239)
Place of Signature: Mumbai
Date: 25th April 2017





C.R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF
IDBI ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

On the basis of examination of the books of accounts, checks carried out by us and according to the explanations given to us during the course of audit, we state that;

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the management has at reasonable intervals physically verified the fixed assets and no material discrepancies were noticed on such verification.
(c) There are no immovable properties held by the Company in its books.
- ii) Being a service company, it does not hold any physical inventory. Therefore para 3(ii) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- iii) During the year the Company has granted an advance to IDBI Mutual Fund Schemes under the IDBI Mutual Fund Trust, without any stipulated time period for return as well as interest and so it cannot be considered as overdue. The Company has not granted any loans to companies firms and/or other parties listed in the Register maintained under section 189 of the Companies Act 2013.
- iv) In respect of loans, investments, guarantees, and security, the Company has complied with the requirements of section 185 and 186 of the Companies Act 2013. As explained to us, Investments have been made in the form of Term Deposit with IDBI Bank and in the form of advance and investments in mutual fund with IDBI Mutual Fund, however these do not qualify to be covered under section 185 and 186 as securities and as body corporate.
- v) The Company has not accepted any deposits from the public. Accordingly, para 3(v) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- vi) As per The Cost Audit Rules 2014, the Company does not qualify as a class of company requiring the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of any of the activities of the company. Accordingly para 3(vi) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.





C.R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

vii) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Value Added Tax, Service Tax, and other material statutory dues applicable to it and no undisputed amount is outstanding as on 31st March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us by the Company, the dues outstanding for Income Tax and Value Added Tax on account of any disputes are as follows;

Name of Statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where the dispute is pending
MVAT ACT	VAT set off on purchases denied	Total demand Rs. 43.34 lacs. Of this, Rs. 15 lacs has been paid under protest.	FY 2011-12	Joint Comm. Of Sales Tax Appeals

viii) According to the information and explanations given to us, the Company has not borrowed from any financial institution, banks, debenture holders or government during the year. Accordingly, para 3(viii) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.

ix) According to the information and explanations given to us, the company has not raised any money by public issues or borrowings in the form of loans during the year. Accordingly, para 3(ix) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.

x) According to the information and explanations given to us, no frauds by the Company or on the Company by its officers and employees has been noticed or reported during the year.

xi) According to the information and explanations given to us the provisions of section 197 read with Schedule V of the Companies Act 2013 regarding managerial remuneration are not applicable to the Company being a government company as defined under section 2 (45) of the Companies Act 2013 as per MCA Circular No G. S. R. 463(E) dated 5th June 2015 under serial no 28. Accordingly, para 3(xi) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.

xii) The Company is not a Nidhi company. Accordingly, para 3(xii) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.





C.R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

- xiii) According to the information and explanations given to us all transactions with related parties are at arms length basis and are in compliance with section 177 and 188 of the Companies Act 2013. The detailed list of all such related party transactions have been adequately disclosed in the financial statements in accordance to the accounting standard 18.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, para 3 (xiv) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- xv) According to the information and explanations given to us, the Company has not made any non-cash transactions with directors or persons connected with the directors during the year.
- xvi) According to the information and explanations given to us, the company is in the business of management of various mutual fund schemes of IDBI Mutual Fund and deals or trades in securities for and on behalf of IDBI Mutual Fund and therefore is not required to be registered under section 45-1A of the Reserve bank of India Act 1934. Accordingly, para 3 (xvi) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.

For M/s C. R. Sagdeo & Co
Chartered Accountants
(FRN. 108959W)

(Suman Bose)
(Partner)
(Membership No. 45239)
Place: Mumbai
Date: 25th April 2017





Independent Auditors Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of IDBI Asset Management Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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





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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



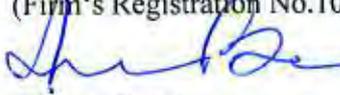


C.R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

Opinion

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

For C. R. Sagdeo & Company
Chartered Accountants
(Firm's Registration No.108959W)


(Suman Bose)
(Partner)
(Membership No. 045239)
Place: Mumbai
Date: 25th April 2017



भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
तथा पदेन सदस्य, लेखापरीक्षा बोर्ड-1, मुंबई



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

गोपनीय/शीघ्र डाक

संख्या: जीए/सीए 111/आयडीबीआय एसेट मैनेजमेंट/लेखा/2016-17/133

सेवा में,
प्रबंधन निदेशक एवं मुख्य कार्यकारी अधिकारी
आईडीबीआई एसेट मैनेजमेंट लिमिटेड,
5 वीं मंजिल, मफतलाल सेंटर,
नरिमन पॉइंट
मुंबई 400 021

विषय: 31 मार्च 2017 को समाप्त वर्ष हेतु आईडीबीआई एसेट मैनेजमेंट लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च 2017 को समाप्त वर्ष हेतु आईडीबीआई एसेट मैनेजमेंट लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरणों, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए सामान्य वार्षिक बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलंब अग्रेषित की जाए। मुद्रित वार्षिक रिपोर्ट की दस प्रतियाँ भी इस कार्यालय को भेजी जायें।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवदीया,

(रूप राशि)

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा
पदेन सदस्य, लेखापरीक्षा बोर्ड -1, मुंबई

संलग्न: यथोपरि।

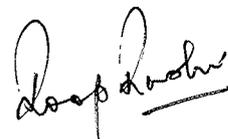
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IDBI ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of IDBI Asset Management Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 25 April 2017.

