

## **NOTICE OF THE FOURTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Fourth Annual General Meeting of the members of M/s. IDBI MF Trustee Company Limited will be held at short notice in the Small Conference Room of IDBI Bank Limited on the 24<sup>th</sup> floor of IDBI Tower, Cuffe Parade, Mumbai- 400005 on Saturday, the 28<sup>th</sup> day of June 2014 at 2.00 p.m., to transact the following Ordinary and Special Business:

### **A. Ordinary Business**

1. To receive, consider and adopt Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2014 including audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors' and the Statutory Auditors', Secretarial Auditor and the comments of the Comptroller & Auditor General of India thereon.
2. **To fix the remuneration of the Statutory Auditors.**

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

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

RESOLVED FURTHER THAT the remuneration of the Statutory Auditors as appointed by the Comptroller & Auditor General of India (C & AG) under Section 139(5) of the said Act, be and is hereby approved up to Rs 1,50,000/- plus reimbursement of admissible travelling and out of pocket expenses along with service tax as applicable, for the year 2014-15.”

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

### **SPECIAL BUSINESS:-**

**3. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Shri. J Jayaraman (DIN: 02423487), who was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on August 28, 2013, effective from August 28 2013, pursuant to Articles 162(b), and 168 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and Article 168 of the Articles of Association of the Company, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Shri. J Jayaraman (DIN: 02423487), as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri. J Jayaraman (DIN: 02423487), Director of the Company, who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation in terms of Sections 149(4),(10) & (11) (including explanation thereof) and 152(6)(e) of the Companies Act, 2013 and to hold office for a term up to 31st March, 2019.”

**4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Parthasarthy Krishnamurthy (DIN: 05336749), Director of the Company who is liable to retire by rotation at this meeting and whose term expires at this Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, in terms of Sections 149(4),(10) & (11) (including explanation thereof) and 152(6)(e) of the Companies Act, 2013 and to hold office for a term up to 31<sup>st</sup> March, 2019.”

**5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Avinash Chander Mahajan(DIN: 00041661), Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, in terms of Sections 149(4),(10) & (11) (including explanation thereof) and 152(6)(e) of the Companies Act, 2013 and to hold office for a term up to 31<sup>st</sup> March, 2019.”

**6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074), Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, in terms of Sections 149(4),(10) & (11) (including explanation thereof) and 152(6)(e) of the Companies Act, 2013 and to hold office for a term up to 31<sup>st</sup> March, 2019.”

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

RESOLVED THAT in compliance with the sections 94, 128, 143, and other applicable provisions of the Companies Act 2013 and rules thereof, the Company hereby approves the maintenance and preservation of the statutory registers and returns together with the copies of certificates and documents required to be annexed thereto, Memorandum & Articles of Association, the Common Seal, books of account and other relevant books and papers and financial statement for every financial year and all other records, papers, documents, letter, agreements, contracts, notices etc, as required to be maintained under all applicable laws to the Company, at the Corporate Office of IDBI Asset Management Limited (being manager to the Mutual Fund Schemes of IDBI Mutual Fund in terms of Investment Management Agreement) situated at 05th floor, Mafatlal Centre, Nariman point, Mumbai 400 021 instead of being kept at the Registered Office of the Company.

FURTHER RESOLVED THAT the registers, returns, books, certificates, documents, etc. of the Company, as mentioned above, required to be maintained and required to be kept open for

inspection under the provisions of Companies Act, 2013 or under any other law applicable to the Company, shall be kept open for such inspection, at the Corporate Office of the IDBI Asset Management Limited between 10.00 a.m. to 6.00 p.m. on any working day of the Company except when the registers and books are closed under the provisions of the Act, or the Articles of Association of the Company, on payment of such amount as prescribed under such act.

FURTHER RESOLVED THAT the custody of such registers, returns, books, certificates, documents, etc. of the Company, as mentioned above shall be under the custody of the Company Secretary of IDBI Asset Management Limited at the Corporate office of IDBI Asset Management Limited.

**8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution**

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and in order to comply with the provisions of Section 149 of the Companies Act, 2013 read with the provisions of the SEBI (MF) Regulations 1996, the Articles of Association of IDBI MF Trustee Company Ltd. be and are hereby altered by deleting the existing clauses and substituting with the following clauses

“Article 162 (b)

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

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

Article 163 (e)

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between the persons who became Directors on the same day, those who are to retire shall, in default of, and subject to any

agreement among themselves, be determined by lot.

However, while determining the directors retiring by Rotation, Independent Directors shall not be counted for being the Retiring directors.

#### Article 164 (a)

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

#### Article 179

Subject to provisions of the Act, the Directors to retire by rotation at every Annual General Meeting shall be those who are liable to retire and who have been longest in office since their last appointment, but as between persons, who became Directors on the same day, those who are to retire shall, in default of the subject to any agreement among themselves be determined by lot.

However, while determining the directors retiring by Rotation, Independent Directors shall not be counted for being the Retiring directors.

#### Article 191

Notice of every meeting of the Board of Directors of the Company shall be given, at least 7 days in advance, in writing to every Director for the time being in India, and at his usual address in India to every other Director or at the email address of the Director provided to the Company

#### Article 193

- (1) Ordinarily not less than 7 days notice shall be given for any meeting of the Board and shall be given in writing to every Director at the registered/email address specified by him in this behalf.
- (2) No business other than that for which the meeting was convened shall be transacted at a meeting to the Board except with the consent of the Chairman of the meeting and a majority of the Directors present, unless 3 days's notice of such business has been given in writing to the Chairman.
- (3) The Company shall not hold a Board meeting at short notice, to transact urgent business, except with the consent of the Chairman of the meeting subject to the condition that at least one independent director, if any, shall be present at the meeting or in in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director

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

RESOLVED THAT in terms of provisions of Section 188 and other applicable provisions of the Companies Act 2013 read with rule 15 of the Companies (Meeting of the Board and its powers) Rules 2014 and other applicable rules notified under the act, the members of the Company hereby approves the continuation of existing contracts of the Company and further hereby authorize the Board to approve and enter into contracts and arrangements with related parties including sub delegation thereof to a director/committee of Directors as it may think fit, for a value not exceeding 0.01% per annum of the daily/net assets of the Mutual Fund subject to maximum fee not exceeding Rs. 10 lakhs per annum towards Trusteeship fees as received from IDBI Mutual Fund and for reimbursement of expenses to IDBI AMC (investment manager to IDBI Mutual Fund) and such other contracts whether entered in ordinary course of business or otherwise, at arms length price or at such price with the approval of the Audit Committee of the Board and thereafter of the Board of Directors of the Company without any further reference to the shareholders.

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

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

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

For and on behalf of the Board of Directors

Place : Mumbai

Date :

B K Batra

Chairman

IDBI MF Trustee Company Limited

CIN: U65991MH2010PLC199326

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED & AFFIXED WITH REVENUE STAMP AND MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/proxies should bring the attendance slip duly filled in for attending the meeting.
3. The relevant explanatory statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of business under item no. 2 to 14 are attached herewith.
4. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
5. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

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

**Item No. 2**

In terms of section 139(5) of the Companies Act 2013, the Company is subjected to Comptroller and Auditor General of India (C&AG) audit. The accounts of the Company are required to be audited by Statutory Auditors appointed by the C&AG. The appointment is required to be ratified in the general meeting of the shareholders by passing Ordinary Resolution under Section 139(1) of the Companies Act, 2013. These Auditors shall hold office as per the directions of the C&AG from time to time. The Company has approached C&AG for appointment of the Statutory Auditors for the Financial Year 2014-15. The C&AG is yet to advise the Company in this regard.

