



IDBI TRUSTEESHIP SERVICES LIMITED

14TH ANNUAL REPORT - 2013-14

ASIAN BUILDING, GROUND FLOOR, 17. R. KAMANI MARG,
BALLARD ESTATE, MUMBAI – 400001 PHONE – 40807000

Website: www.idbitrustee.com | Email: itsl@idbitrustee.com

Privileged Incubation of strong parentage



Mr. H.G. Rokade, MD & CEO, IDBI Trusteeship Services Limited, presenting Dividend Cheques



Mr. M.S. Raghavan
Chairman and Managing Director
IDBI Bank Ltd

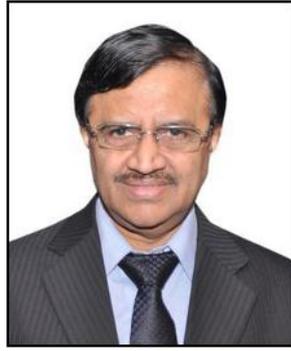


Mr. S.K. Roy
Chairman
LIC of India

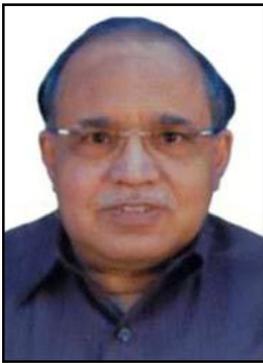


Mr. A.K. Roy
Chairman cum Managing Director
GIC of India

Board of Directors



Mr. M.S. Raghavan
Chairman



Mr. Pankaj Gupta



Mr. Dilip Ticku



Mr. Viney Kumar



Mr. K. S. Nagnyal



Mr. H. G. Rokade
Managing Director & CEO



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Annual Report 2013-2014

BOARD OF DIRECTORS

Mr. M.S. Raghavan	:	Chairman
Mr. Pankaj Gupta	:	Director
Mr. S.K. Mitter	:	Director (upto 23.09.2013)
Mr. Dilip Ticku	:	Director
Mr. Ravi Chaudhary	:	Director (upto 28.03.2014)
Mr. Viney Kumar	:	Director
Mr. K.S. Nagnyal	:	Director (w.e.f. 17/04/2014)
Mr. H.G. Rokade	:	Managing Director & CEO

Mr. K.R. Vishwanath : Company Secretary

AUDIT COMMITTEE

Mr. Pankaj Gupta, Chairman
Mr. Dilip Ticku, Member
Mr. Viney Kumar, Member

AUDITORS

S. Singhal & Co
Chartered Accountants
A-5/101,
Yogi Dham CHS Ltd
Yogi Nagar, Eksar Road
Borivali (West), Mumbai - 400091
Phone: 0141-2228131-33
Fax: 0141-2228134
Email: skgupta@gmail.com

REGISTERED OFFICE

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17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400001
Tel: 40807000
Fax: 91 11 663 1177 6
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

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Satara, Maharashtra – 415002
Phone : +91 02162 280075
Fax : +91 02162 280075
Email : itslsatara@idbitrustee.com

BANKERS

IDBI Bank
Bank of Baroda

DELHI OFFICE :

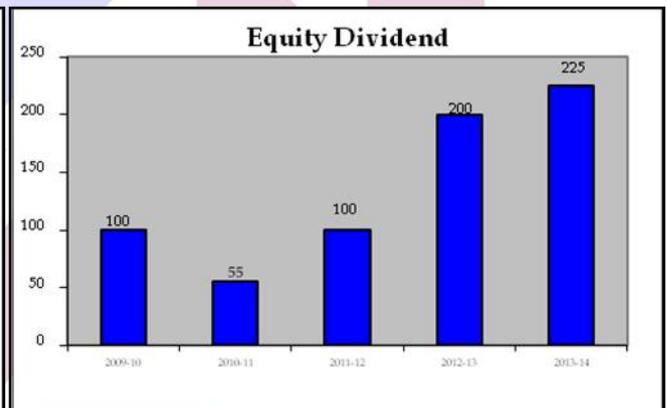
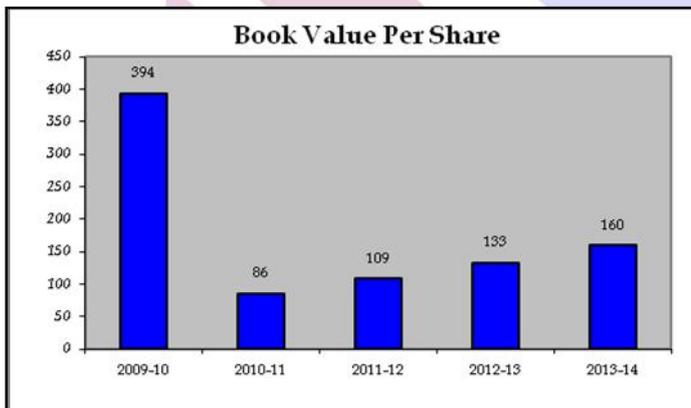
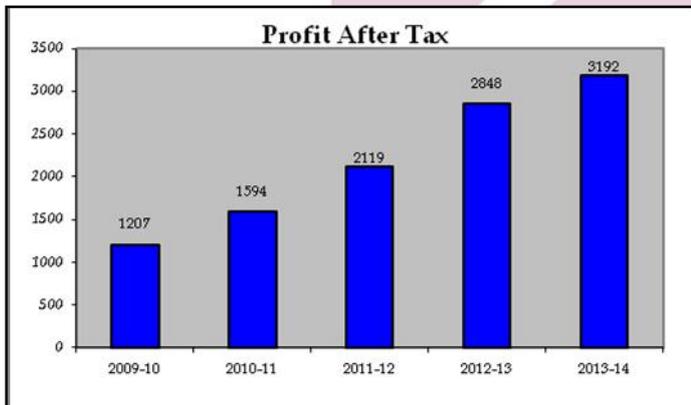
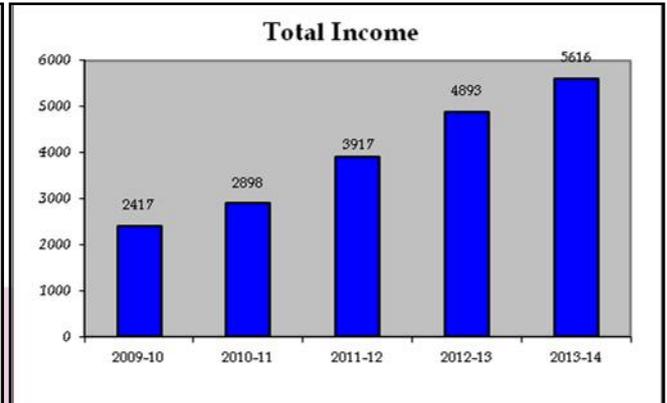
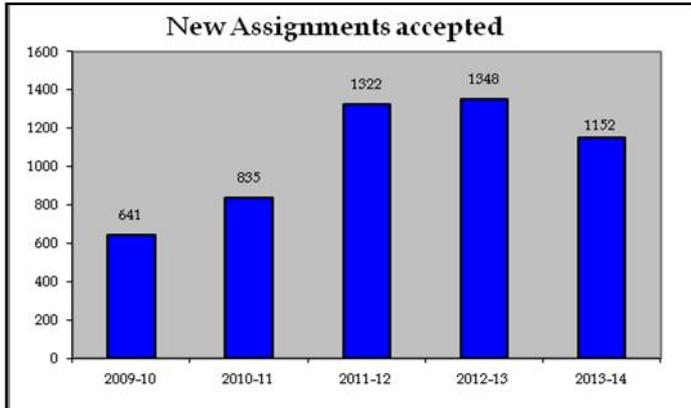
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**FINANCIAL HIGHLIGHTS – 5 YEARS AT A GLANCE**