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

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of IDBI Asset Management Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

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



(Roop Rashi)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai
Date : 14 August 2017

IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

BALANCE SHEET as at 31st March 2017

Amount in Rupees

	Particulars	Note	31 March' 2017	31 March' 2016
I.	<u>EQUITY AND LIABILITIES</u>			
1	Shareholders' funds			
	(a) Share capital	1	2,00,00,00,000	2,00,00,00,000
	(b) Reserves and surplus	2	(95,57,60,265)	(1,02,83,41,109)
	(C) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Deferred tax liabilities (Net)		-	-
	(b) Long-term provisions	3	41,60,006	45,27,924
4	Current liabilities			
	(a) Trade payables	4	10,22,59,426	7,21,37,407
	(b) Other current liabilities	5	40,95,580	21,91,502
	(c) Short-term provisions	6	62,38,623	59,97,604
	Total		1,16,09,93,370	1,05,65,13,328
II.	<u>ASSETS</u>			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	7	99,93,536	56,05,331
	(ii) Intangible assets	8	11,38,689	16,25,844
	(b) Non-current investments	9	67,99,83,862	62,90,00,569
	(c) Deferred tax Asset (Net)		14,88,37,043	9,18,58,390
	(d) Long-term loans and advances			
	(e) Other non-current assets	10	-	-
2	Current assets			
	(a) Current investments		8,93,56,488	19,32,90,556
	(b) Trade receivables	11	1,23,35,624	2,07,16,908
	(c) Cash and Bank Balances	12	28,99,954	25,15,995
	(d) Short-term loans and advances	13	20,99,853	62,13,601
	(e) Other current assets	14	21,43,48,321	10,56,86,134
	Total		1,16,09,93,370	1,05,65,13,328
	Significant accounting policies and other notes	21		

vide our report of even date

For CR Sagdeo & Co

Chartered Accountants

Firm Regn No 108959W

sd/-

Suman Bose

Partner

M.No.045239

Place : Mumbai

Date : 24 April 2017

For IDBI Asset Management Limited

sd/-

K P Nair

Chairman

DIN: 02611496

sd/-

Chandra Bhushan

Company Secretary

ACS 30954

sd/-

Dilip Kumar Mandal

Managing Director & CEO

DIN: 03313130

sd/-

Amit Bhavsar

CFO

FCA 105890

IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

Profit and Loss Statement for the period ended 31st March 2017

Amount in Rupees

Particulars		Note	31 March' 2017	31 March' 2016
I	Income			
	(a) Revenue from operations	15	59,28,34,704	39,37,41,800
	(b) Other income	16	5,77,97,635	7,79,06,932
	Total Revenue (a + b)		65,06,32,339	47,16,48,732
II	Expenses			
	(a) Employee benefits expense	17	17,42,99,885	17,07,49,821
	(b) Scheme and Distribution Expenses	18	36,07,75,314	27,57,75,813
	(b) Other expenses	19	9,57,83,555	7,82,72,689
	(c) Depreciation and amortization expense	20	41,71,394	43,25,510
	Total expenses(a+b+c)		63,50,30,149	52,91,23,833
III	Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		1,56,02,191	(5,74,75,101)
IV	Exceptional items		-	-
V	Extraordinary items		-	-
VI	Profit/(Loss) before tax (III-IV-V)		1,56,02,191	(5,74,75,101)
VII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		5,69,78,654	9,22,66,713
VIII	Profit for the year (VI+VII)		7,25,80,845	3,47,91,612
IX	Earnings per equity share:			
	(1) Basic		0.36	0.17
	(2) Diluted		0.36	0.17
	Significant accounting policies and other notes	21		

vide our report of even date

For CR Sagdeo & Co
Chartered Accountants
Firm Regn No 108959W

sd/-

Suman Bose
Partner
M.No.045239

Place : Mumbai
Date : 24 April 2017

For IDBI Asset Management Limited

sd/-
K P Nair
Chairman
DIN: 02611496

sd/-

Chandra Bhushan
Company Secretary
ACS 30954

sd/-
Dilip Kumar Mandal
Managing Director & CEO
DIN: 03313130

sd/-

Amit Bhavsar
CFO
FCA 105890

IDBI ASSET MANAGEMENT LIMITED
(CIN: U65100MH2010PLC199319)
Cash Flow Statement for the period ended 31st March 2017

Amount in Rupees

Particulars	31 March' 2017	31 March' 2016
(A) Cash Flow from Operating Activities :		
Profit for the year	1,56,02,191	(5,74,75,101)
Add: Adjustments		
(Profit)/Loss on sale of Assets	(1,67,038)	27,102
Depreciation & amortisation	41,71,394	43,25,510
Provision for depreciation no longer required written back	-	-
Interest on Income Tax refund/ Bank FD	(4,09,71,058)	(4,89,36,249)
Dividend Income	(2,322)	(3,36,083)
Other Income	(36,83,111)	(34,89,309)
Net gain on sale of investments	(1,28,59,142)	(2,51,45,290)
Operating Loss before Working Capital changes	(3,79,09,085)	(13,10,29,420)
(Increase)/ Decrease Trade receivables	83,81,284	(1,85,91,276)
(Increase)/ Decrease Short-term loans and advances	41,13,748	7,23,746
(Increase) / Decrease in other non current asset	-	47,30,244
(Increase)/ Decrease in Other current assets	(10,86,62,174)	(3,55,99,055)
Increase/ (Decrease) Long-term provisions	(3,67,918)	1,17,802
Increase/ (Decrease)Trade payables	3,01,22,019	2,62,23,930
Increase/ (Decrease) Other current liabilities	19,04,078	4,51,998
Increase/ (Decrease) Short-term provisions	2,41,019	44,53,154
Net change in working capital	(6,42,67,944)	(1,74,89,457)
Taxes refund and Interest thereon	4,09,71,058	4,89,36,249
Net Cash used in Operating activities (A)	(6,12,05,972)	(9,95,82,628)
(B) Cash Flow from Investing activities		
Purchase of Fixed Assets	(83,34,917)	(6,68,760)
(Increase) /Decrease in investment	5,29,50,773	7,22,37,192
Sale of Fixed Assets	4,29,500	49,900
Net gain on sale of investments	1,28,59,142	2,51,45,290
Other Income	36,83,111	34,89,309
Dividend Income	2,322	3,36,083
Interest Income	-	-
Net Cash (used) / Received in Investing Activities (B)	6,15,89,931	10,05,89,014
(C) Cash Flow from Financial activities		
Increase in Share Capital	-	-
Net Cash (used) / Received in Financial Activities (C)	-	-
Net increase in Cash & Cash Equivalents for the year (A+B+C)	3,83,959	10,06,386
Cash & Cash Equivalents at the beginning of the period	25,15,995	15,09,609
Cash & Cash Equivalents at the end of the period	28,99,954	25,15,995