The remuneration of the Statutory Auditors are required to be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. The members are requested to authorise the Board of Directors to fix the remuneration payable to the Statutory Auditors. Therefore, it is proposed that by passing ordinary resolution under section 139(1) of the Companies Act, 2013, the Board may be authorized to negotiate and finalize the remuneration over and above the limits of Rs. 1,50,000/- The other terms and conditions and remuneration of the above Auditors would be as fixed by the Board of Directors of the Company on the recommendations of the Audit Committee. The Ordinary Resolution as contained at Item No.2 of the AGM Notice is accordingly proposed to be passed by the shareholders.

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

**Item No. 3**

Shri J Jayaraman, was appointed as the Additional Director of the Company in the Meeting of Board of Directors held on August 28, 2013 in terms of Article 168 of the Articles of Association of the Company and in terms of the provisions of Section 260 of the Companies Act 1956. He holds office only upto the date of this Annual General Meeting, and is eligible for re - appointment.

Shri J. Jayaraman (DIN: 02423487), Chartered Accountant and a Law Graduate from Bangalore University, is a practicing Chartered Accountant. He has more than 34 years of experience in the field of accountancy. Shri J. Jayaraman (DIN: 02423487) has been, on earlier occasions, nominated by IDBI Bank Ltd. and IFCI Ltd and have been on the Board of various Companies. Shri J. Jayaraman has also been as an advisor to various Companies and Institutions and also a member of the SEBI Group on IFRS exposure Drafts.

The other organizations where he is Director are:



Organization Name	Any association with the sponsor	Position Held	Nature of job responsibilities	Period From – To
SBI SGS Custodian Services Limited	No	Independent Director	Board level responsibility	Continuing

Under Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) read with Article 168 of the Articles of Association of the Company, Shri J. Jayaraman (DIN: 02423487) holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing Shri J. Jayaraman (DIN: 02423487) as a candidate for the office of Director of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri J. Jayaraman (DIN: 02423487) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto 31st March, 2019. A notice has been received from a member proposing Shri J. Jayaraman (DIN: 02423487) as a candidate for the office of Director of the Company.

The attention of members are brought to the explanation to Section 149(11) of the Companies Act 2013 which specifies that while deciding the tenure of an independent director on the date of commencement of this act, the tenure as on the date of Commencement of this act (01.04.2014) shall not be counted.

In the opinion of the Board, Shri J. Jayaraman (DIN: 02423487) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri J. Jayaraman (DIN: 02423487) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri J. Jayaraman (DIN: 02423487) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri J. Jayaraman (DIN: 02423487) as an Independent Director, for the approval by the shareholders of the Company.

Shri J. Jayaraman (DIN: 02423487) does not receive any remuneration, benefits, or commission except sitting fees from the Company.

Shri J. Jayaraman (DIN: 02423487) does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Shri J. Jayaraman (DIN: 02423487), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

**Item no 4**

Shri Parthasarthy Krishnamurthy (DIN: 05336749), is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in April, 2013. Shri Parthasarthy Krishnamurthy (DIN: 05336749) is a member of the Audit Committee of the Board of Directors of the Company.

Mr. P. Krishnamurthy (DIN: 05336749), has a diverse experience in Banking sector. He attained superannuation from RBI as Chief General Manager (Centre for Advanced Financial Research and Learning). Prior to this, he also served as Chief General Manager heading Financial Market Dept and was responsible for managing domestic exchange rate and debt market. He has also worked at various positions heading different departments like Non Banking supervision, advisory for Reserve management at RBI.

The other organizations where he is Director are:

Organization Name	Any association with the sponsor	Position Held	Nature of job responsibilities	Period From – To
S K S Microfinance Limited	No	Independent Director	Board Level Responsibility	Continuing
Aditya Jyoth Hospitals Private Limited	No	Independent Director	Board Level Responsibility	Continuing

Shri Parthasarthy Krishnamurthy (DIN: 05336749) does not receive any remuneration, benefits, or commission except sitting fees from the Company.

Shri Parthasarthy Krishnamurthy (DIN: 05336749) does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Parthasarthy Krishnamurthy (DIN: 05336749) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Parthasarthy Krishnamurthy (DIN: 05336749) as a candidate for the office of Director of the Company.

The attention of members are brought to the explanation to Section 149(11) of the Companies Act 2013 which specifies that while deciding the tenure of an independent director on the date of

commencement of this act, the tenure as on the date of Commencement of this act (01.04.2014) shall not be counted.

In the opinion of the Board, Shri Parthasarthy Krishnamurthy (DIN: 05336749) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Parthasarthy Krishnamurthy (DIN: 05336749) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Parthasarthy Krishnamurthy (DIN: 05336749) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Parthasarthy Krishnamurthy (DIN: 05336749) as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Parthasarthy Krishnamurthy (DIN: 05336749), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4

#### **Item no 5**

Shri Avinash Chander Mahajan (DIN: 00041661), is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in April, 2012. Shri Avinash Chander Mahajan (DIN: 00041661) is a member of the Audit Committee, of the Board of Directors of the Company.

Shri Avinash Chander Mahajan (DIN: 00041661), has over three decades of diverse experience in banking sector. He is currently the Chairman of Governing Council of Banking Codes and Standards Board of India (BCSBI) and serves as Director on the boards of Hindustan Petroleum Corporation Ltd. and Himavati Power Company Ltd. He has also been the Chairman and Managing Director of Canara Bank and Allahabad Bank. Prior to that he held Executive positions with Bank of India and Bank of Baroda.

The other organizations where he is Director are:

Organization Name	Any	Position Held	Nature of job	Period
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	association with the sponsor		responsibilities	From – To
Hindustan Petroleum Corporation Ltd	No	Independent Director	Board Level Responsibility	Continuing
Religare Enterprises Limited	No	Independent Director	Board Level Responsibility	Continuing
Lanco Babandh Power Limited	No	Independent Director	Board Level Responsibility	Continuing
Himavat Power Company Ltd.	No	Independent Director	Board Level Responsibility	Continuing
MDI Society Goregaon	No	Member Governing Council	Board Level Responsibility	Continuing
Banking Codes and Standard Board of India	No	Chairman Governing Council	Board Level Responsibility	Continuing

Shri Avinash Chander Mahajan (DIN: 00041661) does not receive any remuneration, benefits, or commission except sitting fees from the Company.

Shri Avinash Chander Mahajan (DIN: 00041661) does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Avinash Chander Mahajan (DIN: 00041661) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Avinash Chander Mahajan (DIN: 00041661) as a candidate for the office of Director of the Company.

The attention of members are brought to the explanation to Section 149(11) of the Companies Act 2013 which specifies that while deciding the tenure of an independent director on the date of commencement of this act, the tenure as on the date of Commencement of this act (01.04.2014) shall not be counted.

In the opinion of the Board, Shri Avinash Chander Mahajan (DIN: 00041661) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Avinash Chander Mahajan (DIN: 00041661) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Avinash Chander Mahajan (DIN: 00041661) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Avinash Chander Mahajan (DIN: 00041661) as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Avinash Chander Mahajan (DIN: 00041661), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

#### **Item no 6**

Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074), is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in April, 2012. Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) is the chairman of the Audit Committee, of the Board of Directors of the Company.

Shri T. M. Nagarajan (DIN: 00518074), has around four decades of varied experience in the areas of Banking, Financial Services and attained super annuation as a whole- time Member of the SEBI (June 2003-September 2004). Prior to this, Shri T M Nagarajan(DIN: 00518074) was the Chairman of SHCIL, CEO of IDBI Principal AMC and Deputy Managing Director of erstwhile IDBI.

The other organizations where he is Director are:

Organization Name	Any association with the sponsor	Position Held	Nature of job responsibilities	Period From – To
Indbank Merchant Banking Services Limited	No	Director	Board Level Responsibility	Continuing
Ethiraj college for women Chennai	No	Member Board	Board Level Responsibility	Continuing

Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) does not receive any remuneration, benefits, or commission except sitting fees from the Company.

Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto 31st March,

2019. A notice has been received from a member proposing Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) as a candidate for the office of Director of the Company.

The attention of members are brought to the explanation to Section 149(11) of the Companies Act 2013 which specifies that while deciding the tenure of an independent director on the date of commencement of this act, the tenure as on the date of Commencement of this act (01.04.2014) shall not be counted.

In the opinion of the Board, Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074) as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Nagarajan Muthiah Thirukkurugavoor (DIN: 00518074), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6

**Item No 7:**

IDBI MF Trustee Company Limited, a wholly owned Subsidiary of IDBI Bank Ltd. was formed and registered under the Companies Act, 1956 having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005. The Company does not have an employee in the Company. IDBI MF Trustee Company Limited has vide Investment Management Agreement dated 26<sup>th</sup> February 2010 entrusted the management of Mutual Fund Schemes to IDBI Asset Management Limited which carries on its operations from their Corporate office situated at 5th floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.

As per Section 94, 128 and other applicable provisions of the Companies Act 2013 the Company is required to maintain its statutory registers, forms, returns, books of accounts at the Registered Office of the Company. Further it states that the same can be maintained at any other place other than the Registered Office of the Company, in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company.

All the shareholders of the Company reside in Mumbai and the place where the said statutory registers, forms, returns, books of accounts are proposed to be maintained is in the same city.

Since, the operations and management of the company is carried out from the Corporate Office of IDBI Asset Management Limited, it is proposed to maintain and preserve the statutory registers, forms, returns, books of accounts at the corporate office of IDBI Asset Management Limited under the custody of Company Secretary IDBI Asset Management Limited.

Approval of the members is sought, in terms of section 94, 128 and other applicable provisions of the Companies Act 2013 read with Companies (Management and Administration) Rules, 2014, for shifting of the Company's statutory registers, returns, certificates, Common Seal and Memorandum & Articles of Association from the registered office of the Company to the Corporate office of IDBI Asset Management Limited situated at 5th floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.

Your Directors recommend that the resolution be passed, with or without modifications, as a Special Resolution.

None of the Directors of the Company is interested or concerned in the proposed resolution.

#### **Item no 8**

The Sections relating to the Appointment and Qualifications of Directors under Chapter XI of the Companies Act, 2013, have been notified by MCA, Govt. of India w.e.f. April 01, 2014. The new provisions for appointment of Independent Directors not liable to retire by rotation as contained under Section 149 of the Companies Act, 2013 need to be complied by the Company and Articles of Association need to be altered by addition of these provisions therein to align the same with the Companies Act, 2013.

Further provisions pertaining to Directors Liable to Retire by Rotation, Notice of Board meetings etc also needs to be aligned with the provisions of the new Companies Act 2013. It is proposed to amend Clause no's 162(b), 163(e), 164(a), 179, 191 and 193 of Articles of Association.

It is therefore proposed to pass the Special Resolution contained under Item No.8 of the AGM Notice for amending the Articles of Association providing for the above in terms of Section 14 of the Companies Act, 2013.

It may be mentioned that no Director or Key Managerial Personnel of IDBI AMC or their relative is, whether directly or indirectly, concerned or interested, financial or otherwise, in the passing of aforesaid Special Resolution.

#### **Item no 9**

IDBI MF Trustee Company Limited, is a Wholly owned Subsidiary of IDBI Bank Ltd. IDBI AMC has been appointed as Investment Manager by IDBI MF Trustee Company Limited vide Investment Management Agreement dated 20th February 2010. As per the agreement the Company is required to manage the funds, ensure compliance with regulations and accounting of transactions of schemes, formalize, float and launch new schemes with approval of Trustees, to

issue sell units of Mutual fund, to invest in securities as per investment objective on behalf of Mutual Fund, to declare and pay dividend, calculation of NAV, appointment of intermediaries.

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

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

<b>A</b>	<b>B</b>		<b>C</b>	<b>D</b>	<b>E</b>
<b>Sr. no</b>	<b>Name of party</b>	<b>Name of Director or Key Managerial Personnel who is related of any</b>	<b>Relation</b>	<b>Transaction</b>	<b>Whether in ordinary course of business and at arms length price</b>
1.	IDBI Mutual Fund through IDBI Bank Limited by way of Trust Deed dated 19 <sup>th</sup> February 2010	NIL	Group concern	Trusteeship Fees The Trustee shall be entitled to receive a fee not exceeding 0.01% per annum of the daily/net assets of the Mutual Fund subject to maximum fee not exceeding Rs. 10 lakhs per annum. The Trustee shall also be entitled for reimbursement of all costs, charges and expenses incurred in the course of the administration and execution of the Fund.	In ordinary course of business and in lines with the SEBI regulations
	IDBI Asset Management Limited	NIL	Group Company	Scheme Overlap Expenses Scheme overlap expenses  Secretarial & accounting service expenses: Certain common expenses incurred by AMC such as Rent, Electricity, Maintenance relating to	In ordinary course of business



				<p>Mumbai office premises and also a portion of salary expenses for the services rendered by AMC.</p> <p>Out of the above common expenses we charge 5% to MF Trustee Co</p> <p>The Services of around 12 officials are being used for MF Trustee Co related work as MF Trustee Co. does not have any employee on its roles. These AMC officials take care of the work relating to secretarial matters, conducting of meetings, ROC work, accounts/tax matters, SEBI compliance etc.. IDBI AMC is charging 1% of salary expenses which would work out to Rs. 12 lakh p.a.</p> <p>Around 5.5% of total Scheme overlap expenses is also being charged by IDBI AMC</p>	
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The above contracts or arrangements have been entered into by the Company in the ordinary course of business and at competitive rates. The contracts referred to above are existing contracts and are continuing in nature.

Since the current net – worth of the Company as on 31st March 2014 is Rs. 67,88,519/- and Turnover of the Company as on 31st March 2014 is around Rs. 56,00,000/-, the value of certain existing contracts exceed the limits provided under Section 188 read with rule 15 of Companies (meetings of the Board and its Powers) Rules 2014.

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

Hence, It is proposed to the members to ratify the contracts currently entered into by the Company for FY 2014-15 and authorize the Board of Directors with powers to enter into contracts and to do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in their absolute discretion, deem necessary including sub

delegating the authority to a Committee of Directors and to authorize MD & CEO to enter into such contracts and arrangements with prior approval of the Audit Committee and the Board of Directors.

The extent of interest and concern of the Directors and Key Managerial Personnel of the Company and their relatives, financial or otherwise, in the resolution set out at Item No. 9 have been disclosed above

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

**CIN: U65991MH2010PLC199326**

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

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

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

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

1.Name : .....

Address :

E-mail Id :

Signature :....., or failing him

2.Name : .....

Address:

E-mail Id :

Signature:....., or failing him

3.Name : .....

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourth Annual general meeting of the company, to be held on the 28<sup>th</sup> day of June 2014 At.2.00 p.m. at the registered office of the Company situated at IDBI Tower on the 24<sup>th</sup> floor, WTC complex, Cuffe Parade, Mumbai 400 005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 Adoption of Annual Accounts of the Company
- 2 To fix the Remuneration of the Statutory Auditors of the Company
- 3 To consider appointment of Shri Jayaraman Jagadeesan as Independent Director of the Company upto 31<sup>st</sup> March 2019
- 4 To consider appointment of Shri Parthasarthy Krishnamurthy as Independent Director of the Company upto 31<sup>st</sup> March 2019.
- 5 To consider appointment of Shri Avinash Chander Mahajan as Independent Director of the Company upto 31<sup>st</sup> March 2019.
- 6 To consider appointment of Shri Nagarajan Muthiah Thirukkurugavoor as Independent Director of the Company upto 31<sup>st</sup> March 2019.
7. To approve the proposal to maintain statutory registers and returns together with the copies of certificates and documents required to be annexed thereto, Memorandum & Articles of Association, the Common Seal, books of account and other relevant books and papers and financial statement for every financial year and all other records, papers, documents, letter, agreements, contracts, notices etc at the Corporate Office of the Company
- 8 To approve Alteration of Articles of Association.