Particulars	Financial Year				
	2009 -2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014
Authorized Capital	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
Paid up Capital	1,00,54,600	6,03,27,600	6,03,27,600	6,3,27,600	6,03,27,600
Reserves & Surplus	38,61,97,417	45,65,91,365	59,84,74,907	74,30,35,793	90,30,01,590
Fixed Assets Net Block	1,51,18,009	1,55,47,674	1,57,30,883	1,70,92,807	2,01,64,600
Income	24,16,91,265	28,97,36,230	39,17,80,149	48,93,23,723	56,15,90,014
Profit after Tax	12,07,44,710	15,94,16,072	21,19,97,789	28,47,89,378	31,92,37,450
Dividend in Rs.	1,00,54,600	3,31,80,180	6,03,27,600	12,06,55,200	13,57,37,100
Dividend in %	100%	55%	100%	200%	225%



PERFORMANCE AT A GLANCE





Directors' Report

Your Directors have pleasure in presenting the Fourteenth Annual Report of IDBI Trustee Services Limited with the Audited Statements of Accounts for the year ended March 31, 2014.

Financial Highlights

The financial performance for the year under review is summarized as follows:-

(Rs in Lakhs)

Particulars	2013-14	2012-13
Income from Operations	4775.32	4252.56
Other Income	840.58	640.67
Total income	5615.90	4893.23
Expenditure	679.06	619.55
Profit/ (Loss) before Depreciation & Tax	4936.84	4273.68
Less: Depreciation	31.71	24.95
Profit / (Loss) before Tax	4905.13	4248.73
Less: Bad Debt Written Off	95.72	47.72
Less: Prior period adjustments / amortization	(12.63)	(21.70)
Profit/ (Loss) before Tax	4822.04	4222.71
Less: Provision for Taxation (Income Tax, FBT, etc.)	1638.11	1375.00
Less: Deferred Tax Liability	(8.44)	(0.18)
Profit/ (Loss) after Tax	3192.37	2847.89
Balance in Profit & Loss Acct B/F	6765.36	5604.75
Balance available for appropriation	9957.73	8452.64
Less: Proposed Dividend	1357.37	1206.55
Less: Dividend Tax	235.35	195.73
Less: Transferred to General Reserve	320.00	285.00
Balance Transferred to Balance Sheet	8045.01	6765.36

Key Ratios

Return on Average Net Worth	36.13	38.95
Earnings Per Share (Rs)	52.92	47.21
Dividend (%)	225%	200%
Book Value Per Share (Rs)	159.68	133.17



Year in retrospect

The year 2013-14 continued to remain challenging with deceleration in GDP growth rates. Other macroeconomic headwinds such as high inflation and adverse currency movement still persist, though the pressure on INR has somewhat moderated recently. Inflow of foreign funds into equities coupled with record NRI funds and dollar purchases by the Reserve Bank of India have increased the forex reserves. Indian companies raised Rs.71,300 crore in 2013-14 with debt market emerging as the most preferred route for garnering capital to meet business needs indicating a surge of 13 percent from Rs.63,056 crore in 2012-13.

We have had to respond to these challenges appropriately and diligently in order to protect the stakeholder's interest and ITSL positioned itself well in this segment and was able to achieve its business target.

The nascent public bonds market is one of the most important segment of fund raisers. Some clarity is being imparted in the Companies Act, 2013 which would bring further positivity with respect to the said market.

In the market of Securitization, where ITSL act as Trustees to Securitization deals, your company continued to do well.

Despite challenging conditions, ITSL could overcome and achieve the business targets in all the areas.

Your Company has achieved a total income of Rs.56.16 Crore against Rs.48.93 Crore showing an increase of 14.72% over the previous year.

Dividend

Your Directors have declared 155% interim dividend in March 2014 on the equity capital of the Company, which has been paid to the registered holders of equity shares.

Your Directors have recommended payment of final dividend of 70% on equity capital for the year ended 31st March, 2014, which if approved by the members at the forthcoming annual general meeting, will be paid out of the current year's profit to the equity shareholders of the Company.

The total of the interim and proposed final dividend is 225%
An amount of Rs.3.20 Crore has been credited to General Reserves.

Outlook for the Current year

India's economic outlook for 2014-15 looks better than the current fiscal year due to a resurgence in exports, global economic revival and moderation in inflation

India is likely to grow over 5.6 per cent in 2014-15 against a projected growth of less than 5 per cent in the current fiscal.

India is one of the top 10 economies globally, with vast potential for the banking sector to grow. The Indian government's role in expanding the banking industry has been significant. India's banking sector has the potential to become the fifth largest banking sector globally by 2020 and the third largest by 2025.

Your Directors are confident that with a strong foundation the Company should maintain a consistent growth in the coming years also. Your company would strive to further improve its performance from the current levels and post commensurate growth with new products and greater market reach.



STATUTORY DISCLOSURES

FIXED DEPOSITS

During the year under review, the Company has not invited or accepted any fixed deposits either from the public or from the shareholders of the Company.

DIRECTORS

Mr. S.K. Mitter, Director representing LIC of India resigned with effect from September 23, 2013.

Mr. Ravi Chaudhary, Principal, LIC of India, Jamshedpur was appointed as an Additional Director of the Company and he resigned from the Company with effect from March 28, 2014.

Mr. K.S. Nagnyal, Zonal Manager, LIC of India, Bhopal was appointed as an Additional Director of the Company.

Your Company while welcoming the new Director would, also like to place on record its appreciation for the guidance and support extended by Mr. S.K. Mitter and Mr. Ravi Chaudhary during their tenure as Directors of the Company.