For IDBI Asset Management Limited

vide our report of even date
For CR Sagdeo & Co
Chartered Accountants
Firm Regn No 108959W

sd/-
Suman Bose
Partner
M.No.045239

Place : Mumbai
Date : 24 April 2017

sd/-

K P Nair
Chairman
DIN: 02611496

sd/-

Chandra Bhushan
Company Secretary
ACS 30954

sd/-

Dilip Kumar Mandal
Managing Director & CEO
DIN: 03313130

sd/-

Amit Bhavsar
CFO
FCA 105890

IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)
NOTES FORMING PART OF THE BALANCE SHEET

Amount in Rupees		
	31 March' 2017	31 March' 2016
Authorised		
250,000,000 Equity Shares of Rs. 10 each(250,000,000 Equity shares of Rs.10 each)	2,50,00,00,000	2,50,00,00,000
Issued, Subscribed & Paid up		
200,000,000 Equity Shares of Rs. 10 each(200,000,000 Equity shares of Rs.10 each)	2,00,00,00,000	2,00,00,00,000
Total	2,00,00,00,000	2,00,00,00,000

Reconciliation of number of shares outstanding

Nos.of Shares		
	31 March' 2017	31 March' 2016
Shares outstanding at the beginning of the year	20,00,00,000	20,00,00,000
Shares Issued during the year	-	-
Shares brought back during the year	-	-
Shares outstanding at the end of the year	20,00,00,000	20,00,00,000

Details of Shareholdings

Name of Shareholder	31 March' 2017		31 March' 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IDBI Bank Limited (Holding Company) and its Nominees	13,33,40,000	66.67	13,33,40,000	66.67
IDBI Capital Market Services Limited	6,66,60,000	33.33	6,66,60,000	33.33
Total	20,00,00,000	100.00	20,00,00,000	100.00

Note 2: Reserves and surplus

Amount in Rupees		
	31 March' 2017	31 March' 2016
Surplus		
Opening balance	(1,02,83,41,109)	(1,06,31,32,721)
(+) Profit For the current year	7,25,80,845	3,47,91,612
Closing Balance	(95,57,60,265)	(1,02,83,41,109)

Note 3: Long-term provisions

Amount in Rupees		
	31 March' 2017	31 March' 2016
Provision for employee benefits		
(a) Leave Encashment (Unfunded)	55,69,380	65,90,997
Less: Amount treated as Current liability	(14,09,374)	(20,63,073)
Total (a)+(b)	41,60,006	45,27,924

Note 4: Trade payables

Amount in Rupees		
	31 March' 2017	31 March' 2016
(a) Brokerage Payable		
Brokerage Payable F.Y.2011-12	5,412	5,907
Brokerage Payable F.Y.2012-13	4,193	7,275
Brokerage Payable F.Y.2013-14	369	2,58,789
Brokerage Payable F.Y.2014-15	42,472	14,02,629
Brokerage Payable F.Y.2015-16	2,22,254	2,27,86,326
Brokerage Payable F.Y.2016-17	3,73,88,690	-
(b) Provision for Expenses	5,78,91,017	3,21,08,990
(c) Creditors for Expenses	67,05,018	1,55,67,492
Total	10,22,59,425	7,21,37,408

Note 5: Other current liabilities

Amount in Rupees		
	31 March' 2017	31 March' 2016
(a) TDS payable	40,75,490	21,76,696
(b) Service Tax Payable	-	270
(c) Professional Tax Payable	20,090	14,536
Total	40,95,580	21,91,502

Note 6: Short-term provisions

Amount in Rupees		
	31 March' 2017	31 March' 2016
Provision for employee benefits		
Salary & Reimbursements	2,71,082	7,02,225
Contribution to PF	9,59,655	11,84,656
Gratuity (Funded)	35,98,512	20,47,650
Leave Encashment	14,09,374	20,63,073
Total	62,38,623	59,97,604

Note 7: Tangible assets - Attached Separately

Note 8: Intangible assets - Attached Separately

Note 9: Investments

Non-current investments	31 March' 2017		31 March' 2016	
	Units	Amount	Units	Amount
Investment in IDBI Mutual Fund				
(i) IDBI Liquid Fund - Growth	3,427	50,00,000	3,427	50,00,000
(ii) IDBI Dynamic Bond Fund - Growth	4,07,282	50,00,000	4,07,282	50,00,000
(iii) IDBI Diversified Equity Fund - Growth	3,15,856	50,00,000	3,15,856	50,00,000
(iv) IDBI Gold Fund FOF-Growth	5,91,835	50,00,000	5,91,835	50,00,000
(v) IDBI Gilt Fund - Growth	4,15,832	50,00,000	4,15,832	50,00,000
(vi) IDBI India Top 100 Equity Fund - Growth	2,65,252	50,00,000	2,65,252	50,00,000
(vii) IDBI Midcap Fund - Growth	4,97,512	50,00,000	-	-
(viii) IDBI Monthly Income Plan -Growth	3,62,337	50,00,000	3,62,337	50,00,000
(ix) IDBI Nifty Index Fund -Growth	3,07,418	50,00,000	3,07,418	50,00,000
(x) IDBI Nifty Junior Index Fund - Growth	3,37,881	50,00,000	3,37,881	50,00,000
(xi) IDBI Corporate Debt Opportunities Fund-Growth	4,58,552	50,00,000	4,58,552	50,00,000
(xii) IDBI Prudence Fund - Growth	4,98,659	50,00,000	-	-
(xiii) IDBI Short Term Bond Fund - Growth	3,58,865	50,00,000	3,58,865	50,00,000
(xiv) IDBI Equity Advantage Fund - Growth	2,56,674	50,00,000	2,56,674	50,00,000
(xv) IDBI Ultra Short Term Fund - Growth	3,442	50,00,000	3,442	50,00,000
(xvi) IDBI Gold Fund ETF	2,000	50,58,022	2,000	50,58,022
Investment in Equity Share Capital MF Utility India Pvt Ltd of Rs. 1/- each	5,00,000	5,00,000	5,00,000	5,00,000
Fixed Deposit - IDBI Bank		59,94,25,840		55,84,42,547
Aggregate amount of quoted investments	55,82,824	67,99,83,862	45,86,653	62,90,00,569
Market value /NAV of quoted investments		69,33,53,235		62,99,50,431
Aggregate provision made for diminution in value of Investments		-		-
Current investments				
Investment in IDBI Mutual Fund - Quoted (Valued at				
(i) IDBI Liquid Fund - Growth	-	-	23,718	3,29,10,402
(ii) IDBI Gilt Fund - Growth	22,58,383	3,31,39,280	20,72,275	2,13,57,347
(iii) IDBI Short Term Bond Fund-Direct Plan-Growth	33,52,274	5,62,17,208	93,20,851	13,90,22,807
Aggregate amount of quoted investments		8,93,56,488		19,32,90,556
Market value /NAV of quoted investments		8,94,42,124		20,27,99,270
Aggregate provision made for diminution in value of Investments		-		-