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

Signature of shareholder

Signature of Proxy holder(s)

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

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

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

I hereby record my presence at the FOURTH ANNUAL GENERAL MEETING of the Company to be held at the registered office of the Company situated at IDBI Tower on the 24<sup>th</sup> floor, WTC complex, Cuffe Parade, Mumbai 400 005 on saturday, 27<sup>th</sup> day of June, 2014, at 2.00 P. M.

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

\*Strike out whichever is not applicable

NOTE:

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

## **Directors' Report**

The Directors take immense pleasure in presenting the Fourth Annual Report together with the Balance Sheet and Profit & Loss account of IDBI MF Trustee Company Ltd for the financial year 2013-14.

### **I. Business Environment**

FY14 was an eventful year, with significant volatility in the economy. The first half witnessed negativity driven by high deficits and strong exchange rate volatility while the second half witnessed improved business sentiments driven by a meaningful improvement in macroeconomic indicators, including exchange rates, and the expectations of a stable Government from the National Elections.

In early FY14, persistently high current account deficit resulted in a pressure on the rupee, taking it to a low of Rs. 67 to the dollar. In order to address this, the RBI imposed restrictions on overnight borrowing, raised the cost of borrowing for banks, in July, implying an effective rate hike of 200 bps and also raised the daily requirements in the CRR. As the trade deficit reached a record \$20 bn for the month of May '13, the RBI and the Government also imposed several restrictions on gold imports, one of the largest components of the import bill. As gold imports declined over the course of the year, the trade deficit data improved and helped the rupee recover.

Growth in the economy however remained weak. GDP growth for the year was 4.7%, the second consecutive year of sub-5% growth (FY13 GDP growth was 4.5%). The quarterly growth rates during the year were 4.6% in 4Q, 4.6% in 3Q, 5.2% in 2Q and 4.7% in 1Q. The IIP data also remained weak, recording a 0.1% contraction for the year, compared to a low 1.1% growth in FY13. The RBI raised the repo rate three times during the year due to persistently high inflation. The second half of the year FY14 saw renewed optimism and revived sentiments in the market/economy as participants began to expect a non fractured mandate from the National Elections. Expectations of a stable government at the Centre raised hopes that the 'policy paralysis' seen in the previous years would be reversed and the economy would be back on a fast growth trajectory.

FII inflows into equity remained strong, though lower than FY13, at about \$14 bn while FDI investments were also robust at \$24 bn. The RBI had announced a special concessional swap window for deposits by NRIs and overseas foreign currency borrowings by banks in order to stem the rupee's fall. This swap window saw an inflow of about \$32 bn into the banks during the year, also aiding the country's forex reserves to cross \$300 bn.

With a gradual rebound in its economy, the US commenced tapering its QE program by \$10 bn per month initially and increased it to \$30 bn by the end of the year. This took the asset purchase program to \$55 bn per month. Fears of the US tapering program however impacted emerging market currencies during the year. Japan, in the early part of the year, announced that it would expand its asset purchase program by \$1.4 trillion over two years, in order to pull the country out of its deflationary environment.

## **II. Mutual Fund Industry**

The mutual fund industry witnessed another year of growth with the Average Assets under Management (AAUM) crossing a new milestone of Rs. 9 lakh Crores during the FY. For the Jan – Mar 2014 quarter, the AAUM for the industry was around Rs. 905,000 Crores representing a growth of more than 10% over the same period in the previous financial year (being Rs. 8,16,000 crores). While the growth in AAUM was encouraging, the industry lost around 40 lakh folios from equity oriented schemes with investors exiting schemes as the equity market revival got underway. Infrastructure Debt Funds (IDFs) were launched by dedicated mutual fund - IDFs marking a foray into a new product category for the industry.

The industry took a significant step in transitioning from matrix level valuation to Security Level Valuation (SLV) for valuing debt and money market instruments. Under SLV, the industry will access prices of debt/Money Market securities from two independent external agencies, regardless of whether the security is traded or non-traded, thereby providing uniformity in security pricing across the industry.

SEBI has been taking various initiatives over the years to improve awareness and acceptability of mutual funds amongst individual investors. In this regard, SEBI has framed a Long Term Policy for Mutual Funds in India which includes several important aspects such as enhancing the reach of Mutual Fund products, promoting financial inclusion, tax treatment, obligation of various stakeholders, increasing transparency, etc. In order to promote financial inclusion, SEBI now requires all mutual funds to mandatorily make available printed literature on mutual funds in regional languages for investor awareness and education. Further, mutual funds are required to introduce investor education campaigns in regional languages in both print and electronic media. In order to protect interest of Unitholders, SEBI is also encouraging mutual funds to diligently exercise their voting rights and disclose the votes cast on mutual fund websites on a quarterly basis.

IDBI Mutual Fund believes that the above measures will benefit the industry in the long run and aid in its growth while improving acceptance of mutual fund products amongst investors.

### III. Overview

In the Fourth year of operation, IDBI Mutual Fund has successfully launched IDBI Tax Saving Fund (renamed as IDBI Equity Advantage Fund) an open ended scheme. IDBI Debt Opportunities Fund, an open ended income scheme and IDBI Diversified Equity Fund, an open ended growth scheme in addition to multiple Fixed Maturity Plans. The average quarterly asset under management of the AMC has grown from Rs 3912.92 crore (as on March 31, 2013) to Rs. 5,928.67 crore by March 31, 2014. The AMC currently manages 7 debt schemes, 6 equity schemes, 1 gold ETF, 1 gold FOF and 13 fixed maturity plans.

### IV. Financials

Total income during the year ended March 31, 2014 was Rs.0.55 crore as compared to Rs.0.50 crore during FY 2012-13.

Total expenditure during the year ended March 31, 2014 was Rs.0.34 crore as compared to Rs 0.37 crore during FY2012-13. Net profit earned during the year ended March 2014 was Rs 0.14 crore as against Rs 0.10 crore during FY 2012-13.

As on March 31, 2014, the company had cash and bank balance of Rs 0.01 crore. Net worth of the company stood at Rs. 0.68 crore and book value per share was Rs. 33.94 as on March 31, 2014.

The company's investments of Rs. 0.60 crore represent investment in IDBI FMP-Series III-368 Days (Sept 2013)-K - Direct Plan-Growth Rs. 0.25 crore and IDBI Liquid Fund - Daily Dividend Rs. 0.35 crore.

The financial details of the company for the financial year 2013-14 are as follows.

(Rs in Lacs)		
PARTICULARS	2013 – 14	2012 – 13
Total Income	54.67	50.64
Profit/(Loss) before tax	20.85	13.58
Less : Current & Deferred tax	6.10	4.13
Profit/(Loss) after taxes (PAT)	14.75	9.44
Balance Brought Forward from earlier Period	33.13	23.70
Balance/(Loss) to be carried forward	47.88	33.14

### V. Transfer to Reserves & Dividend

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



## **VI. Capital**

No fresh capital was infused other than the original paid up capital of Rs. 20 lacs issued to the promoter (IDBI Bank Ltd) at the time of incorporation.

## **VII. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988**

In terms of the above rules issued by the Central Government the following information is furnished.

### **i) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

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

### **ii) FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

### **iii) FIXED DEPOSITS:**

During the year, the Company has not accepted any deposits from the public under Section 58-A of the Companies Act, 1956.

## **VIII. DIRECTORS**

Your Company's Board of Directors is broad-based and its constitution is governed by the provisions of the SEBI(MF) Regulations 1996 as amended from time to time, the Companies Act 1956 as amended or re enacted from time to time and then in force and the Articles of Association of your Company. The Board functions directly as well as through various Board-level Committees constituted to provide focused governance in your Bank's important functional areas.