Mr. Pankaj Gupta, Director, and Mr. Dilip Ticku Director, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Notice convening the Annual General Meeting includes the proposals for their re-appointment as Directors.

Responsibility Statement

As per the terms of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company, confirm that:

- i. in preparation of the annual accounts for the year ended 31st March, 2014 the applicable accounting standards have been followed and proper explanation relating to material deviations have been disclosed;
- ii. such accounting policies as mentioned in the Notes to Accounts have been applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March 2014 and of the profit of the Company for that period.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts for the year ended 31st March 2014 have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

None of the employees of ITSL was in receipt of remuneration of Rs.5,00,000/- or more per month during the previous year and hence no employee was covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

AUDITORS

On the directions of the Comptroller and Auditor General of India (C & AG), M/s. S. Singhal & CO., Chartered Accountants were appointed as Statutory Auditors of the Company for the period 1st April 2013 till 31st March 2014.

The observations made by the Auditors and the Notes to Accounts are self explanatory.



COMMENTS OF CAG

Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of IDBI Trustee Services Limited for the year ended 31 March 2014 is attached to this report which is free of any qualification.

PARTICULARS REQUIRED TO BE FURNISHED BY THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

- a) Part A and B pertaining to the conservation of energy and technology absorption are not applicable to the Company.
- b) During the year under review, the Company has earned an amount of Rs.25,71,591/- (Previous Year Rs.42,39,714/-) (Rupees Twenty Five Lac Seventy One Thousand Five Hundred Ninety One Only) as Foreign Exchange and has incurred an expenditure in foreign exchange of NIL (Previous Year `Nil)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Central Government as on 27.02.2014 appointed the 1st day of April 2014 as the date on which the Provisions of Corporate Social Responsibility (CSR) (Section 135 and Schedule VII of the Companies Act 2013) shall come into force.

The Company attaches utmost importance to corporate governance and regulatory compliance. Pursuant to Section 135 of the Companies Act 2013 every Company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board.

During the year your directors have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising three Directors.

The Said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

ACKNOWLEDGEMENT

The Board would like to take this opportunity to express its gratitude and sincere thanks for the all-round support received from the Shareholders, Business Associates, Bankers, Auditors and Consultants of the Company and the guidance received from Securities & Exchange Board of India. Your Directors express their deep sense of appreciation for the committed services rendered by the employees of the Company.

For and on behalf of the Board of Directors

Chairman
28th May, 2014



Independent Auditor's Report

To the Members of

IDBI Trustee Services Limited.

Report On the Financial Statement

We have audited the accompanying financial statements of IDBI Trustee Services Limited ("the Company"), 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 notified under the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Statement of Profit and Loss, of the profit/ loss 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 a 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.;
 - 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.

Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Forming an Opinion and Reporting on Financial Statements

For S. Singhal & Co.
Chartered Accountants
Firm Regn. No. 001526C

Sachin Gupta
Partner
Membership No. 412472

Place : Mumbai
Date : 17/04/2014



Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As informed to us, The Company has a policy of conducting physical verification of fixed assets once in three years, which in our opinion is reasonable and commensurate with the size of The Company and the nature of its business. The Company carried out the physical verification in 2011-12 but this year The Company physically verified all Information Technology instruments.
 - c. During the year, The Company has not disposed off substantial part of fixed assets.
2. The Company is providing trusteeship services and accordingly it does not hold any physical inventories, Thus clause 4(ii) of the companies act (Auditor’s Report) order 2003(“The Order”) is not applicable.
3. a. As per the information and explanations given to us, The Company has not granted any loans to companies, firms and other parties covered in the Register maintained under section 301 of the companies act, 1956 during the year. Hence, there is no need of reporting under sub-clause a to d of clause (iii) of paragraph 4 of the aforesaid order.
 - b. As per the information and explanations given to us, The Company has not taken any loans; secured or unsecured, from companies firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, there is no need of reporting under sub-clause e to g of clause (iii) of Paragraph 4 of the aforesaid order.
4. 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 purchases of fixed assets.
5. On the basis of our examination of books of account and according to the information and explanations given to us, The Company has not entered into any transaction that needs to be entered into Register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the explanations given to us, The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. The Company has appointed an external firm of Chartered Accountants to carry out the internal audit of The Company at the head office and other locations. In our opinion and according to the explanations given to us, The Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies act, 1956.
9. a. According to the records of The Company, it is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees’ state insurance, income tax, service tax and other statutory dues applicable to it. The provisions of Custom Duty, Employees’ State insurance, Excise Duty, Cess and Wealth Tax are not applicable to The Company in the current year.
 - b. According to the information and explanations given to us and the records of The Company examined by us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth-Tax, Excise Duty and Cess, which have not been deposited on account of any dispute, except the following disputed dues on account of Income Tax.

Nature of dues	Amount Unpaid	Forum where dispute remains
Income Tax Act, 1961	Rs. 6,53,322	Commissioner (Appeals), Mumbai

10. The Company does not have any accumulated losses. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our examination and on the information and explanations given by the management, The Company has not taken any loan hence there cannot be any default.
12. Based on our examination of documents and records, The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



13. In our opinion and to the best of the information provided to us clause (xiii) of paragraph 4 regarding chit funds, nidhi, mutual fund or society is not applicable to The Company.
14. As per the records of The Company and the information and explanations given to us, The Company has maintained proper records in dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, The Company has not given any guarantee for loans taken by other from banks and / or financial records of The Company.
16. According to the information and explanations given to us no term loans were obtained by The Company.
17. According to information and explanations given to us, The Company has not obtained any term loans and hence 4(xvi) and clause 4(xvii) of the Order are not applicable.
18. We are informed that The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures and hence the requirement of reporting regarding creation of security in respect of debentures issued does not arise.
20. The Company has not raised any money by public issues during the period under audit. Accordingly, the provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable.
21. Based upon the audit procedures performed and as per information and explanations given by the management, we report that no fraud on or by The Company has been noticed or reported during the year.