Note 10: Other non-current assets

	Amount in Rupees	
	31 March' 2017	31 March' 2016
Deferred Revenue Expenditure	-	10,27,073
Less: Amount treated in other current assets	-	(10,27,073)
Total	-	-

Note 11: Trade receivables

	Amount in Rupees	
	31 March' 2017	31 March' 2016
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	1,23,35,624	2,07,16,908
Total	1,23,35,624	2,07,16,908

Note 12: Cash and Bank Balances

	Amount in Rupees	
	31 March' 2017	31 March' 2016
Cash and cash equivalents		
(a) Balances with banks	28,92,603	25,11,804
(b) Cash on hand	7,351	4,191
Total	28,99,954	25,15,995

Note 13: Short-term loans and advances

	Amount in Rupees	
	31 March' 2017	31 March' 2016
Unsecured, considered good		
Staff advance	5,06,933	14,04,138
Advance to vendors	15,92,920	48,09,463
Total	20,99,853	62,13,601

Note 14: Other current assets

	Amount in Rupees	
	31 March' 2017	31 March' 2016
Investor Education & Awareness Initiatives Expenses Receivable	10,397	9,87,796
Upfront Brokerage Advance	1,95,13,655	-
Deposits - Others	5,43,117	3,21,066
Vat Paid under Dispute	15,00,000	15,00,000
Service Tax-Input Credit	2,16,03,827	94,84,984
Interest receivable - Income Tax F.Y. 2012-13	-	28,16,442
Tax deducted at source F.Y. 2016-17	5,96,13,104	-
Tax deducted at source F.Y. 2015-16	4,51,64,508	4,51,56,031
Tax deducted at source F.Y. 2014-15	1,29,52,948	1,29,52,948
Tax deducted at source F.Y. 2012-13	-	1,56,42,293
Prepaid expense	5,33,50,920	1,56,89,421
Current Asset portion of Deferred Revenue Expenditure	-	10,27,073
Interest Accrued but not due on Fixed Deposit	95,845	1,08,080
Total	21,43,48,321	10,56,86,134

IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Note 15: Revenue from operations

Amount in Rupees

	31 March' 2017	31 March' 2016
Management Fees (Gross)	68,13,93,213	44,88,13,903
Less : Service Tax	8,85,58,509	5,50,72,103
Management Fees (Net)	59,28,34,704	39,37,41,800

Note 16: Other income

Amount in Rupees

	31 March' 2017	31 March' 2016
Interest Income	4,09,71,058	4,89,36,249
Dividend Income	2,322	3,36,083
Net gain/loss on sale of investments	1,28,59,142	2,51,45,290
Profit on Sale of Fixed Assets	2,82,002	-
Other non-operating income (net of expenses directly attributable to such income)	3,98,892	6,58,030
Secretarial and Accounts Services Fees (Gross)	37,76,852	32,35,229
Less : Service Tax	4,92,633	4,03,950
Secretarial and Accounts Services Fees (Net)	32,84,219	28,31,279
Total	5,77,97,635	7,79,06,931

Note 17: Employee benefits expense

Amount in Rupees

	31 March' 2017	31 March' 2016
(a) Salaries and incentives	15,67,35,347	15,28,32,875
(b) Contributions to -		
(i) Provident fund	70,43,289	72,46,365
(ii) Gratuity fund	19,84,732	21,15,580
(c) Staff welfare expenses	83,27,743	69,94,330
(d) Staff Training Expenses	1,31,437	1,73,757
(e) Leave Encashment	77,337	13,86,914
Total	17,42,99,885	17,07,49,821

Note 18: Scheme and Distribution Expenses

Amount in Rupees

	31 March' 2017	31 March' 2016
(a) Scheme Expenses		
Upfront Brokerage	83,80,614	2,13,74,308
Annualised / Trail Brokerage	24,32,86,237	14,81,90,224
Distributors' Incentives/Fees	2,08,92,093	1,89,47,390
Register & Transfer agent and other expenses	2,55,65,704	1,99,58,145
Custodian Fees	69,76,187	66,72,042
Statutory, Internal & Concurrent Audit Fees	25,25,591	26,20,621
Finance Charges	22,21,368	18,08,172
Other scheme Related expenses	1,16,44,680	2,35,55,122
Total (a)	32,14,92,475	24,31,26,024

(cont.)

(b) Other Sales & Distribution Expenses		
Advertisement Expenses	12,05,189	20,76,388
Printing Material	66,11,262	67,86,086
Courier & Postage	40,28,658	32,27,299
Conference & Seminars	64,10,846	9,79,947
Other Sales & Distribution Costs	12,63,486	17,83,584
Business Promotion expenses	2,19,806	3,12,871
Entertainment Expenses	19,25,572	22,03,699
Out Bound Sales Expenses	1,76,18,020	1,52,79,915
Total (b)	3,92,82,839	3,26,49,789
Total (a)+(b)	36,07,75,314	27,57,75,813