As on March 31, 2014, the Board comprised of Five Directors, including the Chairman being a Nominee Director and four Independent Directors. No Director , KMP or its relatives are related to any other Director/KMP on the Board.

During the year under review, the following changes took place in the Board of Directors of the Company:

S No	Name of the Director	Particulars	Appointed as Additional Director in Board	Appointed	Appointed as Director in AGM	Resigned/ Retired
1.	Shri Bal Krishan Batra	Chairman	-----	-----	28/06/2012	NA
2.	Shri T M Nagarajan	First Director	-----	25/01/2010	-----	NA
3.	Shri J Jayaraman	Additional Director (Independent)	28/08/2013	-----	-----	NA
4.	Shri A C Mahajan	Director (Independent)	-----	-----	28/06/2012	NA
5.	Shri P Krishnamurthy	Director (Independent)	-----	18/04/2013	-----	NA

#### IX. BOARD MEETINGS:

Six Board meetings were held during the Financial Year ending 31<sup>st</sup> March 2014 under review – i.e. on 18.04.2013, 26.06.2013, 28.08.2013, 22.10.2013, 18.12.2013 and 17.02.2014. The attendance of each director at the meetings of the Board of Directors are as under:

#### Directors Number of Board Meetings Attended

Sl. No.	Name of the Director	No. of Meetings held	No. attended
1.	Shri B K Batra	6	5
2.	Shri T M Nagarajan	6	5
3.	Shri J Jayaraman	6	3*
4.	Shri A C Mahajan	6	6
5	Shri P Krishnamurthy	6	5

The Ministry of Corporate Affairs, Government of India has included various provisions under the Companies Act, 2013 relating to composition of the Board of Directors and Committees of Indian companies. However, these provisions of the Act are effective from 01st April 2014. Your Company complies with the composition requirements with respect to Board of Directors and Committees

\*The Board of Directors had in the Board meeting held on 28<sup>th</sup> August 2013 appointed Shri J Jayaraman as Additional Director w.e.f. 28/08/2013. The Director being eligible offers himself for re-appointment. Shri J Jayaraman, Director holds office up to the date of the

forthcoming Annual General Meeting of the Company and is eligible for reappointment. The Board of Directors of your Company are of the opinion that his continued association with the Board will be beneficial to the Company and recommend his re-election.

Impending notification of Section 149 and other and applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri T M Nagarajan, Shri.A C Mahajan, Shri P Krishnamurthy and Shri J Jayaraman as Independent Directors for a term upto 31<sup>st</sup> March,2019. Details of the proposal for appointment of Shri T M Nagarajan, Shri.A C Mahajan, Shri P Krishnamurthy and Shri J Jayaraman are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 4<sup>th</sup> Annual General Meeting.

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

The Committee reviews the performance of the Company at regular intervals, various audit reports including internal, CAG and Statutory Auditors placed before them from time to time. An independent director chairs the Audit Committee and the committee comprises of independent Directors. The Committee met six times during the year 2013 -14.

#### **XI. 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 2013-14.

#### **XII. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.**

The Directors hereby confirm:

(i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) that reasonable and prudent accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made 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 or loss of the company for that period;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) that the annual accounts have been prepared on a going concern basis.

#### **XIII. PERSONNEL**

Some of the employees of IDBI AMC have been seconded to IDBI MF Trustee for handling areas of Secretarial and accounting work. Expenses incurred towards such services are reimbursed to IDBI AMC.

#### **XIV. PARTICULARS OF EMPLOYEES**

There are no employees covered by Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975.

#### **XV. AUDITORS**

The Comptroller and Auditor General of India (C&AG), New Delhi appointed M/s. P S Subramania Iyer & Co as the Statutory Auditors of the Company, who will retire at the conclusion of the Fourth Annual General Meeting.

Under Section 224(8) (aa) of the Companies Act, 1956, the remuneration of Statutory Auditors appointed under Section 619 by the Comptroller and Auditor General of India, shall be fixed by the Company in the General Meeting. Accordingly, Notice of the Annual General Meeting will include an item pertaining to remuneration of the Auditors for the year 2014-15.

#### **XVI. C & AG Comments**

Based on the audit conducted by C & AG, the C&AG has issued “Nil” Comments in terms of section 619(4) of the Companies Act, 1956

#### **XVII. CORPORATE SOCIAL RESPONSIBILITY(CSR)**

The provisions of CSR are not applicable to the Company.

#### **XVIII. Secretarial Compliance Certificate**

As per the provisions of Section 383A(1) of the Companies Act 1956, every company not required to employ a whole-time Company Secretary and having paid up share capital of Rs. 10 lacs or more shall file with the Registrar, a certificate from a Company Secretary in whole-time practice as to whether the Company has complied with all the provisions of the Companies Act, 1956 and a copy of such certificate shall be attached with the Directors report. As the paid up capital of the company is over 10 lacs, the certificate obtained from M/s GSR & Co. Practising Company Secretaries is attached with this report.

## **XIX. ACKNOWLEDGEMENTS**

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

**FOR AND ON BEHALF OF THE BOARD OF  
DIRECTORS**

**s/d-  
B K Batra  
Director**

**s/d-  
A C Mahajan  
Director**

Mumbai  
Dated: 28/06/2014

**SECRETARIAL COMPLIANCE CERTIFICATE**

*(Issued pursuant to proviso to Section 383A(1) of the Companies Act, 1956)*

Company Registration No : U65991MH2010PLC199326  
Nominal Share Capital : Rs.50,00,000/-

To

The Members of  
**M/s. IDBI MF TRUSTEE COMPANY LIMITED**  
IDBI Tower, WTC Complex,  
Cuffe Parade, Colaba,  
Mumbai, Maharastra - 400005

We have examined the registers, records, books and papers of **M/s. IDBI MF Trustee Company Limited** as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Companies Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Maharastra, Mumbai within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited company, comments on the maximum number of members does not arise.
4. The Board of Directors of the Company duly met 6 (Six) times on the dates referred to in **Annexure 'C'** to this certificate, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year and hence compliance under Section 154 of the Act, does not arise.





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

6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2013 was held on 26.06.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year under scrutiny.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts during the financial year falling within the purview of Section 297 of the Companies Act, 1956.
10. The Company has made necessary entries in the register maintained under section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act during the period under review, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any Duplicate Share Certificates during the financial year.
13. The Company has:
  - (i) not allotted / received any request for transfer / transmission of securities during the financial year.
  - (ii) not required to post warrants to any members of the Company as no dividend including interim dividend was declared during the financial year.
  - (iii) not declared any dividend during the year under review and hence no dividend has been paid and no dividend warrants have been posted.
  - (iv) not required to transfer any amount to Investors Education and Protection Fund.
  - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Additional Director(s) and the appointment and re-appointment of Directors has been duly made. There was no appointment of Alternate Directors and Directors to fill casual vacancies during the financial year.



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

15. There was no appointment of Managing Director/Whole-time Director/Manager during the financial year attracting the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company had not appointed any Sole-selling agent during the year under scrutiny.
17. The Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar of Companies and / or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. No shares / debentures / other securities have been issued during the financial year under review.
20. No shares were bought back by the Company during the financial year under review.
21. The Company has no preference shares / debentures and hence redemption of the same does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted any deposits from the public falling within the purview of the provisions of Sections 58A & 58AA of the Companies Act, 1956 during the financial year.
24. The Company has not made any borrowings during the financial year under review falling within the provisions of Section 293(1)(d) of the Companies Act, 1956.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate falling within the purview of the provisions of Section 372A of the Companies Act, 1956 and consequently no entries were made in the Register kept for the purpose.
26. No alteration in the provisions of the Memorandum of Association with respect to situation of Registered Office of the Company was made during the financial year under scrutiny.
27. No alteration in the provisions of the Memorandum of Association with respect to Objects of the Company was made during the financial year under scrutiny.