For S. Singhal & Co.
Chartered Accountants
Firm Regn. No. 001526C

Place: Mumbai
Dated: 17/04/2014

Sachin Gupta
Partner
Membership No. 412472



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

The preparation of financial statements of IDBI Trustee Services 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 Accounts of India. This is stated to have been done by them vide their Audit Report dated 17 April 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of IDBI Trustee Services Limited for the year ended 31 March 2014 and as such have no comments to make 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: 9 May 2014

**Balance Sheet As At 31-03-2014**

S.N	PARTICULARS	Note No.	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD (12 MONTHS) ENDED 31ST MARCH 2014		FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD (12 MONTHS) ENDED 31ST MARCH 2013	
			(Amount in Rs.)		(Amount in Rs.)	
I	Equity And Liabilities	-	-			
1	Shareholders' Funds	-	-			
	a) Share Capital	B-1		6,03,27,600		6,03,27,600
	b) Reserves and Surplus	B-2		90,30,01,590		74,30,35,793
	Total (1)			96,33,29,190		80,33,63,393
2	Non Current Liabilities					
	a) Deferred Tax Liability	B-3		-		2,07,557
	b) Other Long Term Liability	B-4		23,98,492		26,87,372
	c) Long Term Provisions	B-5		24,97,554		25,59,966
	Total (2)			48,96,046		54,54,895
3	Current Liabilities					
	a) Other Current Liabilities	B-6		1,14,01,733		1,10,52,949
	b) Short term Provisions	B-7		4,97,50,894		7,03,74,566
	Total (3)			6,11,52,627		8,14,27,515
	Total(1+2+3)			1,02,93,77,863		89,02,45,803
II	Assets					
1	Non Current Assets					
	a) Fixed Assets	B-8				
	i) Tangible Asset			1,67,53,051		1,65,78,072
	ii) Intangible Asset			34,11,549		5,14,735
	b) Non Current Investment	B-9		1,000		1,01,000
	c) Long Term Loans & Advances	B-10		2,09,31,268		1,57,38,053
	d) Deferred Tax Asset	B-3		6,36,489		-
	Total (1)			4,17,33,357		3,29,31,860
2	Current Assets					
	a) Trade Receivables	B-11		7,52,58,116		10,29,07,969
	b) Cash, Cash Equivalents and Other Bank Deposits	B-12		85,96,98,131		72,42,40,071
	c) Short Term Loans and Advances	B-13		15,20,858		18,83,448
	d) Other Current Assets	B-14		5,11,67,401		2,82,82,455
	Total (2)			98,76,44,506		85,73,13,943
	Total(1+2)			1,02,93,77,863		89,02,45,803
	Significant Accounting Policies	A				
	Notes to Accounts	B				

As per our report of even date

For and on behalf of the Board of Directors

For S. Singhal & Co.
Chartered Accountants
FRN 001526C

M.S. Raghavan
Chairman

H.G. Rokade
Managing Director & CEO

(CA. Sachin Gupta)
Partner
(M No. 412472)

Viney Kumar

Pankaj Gupta

(Directors)

K. R. Vishwanath
Company Secretary
(M No. ACS14521)
Place: Mumbai
Date : 17th April, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014**

Particulars	Note No	Figures as at the end of current reporting period (12 Months) ended 31st March 2014	Figures as at the end of previous reporting period (12 Months) ended 31st March 2013
I. Revenue from Operations	B-15	47,75,31,657	42,52,56,499
II. Other Income	B-16	8,40,58,357	6,40,67,224
III. Total Revenue (I +II)		56,15,90,014	48,93,23,723
<u>IV. Expenses:</u>			
Employee Benefit Expense	B-17	4,16,13,915	3,76,96,606
Depreciation and Amortization Expense	B-18	31,70,577	24,95,160
Other expenses	B-19	1,94,09,175	1,76,84,873
Rent		68,82,212	65,73,129
Bad Debt Written Off		95,72,218	47,72,725
Total Expenses		8,06,48,097	6,92,22,493
V. Profit before exceptional and extraordinary items and tax	(III - IV)	48,09,41,917	42,01,01,230
VI. Exceptional Items			
Prior Period Adjustment (NET)	B-20	(12,62,787)	(21,69,805)
VII. Profit before extraordinary items and tax (V - VI)		48,22,04,704	42,22,71,035
VIII. Extraordinary Items			
IX. Profit before tax (VII - VIII)		48,22,04,704	42,22,71,035
X. Tax expense:			
(1) Current tax		16,38,11,300	13,75,00,000
(2) Deferred tax		(8,44,046)	(18,343)
XI. Profit(Loss) from the period from continuing operations	(IX-X)	31,92,37,450	28,47,89,378
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		31,92,37,450	28,47,89,378
XVI. Earning per equity share:			
(1) Basic & Diluted		52.92	47.21

As per our report of even date

For and on behalf of the Board of Directors

For S. Singhal & Co.
Chartered Accountants
FRN 001526CM.S. Raghavan
ChairmanH.G. Rokade
Managing Director & CEO(CA. Sachin Gupta)
Partner
(M No. 412472)

Viney Kumar

Pankaj Gupta

(Directors)

K. R. Vishwanath
Company Secretary - (M No. ACS14521)
Mumbai, Date : 17th April, 2014

**CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET FOR THE YEAR ENDED ON 31.03.2014**

PARTICULARS	YEAR ENDED 31.03.2014		YEAR ENDED 31.03.2013	
	(Amount in Rs.)		(Amount in Rs.)	
A. Cash Flow from Operating Activities				
Net operating profit before Tax and extraordinary items		48,22,04,704		42,22,71,035
Adjustments for:				
Depreciation	31,70,577		24,95,160	
Provision for Gratuity & Leave Encashment	2,52,368		5,75,220	
Provision for Expenses	10,18,179		8,53,137	
Loss on sale of Fixed assets	91,571		19,936	
Excess Provision for Tax Written Back	-3,59,154		-2,73,228	
Sundry debit Balance written off	38,694		3,81,543	
Srv Chg provision on doubtful cases, Bad Debts & Others	-95,91,475		-1,12,85,930	
Interest income	(8,26,92,611)		-6,31,00,908	
Bad Debts Written Off	95,72,218		47,72,725	
Rent Received	(10,06,612)		-6,74,112	
		(7,95,06,245)		(6,62,36,457)
Operating profit before working capital changes		40,26,98,459		35,60,34,578
(Increase) / Decrease in Short Term Trade Receivables	1,80,77,635		-	
(Increase) / Decrease in Short term Loans and advances	3,62,590		-	
(Increase) / Decrease in Long term Loans and advances	(34,30,882)		-13,68,244	
(Increase) / Decrease in Other current assets	3,39,15,339		-15,54,36,893	
Increase / (Decrease) in Short term Trade Payables/ Prov	(6,97,046)		13,30,22,477	
Increase / (Decrease) in Long term Trade Payables/ Provisions	(62,412)		6,94,022	
Increase / (Decrease) in Other Short term Liabilities	3,48,784		-11,91,592	
Increase / (Decrease) in Other Long term Liabilities	(5,41,247)	4,79,72,761		(2,42,80,230)
Cash generated from Opr before tax and exceptional items		45,06,71,220		33,17,54,348
Net Direct Taxes paid	-	16,55,73,633		8,90,00,000
Exceptional Item	-	-		
Net cash from Operating Activities		28,50,97,587		24,27,54,348
B. Cash flow from Investing Activities				
Purchase of Fixed Assets including Capital work in progress, intangible assets and Capital advances	(63,98,696)		(38,98,309)	
Sale of Fixed Assets	64,753		18,288	
Sale of Investments	1,00,000		-	
Interest Received	3,54,45,107		3,07,12,142	
Rent Received	10,06,612		6,74,112	
Net cash used in investing activities		3,02,17,776		2,75,06,233
Net cash from Operating and Investing Activities		31,53,15,363		27,02,60,581
C. Cash flow from Financing Activities				
Dividend Paid	(17,98,57,303)		-10,51,04,767	
Net Cash from Financing activities		(17,98,57,303)		(10,51,04,767)
Net Cash from Operating, Investing & Financing Activities		13,54,58,060		16,51,55,814
Net increase in Cash & Cash equivalent		13,54,58,060		16,51,55,814
Opening balance of Cash & Cash equivalent		72,42,40,071		55,90,84,257
Closing balance of Cash & Cash equivalent		85,96,98,131		72,42,40,071