Note 19: Other expenses

	Amount in Rupees	
	31 March' 2017	31 March' 2016
Office Rent	2,79,19,953	1,98,07,082
House-keeping, Maintenance & Others	88,19,112	82,28,873
Electricity & Water	27,51,205	34,91,561
Telephone expenses	36,08,735	30,86,674
IT & Networking Expenses	1,71,82,253	1,76,68,854
Professional & Consultancy Fees	40,15,470	32,38,184
Printing & Stationery	16,93,739	20,54,724
Local Conveyance	33,48,773	30,08,601
Bank Charges	4,769	10,755
Rates & Taxes	8,03,233	3,83,063
Travel & Halting Expenses	59,43,924	52,29,964
Subscriptions	1,60,20,841	1,16,24,965
Membership & Subscriptions to AMFI/SEBI	24,47,623	15,60,476
Director Sitting Fees	14,07,000	11,21,390
Repairs & Maintenance	7,36,541	6,11,614
Loss on Sale of Assets	1,14,965	27,102
Audit fees	7,00,000	4,00,000
Miscellaneous expenses	5,93,907	3,55,139
Excess provision write (back) off	(32,54,746)	(37,67,344)
Prior Period Items	9,26,258	1,31,012
Total	9,57,83,555	7,82,72,689

Note 20: Depreciation and amortization expense

	Amount in Rupees	
	31 March' 2017	31 March' 2016
(a) Tangible assets	33,70,177	29,25,847
(b) Intangible assets	8,01,217	13,99,663
Total	41,71,394	43,25,510

IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

NOTES FORMING PART OF THE BALANCE SHEET

Note 7 : Tangible assets

Amount in Rupees

	Gross Block				Accumulated Depreciation				Net Block	
	1 April 2016	Additions	Disposals	31 March' 2017	1 April 2016	Depreciation charged for the year	On disposals	31 March' 2017	31 March' 2017	01 April' 2016
Tangible Assets										
(a) Furniture and Fixtures	50,07,616	-	57,059	49,50,558	21,23,237	4,53,106	24,598	25,51,746	23,98,812	28,84,379
(b) Communication Equipment	21,33,229	6,97,933	7,18,788	21,12,374	16,73,226	3,58,282	4,93,463	15,38,046	5,74,328	4,60,012
(c) Office equipment	51,50,797	3,78,619	35,356	54,94,061	36,73,290	8,51,873	30,679	44,94,484	9,99,576	14,77,507
(d) Computer Hardware	2,84,38,838	69,44,302	27,19,550	3,26,63,591	2,76,55,405	17,06,916	27,19,550	2,66,42,771	60,20,820	7,83,433
Total	4,07,30,481	80,20,854	35,30,752	4,52,20,583	3,51,25,159	33,70,177	32,68,290	3,52,27,046	99,93,537	56,05,331

Note 8 : Intangible assets

Amount in Rupees

	Gross Block				Accumulated Depreciation				Net Block	
	1 April 2016	Additions	Disposals	31 March' 2017	1 April 2016	Depreciation charged for the year	On disposals	31 March' 2017	31 March' 2017	01 April' 2016
Intangible Assets										
(a) Computer software	2,47,82,520	3,14,063	-	2,50,96,583	2,31,56,677	8,01,217	-	2,39,57,894	11,38,689	16,25,844
Total	2,47,82,520	3,14,063	-	2,50,96,583	2,31,56,677	8,01,217	-	2,39,57,894	11,38,689	16,25,844

IDBI Asset Management Limited

(CIN: U65100MH2010PLC199319)

Note 21: Significant accounting policies and other notes

1. Background

IDBI Asset Management Company Limited (“the Company”) was incorporated on 25th Jan 2010 as a Public limited company. The principal activity of the Company is to act as an Investment manager and advisor to IDBI Mutual Fund (“the Fund”). The Company is registered with Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996.

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, 2013 (‘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 applicable.

2.2 Use of estimates

The preparation of the financial statements is in conformity with generally accepted accounting principles (“GAAP”) in India which 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 Current-Non Current Classification

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

Assets

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

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company’s normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

2.4 Revenue Recognition

Investment Management fees:

Investment Management fees are recognized net-off service tax 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') as amended.

Other income:

Interest income is accounted for on period proportion basis. The profit/loss on the sale of investments is recognized in the statement of Profit and Loss on the trade date using the FIFO method for arriving at purchase cost. Dividend income is recognized when the right to receive dividend is established.

2.5 Fixed assets and depreciation:

- a) Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment. Cost includes freight, duties, taxes, and incidental expenses related to the acquisition and installation of the assets. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit/functioning capability from/of such assets. All expenses on existing fixed assets, including repairs and maintenance and cost of replacement of parts are charged as revenue in the period in which they are incurred.
- b) Depreciation is provided on Straight Line Method (SLM) as prescribed in Schedule II to the Companies Act, 2013. The rates of depreciation of assets have been arrived at after considering the useful life of the asset as per schedule II of the Companies Act 2013. If the management's estimate of the useful life of a fixed asset, at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, depreciation is provided at a higher rate based on management's estimates of the useful life/remaining useful life. Pursuant to this policy, depreciation has been provided using the following rates:

Class of Fixed Assets	Rate of Depreciation (In%)- SLM basis (applicable from April 01, 2015)
Furniture & Fixtures	9.50
Office Equipment	19.00
IT Hardware	33.33
Consumer durables with Employees	33.33

Computer software individually costing more than 2.50 lakhs is capitalized and depreciated over a period of 5 years, Computer software individually costing less than 2.50 lakhs is fully depreciated in the year of purchase/acquisition.

- c) The Company provides pro-rata depreciation from the date the asset is put to use and for any asset sold until the date of sale.
- d) Fixed assets, other than software, individually costing 5,000 or less are fully depreciated in the year of purchase / acquisition.
- e) **Impairment of assets:**

The Company assesses at each Balance Sheet Date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.6 Investments

Investments which are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Employee benefits

Gratuity:

Gratuity liability is a defined benefit obligation and is funded through a Gratuity Fund administered and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year.

Provident fund:

The Company contributes to a recognized provident fund. The contributions are accounted for on an accrual basis and are recognized as an expense in the statement of profit and loss.

Short term employee benefits:

Short term employee benefits are recognized as an expense in the statement of profit & loss account of the year in which the services are rendered.

Compensated absences:

The company provides for Privilege Leave Encashment subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment as well as availment. The liability is provided based on the number of days of unutilized leave at each balance sheet

date on the basis of an independent actuarial valuation carried out as at the end of each financial year.

2.8 Operating Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Operating lease rentals are recognized as an expense in the Profit and Loss Account.