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

28. No alteration in the provisions of the Memorandum of Association with respect to Name of the Company was made during the financial year under scrutiny.
29. No alteration in the provisions of the Memorandum of Association with respect to Share Capital of the Company was made during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under review.
31. According to the information and explanations given to us, there were no prosecutions initiated against or show cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company, during the financial year, for alleged offences under the Act.
32. No money has been received by the Company as Security from its employees during the year under certification and hence provisions of Section 417(1) of the Act are not applicable.
33. According to the information and explanations given to us, the provisions of Section 418 of the Act are not applicable to the Company.

Place: Chennai  
Date : 20.06.2014



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

A handwritten signature in green ink, appearing to read "G. Sreenivasa Rao".

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

Company Registration No : U65991MH2010PLC199326  
Nominal Share Capital : Rs.50,00,000/-

ANNEXURE 'A'  
Annexure to Point No.1 of Secretarial Compliance Certificate  
M/s. IDBI MF TRUSTEE COMPANY LIMITED

**STATUTORY REGISTERS/BOOKS/RETURNS MAINTAINED DURING THE  
FINANCIAL YEAR ENDING ON 31<sup>ST</sup> MARCH, 2014:**

Sl. No.	Name of the Register	Section
1	Register of Members	150
2	Register of Disclosure of Directors Interest	301(3)
3	Register of Directors, Managing Director etc.,	303
4	Register of Directors Shareholdings	307
5	Minutes Book of Board Meetings	193
6	Minutes Book of General Meetings	193
7	Books of Account	209

**OTHER REGISTERS MAINTAINED:**

Sl. No.	Name of the Register
1	Register of Share Transfers
2	Register of Directors Attendance



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

Company Registration No : U65991MH2010PLC199326  
Nominal Share Capital : Rs.50,00,000/-

**ANNEXURE 'B'**  
**Annexure to Point No.2 of Secretarial Compliance Certificate**  
**M/s. IDBI MF TRUSTEE COMPANY LIMITED**

**FORMS AND RETURNS FILED DURING THE FINANCIAL YEAR ENDING ON 31<sup>ST</sup>**  
**MARCH, 2014:**

**I With The Registrar of Companies:**

Sl. No.	Form/ Return	Relevant Section	Particulars	Date of Event	Date of Filing	Delay in filing, if any
1	Sch-V (Form 20B)	159(1)	Annual Return made upto 26.06.13	26.06.13	12.08.13	No
2	Sch-VI (Form 23AC- XBRL & 23ACA- XBRL)	220	Balance Sheet etc., for the financial year ended 31.03.13	26.06.13	25.07.13	No
3	CCOM (Form 66)	Proviso to Sec- 383A	Compliance Certificate for the financial year ended 31.03.13	26.06.13	11.07.13	No
4	Form 32	303(2) & 260	Appointment of Mr. P. Krishnamurthy as Additional Director	18.04.13	14.05.13	No
5	Form 32	303(2)	Regularisation of appointment of Mr. P. Krishnamurthy as Director	26.06.13	03.07.13	No
6	Form 32	303(2) & 260	Appointment of Mr. Jayaraman Jagadeesan as Additional Director	28.08.13	04.09.13	No

**II With the Regional Director:**

NIL

**III With the Central Government or other Authorities:**

NIL



Company Registration No : U65991MH2010PLC199326  
Nominal Share Capital : Rs.50,00,000/-

ANNEXURE 'C'  
Annexure to Point No.4 of Secretarial Compliance Certificate  
M/s. IDBI MF TRUSTEE COMPANY LIMITED

The following Board Meetings were held during the Financial Year 2013-2014:

1 <sup>st</sup> Quarter (Apr – June)	2 <sup>nd</sup> Quarter (July – Sep)	3 <sup>rd</sup> Quarter (Oct – Dec)	4 <sup>th</sup> Quarter (Jan – Mar)
18.04.2013	28.08.2013	22.10.2013	17.02.2014
26.06.2013	--	18.12.2013	--







भारतीय लेखा तथा लेखापरीक्षा विभाग  
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा पदेन सदस्य, लेखापरीक्षा बोर्ड - I, मुम्बई  
INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-I, MUMBAI

Confidential

No. GA/Gr.III/A/cs/ IDBI MF Trustee/2013-14/54

23/05/2014

The Chairman,  
IDBI MF Trustee Company Limited,  
IDBI Tower, WTC Complex,  
Cuffe Parade,  
Mumbai 400 005.

**Sub: Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of IDBI MF Trustee Company Limited for the year ended 31 March 2014**

Sir,

Please find enclosed the comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of IDBI MF Trustee Company Limited for the year ended 31 March 2014. The comments may be placed next to the Statutory Auditors' report with a proper indication in the list of contents in the printed Annual Report.

A copy of the proceedings of the Annual General Meeting (AGM) adopting the certified accounts, Statutory Auditors' report and comments of the Comptroller and Auditor General of India may be forwarded to this office immediately after conclusion of the AGM. You are requested to forward ten copies of Printed Annual Report only as this office needs Printed Annual Report only and not Photocopy.

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

Yours faithfully,

(Y. N. Thakare)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board-I, Mumbai

Encl. : As above

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE  
ACCOUNTS OF IDBI MF TRUSTEE COMPANY LIMITED FOR THE YEAR  
ENDED 31 MARCH 2014**

The Preparation of financial statements of IDBI MF Trustee Company Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 11 April 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of IDBI MF Trustee Company Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to the 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 under Section 619(4) of the Companies Act, 1956.

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



(Y. N. Thakare)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai  
Date : 23 May 2014



# **P.S. SUBRAMANIA IYER & CO.**

**CHARTERED ACCOUNTANTS**

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

## **AUDITOR'S REPORT**

To The Members of

IDBI MF Trustee Company Limited

We have audited the accompanying financial statements of IDBI MF Trustee Company Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

### **Opinion**

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





- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other legal and Regulatory requirements:**

1. As required by the Companies (Auditor's Report) order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure of statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books .
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account .
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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



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

**Place: Mumbai  
Date : 11<sup>th</sup> April 2014**





### Annexure to the Auditor's Report

Referred to in our par 3 of our report of even date of the accounts for the period ended 31<sup>st</sup> March 2014 of IDBI MF Trustee Company Limited.

The Nature of companies activities during the period has been such that clauses i), ii), viii) and xiii) of para 4 of the order are not applicable to the company for the period.

1. As per the books of account examined by us, the company has not granted/taken Loan secured/unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act 1956.
2. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of Inventory, Fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in internal controls.
3. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, no contracts have been entered into with any of the parties listed under the register maintained in pursuance of Section 301 of the Companies Act, 1956 and hence the question of expressing our opinion as regards to timely entries in the register does not arise.  
b) In our opinion and according to the information and explanations given to us, no such transaction exceeding the value of Rs.5.00 lakhs in respect of each party in the Financial year under Report, were made.
4. The company has not accepted any deposits from the public, with in the meaning of Sections 58A, 58AA of the Companies Act, 1956
5. The company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
6. As explained to us, the provisions of Clause Section 209(1)(d) of the Companies Act, 1956 for maintenance of cost records are not applicable to the company
7. a). According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Contribution under Employees State Insurance Act, Income-tax, Sales-tax, Wealth Tax, Service Tax, Cess and other statutory dues with the appropriate authorities.  
b). According to the information and explanations given to us, no undisputed amount is payable in respect of income tax, wealth tax, sales tax, service tax, cess and other statutory dues as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
8. The Company has not incurred cash loss either during the current year or in the previous year and has no accumulated loss as at the end of the financial year.
9. Based on our verification and according to the information and explanations given by the management, the company has not defaulted in the repayment of dues to Bank