As per our report of even date
For S. Singhal & Co.
Chartered Accountants, FRN 001526C

Partner
(M No. 412472)
Date : 17th April, 2014

For and on behalf of the Board of Directors
M.S. Raghavan H.G. Rokade
Chairman Managing Director & CEO

Viney Kumar Pankaj Gupta
(Directors)

K. R. Vishwanath
Company Secretary (M No. ACS14521)



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014.

Corporate Information

From 1st October 2011 ITSL has become a subsidiary of IDBI Bank Limited when it purchased equity shares held by IFCI. The equity holding of IDBI Bank is now 54.70%. The principal activities of the Company are providing Trusteeship Services viz. Debenture / Bond Trusteeship, Security Trusteeship, Safe Keeping, Securitisation, Management of Special Purpose Vehicles (SPVs), Managing Trusts.

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Accounting:

The financial statements have been prepared under the historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India. The financial statement comply in all material respects with the AS notified under Companies Act, 1956, read with the General Circular 15/2003 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

2. Use of Estimates:

The preparation of financial statement require estimate and assumptions that affect the reported amount of Asset and Liabilities and disclosure of contingent liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Fixed Assets:

Fixed assets are stated at original cost of acquisition plus installation charges incurred in connection with the acquisition. Cost comprises of purchase price and attributable cost of bringing the assets to its working condition for its intended use.

4. Intangible Assets:

Intangible Assets are stated at cost of accusation less accumulated amortization. Amortization of intangible assets is provided on Written Down Value method on the basis of estimated useful life of the asset.

5. Depreciation:

The depreciation is charged on Written down Value basis as prescribed under Schedule XIV of the Companies Act, 1956. The depreciation on the addition of the asset is provided from the date of such addition and for disposals up to the date of such disposals.

Individual low cost assets (acquired for less than Rs.5,000/-) are depreciated in the year of acquisition as per the requirement of schedule XIV of the Companies Act 1956.

6. Investments:

All investments which are readily realizable and intended to be held for not more than one year from the date of acquisition are classified as Current Investments .Current investments are stated at lower of cost or fair value. Long term investments are stated at cost. Decline in value of long term investment is recognised, if considered other than temporary.

7. Impairment of Asset

The carrying amounts of the assets are reviewed at each Balance Sheet date for impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of the asset exceed its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an Indication that the impairment losses recognised for the assets no longer exists or has decreased.



8. Revenue Recognition:

- a. The company derives its revenue from Acceptance Fees, Service Charges, Documentation Charges, Locker Rentals and Income from investments in Bank Fixed Deposit, Govt. Securities, PSU Bonds which are accounted for on accrual basis.
Assignments are to be classified as irregular assignments if any outstanding dues are not recovered till the end of next two financial years. Income in respect of such irregular assignments is accounted for in the year of receipt. Any previous year/s amount outstanding against, such irregular assignments are written off as bad debt in year of such determination and current year income accrued, if any, is reversed.
Other Debts are considered as bad and written off when ultimate realisation is uncertain.
- b. Dividend is recognised when the company's right to receive the payment is established by the Balance Sheet date.
- c. Interest income on investment recognized on a time proportion basis taking into account amount outstanding and the applicable interest rate. It is included in other income.

9. Leases

Lease Payment under an operating lease is recognised as expenses in the statement of profit and loss account as per terms of lease agreement.

10. Prior period adjustments:

Earlier year items, adjustment / claims, arisen/ settled/ noted during the year, if material in nature, are debited/ credited to prior period expenses/ income or respective heads of account, if not material in nature.

11. Employees Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard – 15 (Revised 2005) "Employee Benefits" issued by the "Institute of Chartered Accountants of India (ICAI)".

Defined Contribution Schemes

a) Provident Fund

The Company is registered under the provisions of Employee's Provident Funds and Miscellaneous Provisions Act, 1952 and schemes framed there under. Accordingly, the Company is contributing, in equal share of minimum contribution as those of employees, to the funds/ schemes established under the Act to Government Authorities. The eligible employees receive benefits from Government Authorities. The contribution due for the year is charged to profit and loss account.

Defined Benefit Plans

c) Gratuity

The Company provides for gratuity, known as "The Trustees IDBI Trustee Services Ltd Employee's Group Gratuity Scheme" based on actuarial valuation as on reporting date 31st March, 2014. The Company is required to pay annual premium contributions. The premium so paid / payable for the year is recognised in profit and loss account.

FOR EMPLOYEES ON DEPUTATION

Based on the terms of deputation for the employees on deputation from IDBI, LIC of India and GIC Re, gratuity is provided as per the Payment of Gratuity Act, 1972.

c) Leave Encashment

Annual Leave encashment is accounted on Actuarial valuation as per Accounting Standard – 15 (Revised 2005) "Employee Benefits" issued by the ICAI.

12. Foreign Exchange Transactions

Transactions in foreign currencies are recorded in the books by applying the exchange rates prevailing on the date of the transaction. All monetary items denominated in foreign currency assets and liabilities are restated at the exchange rate prevailing at the year end. Any income or expense on account of the exchange difference either on settlement or on transaction is recognized in the profit & loss account.



13. Taxes on Income:

- a. Current year's tax is determined based on current tax laws and the amount of tax payable in respect of taxable income of the current year is provided in profit & loss account.
- b. Deferred tax is recognised on account of timing difference; being the difference between taxable incomes and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. In cases where there is no virtual uncertainty supported by convincing evidence, the Deferred tax asset is not accrued in books of accounts. From current year, the company has recognized deferred tax asset to the extent of Rs.8,00,438/- on provision for gratuity and leave encashment.