2.9 Earnings per share

The basic /diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting period.

2.10 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.

2.11 Provisions and Contingencies

The Company creates 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 not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date.

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 occurred.

2.12 Cash Flow Statement:

Cash Flows are reported using indirect method whereby net profits before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

2.13 Cash & Cash Equivalents:

Cash & Cash Equivalents comprise Cash & Current account balances with Banks. The Company considers all highly Liquid Investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.14 Transactions in foreign currency:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Exchange difference, if any, arising out of the foreign exchange transactions settled during the year are recognized in the statement of Profit and Loss.

2.15 Brokerage & New Fund Offer expenses :

Brokerage: Upfront Brokerage paid in case of open ended Equity Linked Tax Saving schemes are to be amortized over the period of 36 months and in case of any other open ended scheme , over the claw back period. In case of closed ended schemes upfront brokerage to be amortized over the tenure of the scheme.

New Fund Offer (NFO): Launch expenses relating to New Fund Offer are to be charged to the Statement of Profit and Loss in the year in which they are incurred and for close ended scheme it is to be charged to the Statement of Profit and Loss over the tenure of the scheme

2.16 Scheme related expenses:

All recurring expenses of the schemes of the IDBI Mutual Fund including the amounts in excess of the limits prescribed by the Securities and Exchange Board of India (Mutual Fund) Regulations Act 1996, as amended, or in excess of limits and as given in the Scheme Information Document that are required to be borne by the Company as per the said regulations, are charged to the Statement of Profit and Loss as Scheme related expenses.

3. Other Notes to Accounts

3.1 Employee benefits:

In accordance with the Accounting Standard -15 (Employee Benefits) prescribed in the Companies (Accounting Standards) Rules, 2006, the company has classified the various benefits provided to the employer as under:

Defined Contribution Plan

Provident Fund

The Company has recognized the following amounts in the Statement of Profit and Loss, which are included under Contribution to Provident & Other Funds:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
Employer's contribution to Provident Fund	64,72,275	66,64,342

a) Defined Benefit Plan

Contribution to Gratuity Fund (Funded Scheme)

In accordance with Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company.

The gratuity benefit is provided through a Gratuity Fund administrated and managed by the Life Insurance Corporation of India. The annual contributions to the gratuity fund and provision is made on the basis of actuarial valuation.

Reconciliation of opening and closing balance of the present value of defined benefit obligation for gratuity benefits is given below:

Change in funded benefit obligations:

	Amount in Rupees	
	31 st March 2017	31 st March 2016
Present value of funded benefit obligations as at 1st April	1,35,76,031	1,15,90,625
Service cost	23,12,669	15,79,413
Interest cost	10,58,930	9,24,932
Benefit Paid from the Fund	(49,10,907)	(9,99,867)
Actuarial (Gains)/ Losses on obligation-due to change in Demographic Assumption	-	-
Actuarial (Gains)/ Losses on obligation-due to change in Financial Assumptions	4,62,472	1,51,797
Actuarial (gain)/loss on obligations-due to experience	(8,12,865)	3,29,131
Present value of funded benefit obligations as at 31st March	1,16,86,330	1,35,76,031

Reconciliation of opening and closing Balance of Fair Value of Plan Assets:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
Fair value of plan assets as at beginning of the year	1,15,28,381	1,16,35,533
Expected return on plan assets	8,99,214	9,28,516

Actuarial gain/(loss)-due to experience	1,37,260	(58,823)
Employer contribution	4,33,870	23,022
Benefits paid	(49,10,907)	(9,99,867)
Fair value of plan assets at the year end	80,87,818	1,15,28,381

Reconciliation of Fair Value of Assets and Obligations:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
Present Value of Benefit Obligation as at the end of the period	(1,16,86,330)	(1,35,76,031)
Fair Value of Plan Assets at the end of period	80,87,818	1,15,28,381
Net (Liability) / Asset recognized in the Balance Sheet	(35,98,512)	(20,47,650)

Expense recognized during the year:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
Current Service Cost	23,12,669	15,79,413
Interest Cost	10,58,930	9,24,932
Expected return on plan assets	(8,99,214)	(9,28,516)
Actuarial (gain) / loss	(4,87,653)	5,39,751
Expenses recognized in Profit and Loss A/C	19,84,732	21,15,580

Experience Adjustments:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
(Gains) / Losses on Plan Obligations	(8,12,865)	3,29,131
Gains / (Losses) on Plan Assets	1,37,260	(58,823)
Estimated Contribution for next year	37,43,004	43,60,319

Actuarial assumptions used are:-

Particulars	31 st March 2017	31 st March 2016
Discount rate	7.22%	7.80%
Salary escalation rate	10.00%	10.00%

Attrition rate	10.00%	10.00%
Expected return on plan assets	7.22%	7.80%

b) Accumulated Compensated Absences:

The Company provides for accumulated compensated absences as at balance sheet date using projected unit credit method. This method takes into account the pattern of avilment and quantifying salary on the date of avilment of leave. Present value of obligation for accumulated compensated absences as determined by the Actuary is given below:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
Present value of obligation as at end of the year	55,69,380	65,90,997
Fair value of plan assets	-	-
Actuarial assumption used	-	-
Discount rate	7.22%	7.80%
Salary escalation rate	10.00%	10.00%
Cost recognized during the year	77,337	13,86,914

3.5 Segment Reporting:

The company is in the business of providing Investment management service to the mutual fund, and the entire revenue from operations is from the above service rendered in India. Hence the company has no other reportable business or geographical segment.

3.6 Related party disclosures:

As required under Accounting Standard - 18 the following are details of related parties and transactions with them.