10. Based on our examination and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The company is not a chit / nidhi / mutual benefit fund / society and as such clause 4 (xiii) of the order is not applicable.
12. In our opinion, the company is not dealing or trading in shares/securities, Debentures and other Investments. Accordingly, the provisions of Clause 4(xiv) of the Companies' (Auditors Report) order 2003 are not applicable to the Company.
13. In our opinion, the company has not given any Guarantees during the year for the loans taken by others from bank or financial institution.
14. According to the information & explanations given to us & the company has not availed any term loan and hence the question of expressing opinion about its usage is not applicable to the company.
15. During the year the company has not allotted any shares on preferential basis to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
16. During the year, the company has not issued any secured debentures.
17. During the year, the company has not raised any money by public issue.
18. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

For P.S.Subramania Iyer & Co  
Chartered Accountants  
Firm Registration No - 004104S



V.Mohan  
Partner  
Membership No. 26590

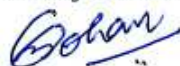
Place: Mumbai  
Date : 11<sup>th</sup> April 2014



**IDBI MF TRUSTEE COMPANY LIMITED**  
Balance Sheet as at 31st March 2014

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	2,000,000	2,000,000
(b) Reserves and surplus	2	4,788,519	3,313,375
(c) Money received against share warrants		-	-
		6,788,519	5,313,375
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	3	329,996	1,778,366
(d) Short-term provisions	4	-	183,200
		329,996	1,961,566
<b>TOTAL</b>		<b>7,118,515</b>	<b>7,274,941</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
<b>(b) Non-current investments</b>	5	2,500,000	-
<b>(c) Deferred tax assets (net)</b>		6,180	12,360
<b>(d) Long-term loans and advances</b>		-	-
<b>(e) Other non-current assets</b>		-	-
		2,506,180	12,360
<b>2 Current assets</b>			
(a) Current investments	5	3,450,283	3,000,000
(b) Inventories		-	-
(c) Trade receivables	6	431,268	438,785
(d) Cash and cash equivalents	7	16,325	2,738,720
(e) Short-term loans and advances		-	-
(f) Other current assets	8	714,459	1,085,076
		4,612,335	7,262,581
<b>TOTAL</b>		<b>7,118,515</b>	<b>7,274,941</b>

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



V. Mohan  
Partner  
M.No.026590  
Place: Mumbai  
Date: 11th April 2014

For IDBI MF Trustee Company Limited



B K Batra  
Chairman



A Jayadevan  
Compliance Officer



T M Nagarajan  
Director

Cash Flow Statement for the period ended 31.03.2014			
Ref No	Particulars	31 March' 2014	31 March' 2013
(A)	<b>Cash Flow from Operations Activities :</b>		
	Profit/(Loss) before Tax	1,475,143	944,041
	Add provision for tax	-	-
	Deferred tax asset	6,180	6,180
	Depreciation	-	-
	Interest Income	-	-
	Dividend Income	-	-
	Other Income	-	-
	Operating Profit/(Loss) before Working Capital changes	1,481,323	950,221
	(Increase)/Decrease in Current Assets	378,134	(516,858)
	Increase/(Decrease) in Current Liabilities	(1,631,570)	1,560,252
	<b>Net Cash used in Operating activities (A)</b>	<b>227,887</b>	<b>1,993,610</b>
(B)	<b>Cash Flow from Investing activities</b>		
	Purchase of Fixed Assets	-	-
	Purchase of Mutual Fund as Investments	2,950,283	-
	Loss on sale of Assets	-	-
	Sale of Fixed Assets	-	-
	Dividend Income	-	-
	Interest Income	-	-
	Other Income	-	-
	<b>Net Cash used in Investing Activities (B)</b>	<b>2,950,283</b>	<b>-</b>
(C)	<b>Cash Flow from Financial activities</b>		
	Increase in Share Capital	-	-
	Cash & Cash Equivalents for the year	(2,722,396)	1,993,610
	Cash & Cash Equivalents at the Beginning of the year	2,738,720	745,110
	Cash & Cash Equivalents at the End of the year	16,324	2,738,720
	<b>Cash &amp; Cash Equivalents Comprise of :</b>		
	Cash on hand	-	-
	Bank Accounts	16,325	2,738,720

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

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



V. Mohan  
Partner  
M.No.026590  
Place: Mumbai  
Date: 11th April 2014

For IDBI MF Trustee Company Limited

  
B K Batra  
Chairman

  
T M Nagarajan  
Director

  
A Jayadevan  
Compliance Officer

**Note 1 :**

<u>Share Capital</u>	<u>Note No.</u>	<u>As at 31st March 2014</u>	<u>As at 31st March 2013</u>
<u>Authorised</u>			
5,00,000 Equity shares of Rs. 10/- each	1	5,000,000	5,000,000
<u>Issued</u>			
2,00,000 Equity shares of Rs. 10/- each are held by IDBI Bank Limited, Holding Company, and no Fresh allotment has been made in the year.		2,000,000	2,000,000
<u>Subscribed &amp; fully Paid up</u>			
2,00,000 Equity shares of Rs. 10/- each are held by IDBI Bank Limited, Holding Company, and no Fresh allotment has been made in the year.		2,000,000	2,000,000
<u>Subscribed but not fully Paid up</u>		-	-
<b>Total</b>		2,000,000	2,000,000

**Note 2 :**

<u>Reserves &amp; Surplus</u>	<u>As at 31st March 2014</u>	<u>As at 31st March 2013</u>
<b>a. Capital Reserves</b>		
Opening Balance		
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>b. Capital Redemption Reserve</b>		
Opening Balance		-
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>c. Securities Premium Account</b>		
Opening Balance		-
Add : Securities premium credited on Share issue		-
<u>Less : Premium Utilised for various reasons</u>		-
Premium on Redemption of Debentures		-
For Issuing Bonus Shares		-
Closing Balance		-
<b>d. Debenture Redemption Reserve</b>		
Opening Balance		-
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>e. Revaluation Reserve</b>		
Opening Balance		
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>f. Share Options Outstanding Account</b>		5
Opening Balance		-
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>g. Profit &amp; Loss</b>		
Opening balance	3,313,376	2,369,339
(+) Net Profit/(Net Loss) For the current year	1,475,143	944,041
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Income Tax Provision of Last Year Transfer	-	-
(-) Deferred Tax Provision of Last Year Transfer	-	-
Closing Balance	<b>4,788,519</b>	<b>3,313,380</b>
<b>Total</b>	<b>4,788,519</b>	<b>3,313,380</b>



**Note 3 :**

Other Current Liabilities	As at 31st March 2014	As at 31st March 2013
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Other payables (specify nature)	-	-
Creditors for Expenses	215,996	1,629,654
Service Tax Payable	-	-
TDS Payable	33,000	58,712
Payable to Parent Company	-	-
Audit Fees Payable	81,000	90,000
<b>Total</b>	<b>329,996</b>	<b>1,778,366</b>

**Note 4 :**

Short Term Provisions	As at 31st March 2014	As at 31st March 2013
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Funded)	-	-
Leave Encashment (funded)	-	-
Superannuation (funded)	-	-
ESOP / ESOS	-	-
<b>(b) Others</b>		
Provision For Income Tax	-	-
Provision For Other Liabilities	-	183,200
<b>Total</b>	-	<b>183,200</b>



Particulars	As at 31st March 2014	As at 31st March 2013
(a) Investment in Equity instruments	-	-
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	5,990,283	3,000,000
(f) Investments in partnership firms*	-	-
(g) Other non-current investments (specify nature)	-	-
Total (a)	-	-
Less: Provision for diminution in the value of investments	-	-
Total	5,990,283	3,000,000

Particulars	As at 31st March 2014	As at 31st March 2013
Aggregate amount of quoted investments (Market value Rs. 6,098,605.10)	5,990,283	3,000,000
Aggregate amount of unquoted investments (Previous Year 2012)	NIL	NIL

Details of Non-Current Investments									
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Special Purpose Entity / Others	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)	Amount (₹)	Basis of Valuation	
(a)	Investment in Equity Instruments		2014	2013		2014	2013	2014	2013
(b)	Investments in Preference Shares								
(c)	Investments in Government or Trust securities								
(d)	Investments in Debentures or Bonds		5						
(e)	Investments in Mutual Funds		250,000.0				2,500,000.0		
	IDBI Top Series II 360 Days (Sept 2013) - Direct Plan - Growth / Market Value Rs. 36,47,050)								
(f)	Investments in partnership firms*								
(g)	Other non-current investments (specify nature)								
(h)	Limited Liability Partnership								
Total							2,500,000.0	0.00	

Note 3 contd.