14. Cash Flow Statements

Cash Flow Statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3). The Cash flows from regular revenue generating, financing and investing activity of the company are segregated

15. Provisions, Contingent liability and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

16. The Operating Cycle of the Company is of 12 months.



Notes to and Forming Part of Balance Sheet as at 31-03-2014

Note No.	S.N	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD (12 MONTHS) ENDED 31ST MARCH 2014	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD (12 MONTHS) ENDED 31ST MARCH 2013
			(Amount in Rs.)	(Amount in Rs.)
B - 1		SHARE CAPITAL		
		Authorised Capital		
		75,00,000 Equity Shares of Rs.10/- each	7,50,00,000	7,50,00,000
		2,50,000 Preference Shares of Rs.100/- each	2,50,00,000	2,50,00,000
		Total	10,00,00,000	10,00,00,000
		Issued, Subscribed and Fully Paid up capital		
		60,32,760 Equity shares of Rs.10/- each (Previous year 60,32,760 Equity shares)	6,03,27,600	6,03,27,600
		Reconciliation of Number of Shares		
		No. of Shares Outstanding at the beginning of the period	60,32,760	60,32,760
		No. of Shares issued as bonus shares by capitalisation of Profits	-	-
		No. of Shares outstanding at the end of the year (In numbers)	60,32,760	60,32,760
		IDBI Bank (As holding company)	33,00,000	33,00,000
		Others holding over 5% Equity Shares as at the end of the reporting period		
		LIC	18,00,000	18,00,000
		GIC	9,00,000	9,00,000
	i) Out of above, 50,27,300 Equity shares were allotted as Bonus Shares by Capitalisation of General Reserves) as on 24/02/2011 ii) Out of above, 5460 shares (Previous year 5460 Shares) were allotted as fully paid up pursuant to the scheme of amalgamation without payment being received in cash as on 10/07/2008 iii) The Company has one class of equity shares having par value of Rs.10 share. Each holder of equity shares is entitled to one vote per share.			
		6,03,27,600	6,03,27,600	
B - 2		RESERVES AND SURPLUS		
		Other Reserves		
	1	GENERAL RESERVE		
		At the beginning of the Accounting Period	6,65,00,000	3,80,00,000
		Add: Transfer from Profit and Loss A/C	3,20,00,000	2,85,00,000
		Less: Utilised for issue for Bonus Shares	-	-
		At the end of the Accounting Period	9,85,00,000	6,65,00,000
	2	SURPLUS		
		At the beginning of the Accounting Period	67,65,35,793	56,04,74,907
		Add: Balance in statement of Profit & Loss A/C	31,92,37,450	28,47,89,378
	Total	99,57,73,243	84,52,64,285	
	Allocations And Appropriations			
	Dividend	13,57,37,100	12,06,55,200	
	Tax on Dividend	2,35,34,553	1,95,73,292	
	Transfer To Reserves	3,20,00,000	2,85,00,000	
	At the End of The Accounting Period	80,45,01,590	67,65,35,793	
	GRAND TOTAL	90,30,01,590	74,30,35,793	
B-3		Deferred Tax		
		Carrying value of Fixed Assets as per Books	2,01,64,600	1,70,92,807
		Carrying value of Fixed Assets as per Income Tax Act	1,96,82,256	1,64,53,086
		Timing Difference (A)	4,82,344	6,39,721
		Deferred Tax Liabilities @ 33.99% of (A)	(1,63,949)	-
		Provision of Gratuity and Leave encashment	23,54,921	-
		Deferred tax asset @ 33.99% of (B)	8,00,438	-
		Net Deferred Tax Asset / (Liability) (B) - (A)	6,36,489	2,07,557
	Total Deferred	6,36,489	2,07,557	



B - 4	Other Long Term Liability		
	Service Charges Received in Advance	19,40,492	23,34,372
	Deposit Against Lease Arrangements	4,58,000	3,53,000
	Total	23,98,492	26,87,372
B-5	Long Term Provisions		
	a) Provision for Employee benefit	24,97,554	25,59,966
	Total	24,97,554	25,59,966
B-6	Other Current Liabilities		
	Unpaid Dividend	9,65,140	3,43,520
	TDS Payable	16,013	8,989
	Service Tax Payable	1,958	5,03,747
	Service Tax Payable - On Receipt Basis	9,064	
	Retention Money Payable	2,09,300	
	Service Charges Received in Advance	10,39,366	13,99,493
	Will Custody Charges Received in Advance		2,000
	Provision For Expenses	21,03,726	19,62,575
	Creditors	74,219	63,168
	Advance From Clients - Interest Free	69,82,947	67,69,457
	Total	1,14,01,733	1,10,52,949
B-7	Short Term Provisions		
	a) Provision & Others	4,97,50,894	7,03,74,566
	Total	4,97,50,894	7,03,74,566



NOTE B-8
FIXED ASSETS AS AT 31ST MARCH, 2014

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	AS AT 01.04.2013	ADDITIONS	DEDUCTIONS	AS AT 31.03.14	UP TO 01.04.2013	FOR THE YEAR	ADJUSTMENT	DEDUCTIONS	UP TO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013	
Tangible Assets												
Freehold Land	20,94,600		-	20,94,600	-	-	-	-	-	20,94,600	20,94,600	
Building	99,82,510		-	99,82,510	38,50,928	3,06,579	-	-	41,57,507	58,25,003	61,31,581	
Furniture & Fixtures	77,12,737	6,47,041	-	83,59,778	49,55,244	5,85,859	-	-	55,41,103	28,18,675	27,57,493	
Computers Hardware	78,41,662	12,06,147	12,49,375	77,98,434	64,99,785	7,10,169	-	11,86,148	60,23,806	17,74,628	13,41,877	
Office Equipment	44,01,363	5,90,243	14,740	49,76,866	19,49,409	3,83,838		1,314	23,31,933	26,44,933	24,51,954	
Air Conditioners & Electric Fittings	29,60,662	91,545		30,52,207	14,87,962	2,12,013	-	-	16,99,975	13,52,232	14,72,699	
Motor Car	9,98,931	-	-	9,98,931	6,71,067	84,884	-	-	7,55,951	2,42,980	3,27,864	
Intangible Assets												
Computer Software	17,28,511	38,63,720	5,14,001	50,78,230	12,13,776	8,87,235	-	4,34,330	16,66,681	34,11,549	5,14,735	
TOTAL	3,77,20,976	63,98,696	17,78,116	4,23,41,556	2,06,28,171	31,70,577	-	16,21,792	2,21,76,956	2,01,64,600	1,70,92,803	
Previous year *	3,41,72,251	38,98,309	3,49,583	3,77,20,977	1,84,41,368	24,95,160	-	3,08,357	2,06,28,171	1,70,92,807	1,57,30,883	

* Opening Gross Block & Opening accumulated depreciation as on 01.04.2008 includes Rs. 2,25,89,768 and Rs. 86,05,951 pursuant to the scheme of Amalgamation.