(A) List of related parties and relationships :

I	Individuals having control with relatives & associates	
	Dilip Kumar Mandal	Managing Director and Chief Executive Officer

II	Key Management Personnel	
	Dilip Kumar Mandal	Managing Director and Chief Executive Officer
	Amit Bhavsar	Chief Financial Officer
	Manesh Jiandani	Company Secretary

III	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	
	IDBI Bank Limited	Holding Company
	IDBI Capital Market Services Ltd	Associate Company
	IDBI In-tech Limited	Fellow Subsidiary
	IDBI MF Trustee Company Limited	Fellow Subsidiary
	IDBI Federal Life Insurance Company Limited	Fellow Subsidiary

IV	Other related parties with whom Company has entered into transactions during the period under review	
	Yes Bank Limited	Other Related Party

V	Entities owned or significantly influenced by Directors and/or key management personnel or their relative and with whom Company has not entered into transactions during the period under review	
	IDBI Trusteeship Services Limited	Fellow Subsidiary
	IDBI Infrafin Limited	Fellow Subsidiary

VI	Other related parties with whom Company has not entered into transactions during the period under review	
	Export Import Bank of India	NIL
	Entrepreneurship Development Institute of India	NIL
	Stressed Asset Stabilisation Fund	NIL
	Fixed Income Money Market and Derivatives Association of India	NIL
	J K Cements Limited	NIL
	Embio Limited	NIL
	Zuari Agro Chemicals Limited	NIL
	Zuari Global Limited	NIL
	Emami Paper Mills Limited	NIL
	Saurashtra Chemicals Limited	NIL

	Gujarat Alkalies & Chemicals Limited	NIL
	Kesar Multimodal Logistics Limited	NIL
	Kesar Terminals & Infrastructure Limited	NIL
	SIDBI	NIL
	IDBI RSETI	NIL
	Maharashtra State Board of Technical Education	NIL
	Jaykay Chem Limited	NIL
	Man Industries (India) Limited	NIL

(B) Transaction with related parties:

IDBI Bank Limited :	Amount in Rupees	
	31 st March 2017	31 st March 2016
Transactions with IDBI Bank		
Expenditure Incurred:		
• Upfront Brokerage	5,40,95,635	39,12,597
• Trail/Annualized Brokerage	8,25,55,128	3,68,09,109
• Office Rent	2,79,19,142	1,98,07,082
• Office Utilities - Electricity & Water	1,82,981	2,36,323
• House-keeping, Maintenance & Others etc	1,58,961	2,44,672
• Statutory Levies & Interest	2,08,086	2,01,454
• Salary of Staff on Deputation	79,03,280	73,71,353
• Scheme Related Expenses	28,55,790	25,01,683
• Reimbursement of Sharing Expenses	19,45,906	25,10,986
Interest Received by the Company	4,09,71,058	4,47,28,807

IDBI Capital Market Services Limited :	Amount in Rupees	
	31 st March 2017	31 st March 2016
Transactions with IDBI Capital Market Services Ltd		
Expenditure Incurred:		
• Upfront Brokerage	35,694	8,908
• Trail/Annualized Brokerage	97,177	1,70,186

IDBI Intech Limited:	Amount in Rupees	
	31 st March 2017	31 st March 2016
Transactions with IDBI Intech		
Expenditure Incurred		
• Call center Charges	-	1,00,000
• IT& Communication services	76,15,304	75,93,163
• Outsourced Services Fees	3,76,875	15,00,625

Amount in Rupees

IDBI MF Trustee Company Limited (Including the transaction with IDBI Mutual Fund)	31 st March 2017	31 st March 2016
Transactions with IDBI MF Trustee Company Limited		
• Secretarial and Accounts Services Fees	32,84,219	28,31,279
• Management Fees	59,28,34,704	39,37,41,801
• Upfront Brokerage Receivable	1,43,59,757	1,16,26,482
• Upfront Brokerage Advance	1,95,13,655	-
• Other Advance given & received	1,00,00,000	-

Amount in Rupees

IDBI Federal Life Insurance Company Ltd:	31 st March 2017	31 st March 2016
Transactions with IDBI Federal Life Insurance Company Limited		
• Group Insurance	4,72,806	4,86,001

Yes Bank Limited :	31 st March 2017	31 st March 2016
Transactions with Yes Bank Ltd		
Expenditure Incurred:		
• Distributors Brokerage	-	14,131
• Trail/Annualized Brokerage	38,086	21,618

Balances with related parties:

Amount in Rupees

Particulars	31 st March 2017	31 st March 2016
1. IDBI Bank Limited (Holding Company)		
• Creditors for Assets	60,96,856	89,65,936
• Creditors for Expenses	2,78,74,597	1,24,43,099
• Bank Balance/Fixed Deposit	59,94,25,840	56,17,78,747
• Capital Contribution	1,33,34,00,000	1,33,34,00,000
• Interest Due but Not Received	95,845	1,08,080
• Reimbursement Receivable	11,80,242	4,55,054
2. IDBI Capital Market Services Limited		
• Creditors for Assets	-	1,26,405
• Creditors for Expenses	23,473	18,432
• Capital Contribution	66,66,00,000	66,66,00,000
3. IDBI In-tech Limited		
• Creditors for Assets	6,08,465	6,81,750
4. IDBI MF Trustee Company Limited		
• Management Fees Receivable	1,09,83,255	1,60,49,138
• Upfront Brokerage Receivable	10,32,485	39,33,452
• Upfront Brokerage Advance	1,95,13,655	-
• Secretarial and Accounts Services Fees receivable	3,19,886	7,34,318
5. IDBI Federal Life Insurance Company Limited		
• Other Current Assets	3,15,276	2,00,676
6. Yes Bank Limited		
• Creditors for Expenses	4,149	7,157

(C) Summary of transactions with related parties:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
Call center Charges	-	1,00,000
IT& Communication services	76,15,304	75,93,163
Outsourced Service Fees	3,76,875	15,00,625
Upfront Brokerage	5,41,31,329	39,35,635
Trail/Annualized Brokerage	8,26,90,391	3,69,79,295
Office Rent	2,79,19,142	1,98,07,082
Office Utilities & Water	1,82,981	2,36,323
House-keeping, Maintenance & Others etc	1,58,961	2,44,672
Statutory Levies & Interest	2,08,086	2,01,454
Salary of Staff on Deputation	79,03,280	73,71,353
Group Insurance	4,72,806	4,86,001
Scheme Related Expenses	28,55,790	1,41,49,782
Interest on Fixed Deposit with IDBI Bank	4,09,71,058	4,47,28,807
Secretarial Fees	32,84,219	28,31,279
Management Fees	59,28,34,704	39,37,41,801