Details of Current Investments										Basis of Valuation	
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted / Partly paid	Extent of Holding (%)		Amount (₹)			
			2014	2013	d	2014	2013	2014	2013		
(a)	Investment in Equity Instruments										
(b)	Investments in Preference Shares										
(c)	Investments in Government or Trust securities										
(d)	Investments in Debentures or Bonds										
(e)	Investments in Mutual Funds										
	IDBI Liquid Fund - Direct Plan - Daily Dividend (Market Value Rs. 34,51,955.10)		3,448.0		Quoted			3,450,283.2			
	IDBI Ultra Short Term Plan - Growth			2,780.8					3,600,000.0		
(f)	Investments in partnership firms*										
(g)	Other non-current investments (specify nature)										
	(i) Limited Liability Partnership										
	Total							3,450,283.2	3,600,000.00		

Note 6 :

Trade Receivables	As at 31st March 2014	As at 31st March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	431,268	438,785
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	431,268	438,785
exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	-
	-	-
<b>Total</b>	<b>431,268</b>	<b>438,785</b>

**Note 7 :**

Cash and cash equivalents	As at 31st March 2014	As at 31st March 2013
a. Balances with banks in current account*	16,325	2,738,720
This includes:		
Earmarked Balances (eg/- unpaid dividend accounts)	-	-
Margin money	-	-
Security against borrowings	-	-
Guarantees	-	-
Other Commitments	-	-
Bank deposits with more than 12 months maturity	-	-
b. Cheques, drafts on hand	-	-
c. Cash on hand*	-	-
d. Others (specify nature)	-	-
	16,325	2,738,720

**Note 8 :**

Other Current Assets	As at 31st March 2014	As at 31st March 2013
a. Loans & Advances		
Tax Deducted at Source	594,217	1,043,960
c. Service Tax Receivable	120,241	41,116
	714,459	1,085,076

## Notes to Profit & Loss Account

		For the period ended 31st March 2014	For the period ended 31st March 2013
<b>Note 9 :</b>	<b>Sale of Services</b>		
	Trusteeship Fees	4,716,737	5,063,351
	Profit on Sale of Investments	616,398	-
	Dividend Income	133,885	-
		<b>5,467,020</b>	<b>5,063,351</b>
	<b>Other Income</b>		
	Interest Income	37,411	-
		<b>37,411</b>	<b>-</b>
<b>Note 10 :</b>	<b>Office Expenses</b>		
	Secretarial and Accounts Services Fees	2,429,297	1,519,004
	Rates & Taxes	3,615	10,750
	Travel & Halting Expenses	486,535	310,765
	Statutory Levies and Interest	-	17,723
	Audit Fees	75,000	75,000
	Other Services	20,000	15,000
	Professional Associations	15,000	18,000
	Director Sitting Fees	390,000	230,000
		<b>3,419,446</b>	<b>2,196,242</b>
<b>Note 11 :</b>	<b>Marketing, Sales &amp; Distribution Expenses</b>		
	Scheme Expenses	-	1,509,658
		<b>-</b>	<b>1,509,658</b>



## **IDBI MF TRUSTEE COMPANY LIMITED**

### **Schedules to the Financial statements**

For the period ended 31<sup>st</sup> March 2014  
(Currency: Indian rupees)

#### **1 Background**

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

#### **2 Significant Accounting Policies**

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

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

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

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

##### **2.3 Revenue Recognition**

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

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

#### **Other income:**

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

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

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

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

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

#### **2.6 Taxation**

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

##### **Current taxes**

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

##### **Deferred taxes**

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

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

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



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

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

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

### 3. NOTES TO ACCOUNTS

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

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

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

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

Earnings per share	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Net (Loss)/ Profit after tax attributable to equity shareholders(A) Rs.	Rs 14,56,251	Rs 9,44,036
Calculation of weighted average number of equity shares(B) :	2,00,000	2,00,000
- No. of shares at the beginning of the period	2,00,000	2,00,000
- No. of shares issued during the period	NIL	NIL
- Total No. of shares outstanding at the period	2,00,000	2,00,000
- Nominal Value of the equity share - Rs. per share	Rs 10/-	Rs 10/-
- Paid up value of the equity share - Rs. Per share	Rs10/-	Rs10/-
Basic (loss)/ earnings per share of the face value of Rs.10/- for the period(A)/(B)-Rs.	Rs.7.28	Rs. 4.72

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

### 3.3 Related party disclosures:

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

(A) List of related parties and relationships :

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

<b>II</b>	<b>Key Management Personnel</b>	
	Debasish Mallick	Managing Director and Chief Executive Officer of IDBI Asset Management Limited

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

### Transaction with related parties:

<b>IDBI Bank Limited :</b>	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
Deposits Placed with IDBI Bank	NIL	NIL
Deposits matured with IDBI Bank	NIL	NIL
Contribution to capital of the Company	20,00,000	20,00,000
Transactions with IDBI Bank	NIL	NIL
Amount outstanding	NIL	NIL

<b>IDBI Asset Management Limited</b>		
Expenses Debited	24,29,297.00	16,34,310.00
Trustee Fee Received	47,16,737.00	50,63,351.00

**Notes :**

1. Capital is contributed by IDBI Bank Limited (the Holding Company) for 2,00,000 Equity shares of Rs.10/- each fully paid up.

**Balances with related parties:**

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
1. IDBI Bank Limited (Holding Company)	NIL	NIL
2. IDBI Asset Management Company	2,15,996	17,19,652

**3.4 Earnings in foreign exchange: NIL**

**3.5 Expenditure in foreign exchange: NIL**

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

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

**3.7 Income Taxes:**

In accordance with Notified Accounting Standard 22 (AS-22), Accounting for taxes on Income, the major components of deferred tax as at 31<sup>st</sup> March 2014 are as follows :

Deferred Tax asset	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Preliminary expenses written off	Rs 1,47,200	Rs 1,47,200
Permanent Difference on Preliminary Expenses	Rs 47,200	Rs 47,200
Temporary Difference	Rs 1,00,000	Rs 1,00,000
Preliminary Exp allowable as per Income Tax	Rs 20,000	Rs 20,000
Timing Difference	Rs 80,000	Rs 80,000



DTA Provision at 30.9%	Rs 24,720	Rs 24,720
Current Year Reversal	Rs 6,180	Rs 6,180
Previous Year Reversal	Rs 6,180	Rs 6,180
Closing Balance of DTA as at 31.03.14	Rs 6,180	Rs 12,760

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

Particular	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
For Statutory Audit	Rs 75,000	Rs 75,000
For Other Services	Rs. 20,000	Rs. 15,000
Out of pocket expenses	NIL	NIL

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

For P.S. Subramania Iyer & Co.,  
Chartered Accountants

Firm Regn .No 004104S



V. Mohan

Partner

M.No.026590  
11<sup>th</sup> April 2014

For IDBI MF Trustee Company Limited



B K Batra

Chairman



T M Nagarajan

Director



A Jayadevan  
Compliance Officer