INVESTMENTS : NOTES B-9

Description	No. of Shares/ Units	Face Value per share	As on 31.03.2014 Rs.	No. of Shares/ Units	Face Value per share	As on 31.03.2013 Rs.
NON TRADE & LONG TERM						
A) UNQUOTED SHARES						
Karnataka Estates Ltd	100	5	450	100	5	450
Binny Mills Ltd	14	10	98	14	10	98
S V Global Mills Ltd	100	5	352	100	5	352
Sadhana Apartment Condominium	1	100	100	1	100	100
Sub Total (a)			1,000			1,000
B) Bonds						
West Bengal Infrastructure Development Corporation Ltd(Rate of Interest 10.50% p.a. Date of Redemption of Bonds is 31.08.2013)						1,00,000
Sub Total (b)						1,00,000
Total Investment (A+B)			1,000			1,01,000

Note:-All Investments are stated at cost.



B-10	Long Term Loan & Advances		
	a) (Unsecured Considered Good Unless Otherwise Stated) Security Deposits with Govt Authorities and Others	10,53,286	21,52,561
	b) Provision for Income Tax		
	Income Tax Refundable		
	For Assessment Year 05-06	7,76,501	7,76,501
	For Assessment Year 10-11	39,40,406	39,40,406
	For Assessment Year 11-12	1,12,11,143	1,12,11,143
	Advance Tax & TDS AY 12-13	10,34,88,220	10,18,48,124
	Less : Provision for Income Tax AY 12-13	10,23,11,300	10,25,00,000
	Income Tax Refundable	11,76,920	(6,51,876)
	Advance Tax & TDS AY 13-14	14,01,74,660	13,58,09,318
	Less : Provision for Income Tax AY 13-14	13,75,00,000	13,75,00,000
	Income Tax Refundable	26,74,660	(16,90,682)
	Advance Tax & TDS AY 14-15	16,40,98,352	
Less : Provision for Income Tax AY 14-15	16,40,00,000		
Income Tax Refundable	98,352		
Total	2,09,31,268	1,57,38,053	
B-11	Trade Receivables:		
	(Unsecured Considered good unless otherwise stated)		
	1) Debts Outstanding for a period exceeding 6 months from the date they are due	1,72,16,924	3,15,65,085
	2) Other debts	5,80,41,192	7,13,42,884
Total	7,52,58,116	10,29,07,969	
B-12	Cash, Cash Equivalents and Other Bank Deposits		
	a) Balance with Banks		
	In Fixed Deposit		
	Maturity with more than 12 months	25,02,20,051	14,01,00,000
	Others	60,22,79,949	57,49,00,000
	In Current Accounts	61,86,210	86,27,769
	b) Cash on hand	46,781	38,382
	Unpaid Dividend in Bank Accounts	9,65,140	5,73,920
	(Payable to Investor Protection and Education Fund : NIL)		
	Total	85,96,98,131	72,42,40,071
B-13	Short Term Loans and Advances		
	(Unsecured considered good unless otherwise stated)		
	Advance recoverable in cash and kind for the value to be received	15,20,858	18,83,448
Total	15,20,858	18,83,448	
B-14	Other Current Asset		
	a) Accrued Interest on Bank Deposits & Bond	4,72,47,504	2,52,01,501
	b) Other Receivables	39,19,897	30,78,756
	c) Service tax Collected (B&F)	-	2,199
	Total	5,11,67,401	2,82,82,455



NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

NOTE NO	PARTICULARS	Figures as at the end of current reporting period (31-03-2014)	Figures as at the end of previous reporting period (31-03-2013)
B-15	REVENUE FROM OPERATION		
a	INCOME FROM SERVICES		
(i)	From Trusteeship Services	47,58,37,192	42,33,24,560
(ii)	From Other Services	3,98,477	7,31,595
	Sub Total (A)	47,62,35,669	42,40,56,155
b	Other Operating Revenue		
(i)	Locker Rent	12,95,988	12,00,344
	Sub Total (B)	12,95,988	12,00,344
	Grand Total (A + B)	47,75,31,657	42,52,56,499
B-16	OTHER INCOME		
a	Interest Income	8,26,92,611	6,31,00,908
b	Other Non-Operating Income	13,65,746	9,47,340
c	Tax Adjustment Pertaining To Earlier Years	-	18,976
	Total	8,40,58,357	6,40,67,224
B-17	EMPLOYEE BENEFITS EXPENSES		
a	Salary	2,61,78,590	2,31,83,711
b	Contribution & Provision To Provident Fund	6,82,084	6,74,023
c	Contribution & Provision To Gratuity	24,860	7,42,778
d	Staff Welfare	19,57,381	24,68,594
e	Ex - Gratia For The Employees (Incentives)	1,27,71,000	1,06,27,500
	Total	4,16,13,915	3,76,96,606
B-18	DEPRECIATION AND AMORTIZATION EXPENSES		
a	Depreciation	31,70,577	24,95,160
	Total	31,70,577	24,95,160
B-19	OTHER (ADMINISTRATIVE) EXPENSES		
a	Auditor Remuneration	3,50,000	3,00,000
b	Business Development Expenses	9,54,531	11,90,354
c	Conveyance & Travelling	17,36,473	15,12,231
d	Director Sitting Fees & Honorarium	2,50,000	2,20,000
e	Donation	1,19,000	-
f	Electricity Charges	16,10,898	12,34,174
g	House Keeping & Security Services	21,30,284	17,20,183
h	Insurance	3,07,841	4,31,718
i	Interest	805	2,06,097
j	Loss On Disposal / Sale Of Fixed Assets	91,571	19,936
k	Membership & Subscription	13,416	12,510
l	Miscellaneous Expenses	18,98,136	12,88,870
m	Postage & Telephone Charges	9,30,608	8,94,640
n	Printing & Stationery / Computer Stationery	10,63,735	10,76,875
o	Professional Fees	38,11,785	43,63,198
p	Rates & Taxes	2,79,066	1,21,410
q	Repair & Maintenance	17,04,513	8,58,425
r	Registration & Filling Fees	4,28,626	4,86,466
s	Seminar & Conference Expenses	1,43,660	2,73,547
t	Safe Custody Charges & Locker Rent	15,84,228	14,74,239
	Total	1,94,09,175	1,76,84,873
B-20	PRIOR PERIOD ADJUSTMENT (NET)		
	Incomes Accounted	16,04,014	25,62,300
	Incomes Reversed	-	-
	Expenses Accounted	(3,41,227)	(3,92,495)
	Expenses Reversed	-	-
	Total	12,62,787	21,69,805

**B-21 Contingent Liabilities:**

Particulars	31.03.2014	31.03.2013
Claims against the company not acknowledged as debt :		
i) Income Tax demand for the AY 2007 – 08 (WITECO) (Company is in appeal before the CIT (Appeal))	Rs.6,53,322/-	Rs.6,53,322/-
ii) Municipal Taxes demand by Licensor for basement premises	Rs. 29,22,426/-	Rs. 29,22,426/-

B-22 As per the practice being followed by the company, demand for service charges is raised on accrual basis as per the information available at that point of time. Subsequently, when the actual payments are received, difference if any are adjusted in the year of receipt.