(D) Managerial Remuneration:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
Salary & Allowances paid to MD& CEO	55,46,078	56,25,529

3.7 Operating lease

The Company has entered into non-cancelable operating lease arrangements for certain assets. Following are the disclosure requirements as per the Accounting Standard - 19:

The total lease payments recognized in the Profit and Loss Account towards the said leases amounts to Rs.9,59,479/- (PY Rs. 12,53,406/-)

The future lease payments in respect of the above are as follows:

Amount in Rupees

Particulars	31 st March 2017	31 st March 2016
Not Later than One year	70,416	1,36,080
Later than one year but not later than five years	-	-

3.8 Earnings per share:

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

Particulars	31 st March 2017	31 st March 2016
Net (Loss)/ Profit after tax attributable to equity shareholders(A)	7,25,80,444	3,47,91,612
Calculation of weighted average number of equity		

shares(B) :		
- No. of shares at the beginning of the period	20,00,00,000	20,00,00,000
- No. of shares issued during the period	NIL	NIL
- Total No. of shares outstanding at the period	20,00,00,000	20,00,00,000
- Nominal Value of the equity share - per share	10/-	10/-
- Paid up value of the equity share - Per share	10/-	10/-
- Weighted average no. of shares at 10/- paid up per share equivalent	20,00,00,000	20,00,00,000
Basic (loss)/ earnings per share of the face value of 10/- for the period(A)/(B)-	0.36	0.17

3.9 Deferred Taxes :

In accordance with Accounting Standard 22 - Accounting for taxes on Income, the major components of deferred tax as at 31st March 2016 are as follows:

Particulars	Amount in Rupees	
	31 st March 2017	31 st March 2016
<u>Deferred Tax Asset</u>		
Gratuity	11,11,940	6,32,724
Leave Encashment	17,20,938	20,36,618
Amortization of Preliminary expenses	13,90,500	21,93,900
Accumulated Losses	14,46,11,749	8,69,72,158
Depreciation	1,915	3,40,354
Deferred Tax Asset at the year end	14,88,37,043	9,21,75,754
<u>Deferred Tax Liability</u>		
Amortization of Marketing & Distribution expenses	-	3,17,365
Deferred Tax Liability at the year end	-	3,17,365
Deferred Tax Liability/ (Assets) Net	(14,88,37,043)	(9,18,58,389)

Deferred Tax Asset on accumulated brought forward business losses and un-absorbed depreciation losses have been recognized during this year only for the losses of AY 2014-15. For AY 2012-13, 2013-14, 2015-16 and 2016-17 losses would be recognized only after the brought forward losses are finalized following the decisions of the appellate authorities and assessments.

3.10 Impairment of Assets:

During the year, the company has undertaken a review of all fixed assets in line with the requirements of Accounting Standard-28 on "Impairment of Assets". Based on such review, no provision for impairment is required to be recognized for the year.

3.11 Estimated amount of contract remaining to be executed on capital account and not provided for is Nil

3.12 Contingent liabilities are as under:

Letter of Credit: Nil
For the AY 2012-13 the Income Tax Department vide its assessment order under section 143(3) dated 27-02-2015 disallowed certain expenditures thereby reducing the loss and initiated penalty proceedings under section 271(1)(c) of the Income Tax Act. The Company has filed an appeal against the said assessment. No provision has been made in this regards.
For the AY 2013-14 the Income Tax Department vide its assessment order under section 143(3) dated 15-03-2016 disallowed certain expenditures thereby reducing the loss and initiated penalty proceedings under section 271(1)(c) of the Income Tax Act. The Company has filed an appeal against the said assessment. No provision has been made in this regards.
In the MVAT assessment for the financial year 2011-12 the VAT department has disallowed the set-off claimed of purchase VAT paid on the purchase of Gold in the IDBI MF Gold ETF scheme and raised a demand of Rs. 43.34 lacs on the Company. The Company has also filed an appeal against this assessment. No provision has been made in this regards. An adhoc payment under protest of Rs. 15 lacs has been made during the year.
One employee has filed a writ petition in High Court against the company challenging the termination of his services. The quantum of liability is not known at present.

3.13 Earnings in foreign exchange: NIL

3.14 Expenditure in foreign exchange: Travelling Expenses Rs.1,64,626/-(P.Y.- Rs. 3,32,530/-)

3.15 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as provided in the Table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	23,457	23,457
(+) Permitted receipts	-	94,498	94,498
(-) Permitted payments	-	1,05,095	1,05,095
(-) Amount deposited in Banks	-	0.00	0.00
Closing cash in hand as on 30.12.2016	-	12,858	12,858

3.16 Dues to Micro, Small and Medium Enterprises:

Trade Payables do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA), which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, which have registered with the competent authorities.

Particulars	31 st March 2017	31 st March 2016
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of	Nil	Nil

section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year		
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil

3.17 Details of Payment to Auditors

Particulars	Amount in rupees	
	31 March' 2017	31 March' 2016
(a) Audit	3,00,000	2,50,000
(b) For taxation matters	1,00,000	75,000
(c) For other services	3,00,000	75,000
Total	7,00,000	4,00,000

3.18 Levy of penalty or additional interest by statutory body/ regulator: Nil

3.19 Transfer Pricing:

The company has a comprehensive system of maintenance of information required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Management is of the opinion that its domestic transactions are at arm's length so that the aforesaid legislations will not have any impact on the financial statements, particularly on the amount of tax expense.

3.20 Balances of sundry creditors, advances and deposits are subject to confirmation and reconciliation/subsequent adjustment if any.

3.21 Figures have been rounded off to the nearest rupee.

3.22 Previous period figures have been regrouped to conform to the current year classification.

vide our report of even date

For CR Sagdeo & Co

Chartered Accountants

Firm Regn No 108959W

sd/-

Suman Bose

Partner

M.No.045239

Place : Mumbai

Date : 24 April 2017

For IDBI Asset Management Limited

sd/-

K P Nair

Chairman

DIN: 02611496

sd/-

Chandra Bhushan

Company

Secretary

ACS 30954

sd/-

Dilip Kumar Mandal

Managing Director & CEO

DIN: 03313130

sd/-

Amit Bhavsar

CFO

FCA 105890