B-23 An amount of Rs.44,30,396/- (Previous year 3,95,221/-) recovered from Irregular Assignments has been recognised as income for the current year. An amount of Rs.11,31,281/- (Previous year 65,54,392/-) also recovered from write off amount of FY 2011-2012.

B-24 Salaries, allowances and all related payments for the employees on deputation from IDBI Bank, LIC of India and GIC Re are borne by the Company and are included in payment to and provisions for Employees. In the current year, the company has provided provision of gratuity for the employees on deputation Rs. NIL /- (Previous Year 7,399/-) and cumulative provision stands as on 31-03-2014, Rs.4,87,335/- (Previous Year Rs.4,87,335/-) for gratuity liability on the employees on deputation from the year of their appointment.

B-25 In the opinion of the Board of Directors, the Sundry Debtors and other Receivables appearing in Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.

B-26 Earning per share

Sl. No.	Particulars	2013-14	2012-13
1	Net Profit for the period attributable to equity share holder	31,92,37,450/-	28,47,89,378/-
2	Number of equity shares outstanding during the period	60,32,760	60,32,760
3	Earnings per Share (item 1 divided by item 2)	52.92	47.21

B-27 Payment to Auditors

Sl. No.	Particulars	2013-14	2012-13
a)	Auditor Fees	3,00,000/-	3,00,000/-
b)	Certification Charges	50,000/-	NIL

B-28 Disclosure pursuant to the Accounting Standard 15 (Revised) "Employee Benefits":**Defined Contribution Plans**

The company has recognized Rs.6,82,084/- for the year ended 31st March 2014 (Previous year Rs.6,74,023/-) for the Provident Fund Contributions in the Profit and Loss Account.

Defined Benefit Plans(i). Gratuity (Partly Funded)

The company has created a separate Trust for Gratuity obligations. The Application filed for approval of the Gratuity Trust with the Income Tax Dept is pending.

The Trust has taken Group Gratuity Policy from LIC and the annual contributions determined by LIC on actuarial basis are paid and charged to Statement of Profit & Loss. The accumulations with LIC at year end represent Plan Assets and Funded Part of Gratuity Obligations of the company.

On account of LIC assuming lower rates of salary escalations (4%) and withdrawal (1 to 3%) in actuarial computations, the company has obtained, from Independent Government Approved Actuary Valuer, a certificate for valuation of present value of future obligation of past and current service on more realistic assumptions. The difference between fund accumulation in LIC Scheme and amount determined as yearend obligations by Independent Valuer (representing Non-Funded Part of Gratuity Obligation) is recognised and presented as liability in accounts by appropriate charge to Statement of Profit & Loss. Related Disclosures pursuant to AS-15, based on information contained in the certificate of independent Valuer, are given below:-

Assumptions	2013-2014 (Current Year)	2012-2013 (Previous Year)
Discount Rate	7.86%P.A.	7.86%P.A.
Expected Return On Plan Assets	8% p.a.	8% p.a.
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
Future Salary Increases	18%p.a.	18% p.a.
Disability	Nil	Nil
Attrition	10% p.a.	9% p.a.
RETIREMENT	58yrs	58yrs

Changes in the Present Value of the Obligation and in the Fair Value of the Assets

Present Value Of obligation Beginning Of The Period	27,96,884	20,44,945
Interest Cost	2,47,947	1,60,733
Current Service Cost	3,26,381	4,78,334
Past Service Cost	0	0
Benefits Paid	(-2,44,313)	0
Actuarial (gain) loss on Obligation	(-8,34,955)	1,12,872
Present Value Of obligation End Of The Period	22,91,944	27,96,884

Changes in the fair value of plan assets

Fair value of plan Assets Beginning Of The Period	10,26,799	6,17,587
Expected Return On plan assets	76,300	65,775
Contributions	24,860	3,92,652
Benefits Paid	(-2,44,313)	0
Actuarial gain (Loss) Plan Assets	2,935	(-49,215)
Fair value of plan Assets End Of The Period	88,0712	10,26,799
Total Actuarial gain (loss) to be recognised	8,32,021	-1,62,088

Balance Sheet Recognition

Present Value Of Obligation	22,91,944	27,96,884
Fair Value Of Plan Assets	(-8,80,712)	(-10,26,799)
Liability (assets)	14,11,232	17,70,085
Unrecognised Past Service Cost	0	0
Liability (asset) recognised in the Balance Sheet*	14,11,232	17,70,085



Profit & Loss – Expenses

Current Service Cost	3,26,381	4,78,334
Interest Cost	2,47,947	1,60,733
Expected Return On plan assets	76,300	(-65,775)
Net Actuarial gain (loss) recognised in the year	8,32,021	1,62,088
Past Service Cost	0	0
Expenses Recognised in the statement of Profit & Loss	3,33,993	735,379

Movement in the net Liability recognised in the Balance Sheet

Opening net Liability	17,70,085	14,27,358
Expenses	(-3,33,993)	7,35,379
contribution	(-24,860)	(-3,92,652)
closing Net Liability	14,11,232	17,70,085

(ii). Leave Benefit (Determined by actuarial valuation) (Non-Funded)

		Current Year	Previous Year
a.	Paid Benefits Charged to Statement of Profit & Loss	1,46,013	26,870
b.	Unpaid Benefits Charged to Statement of Profit & Loss	6,11,220	1,98,224
c.	Cumulative Liability Recognised at year end	9,43,689	3,32,469

B-29 Balances in Clients' Deposits Account is net of Investments, Fixed Deposits made in Trust Accounts, Expenses incurred on behalf of clients

CLIENT DEPOSITS

Particulars	Current Year 2013-2014		Previous Year 2012-2013	
	Rs.		Rs.	
Vishwastha Fund Balance	14,64,41,471/-		13,89,84,875/-	
Debenture Holders Fund	1,16,34,545/-		1,16,34,545/-	
Total (A)		15,80,76,016/-		15,06,19,420/-
Less:				
Vishwastha Fund Investments	1,25,69,374/-		1,29,77,592/-	
Vishwastha Fund Deposit	12,29,58,710/-		11,90,57,097/-	
Bank Balances including Cheque in Transit	1,08,44,023/-		69,53,721/-	
Expenses behalf of Debenture Holders	97,05,317/-		97,05,318/-	
Total (B)		15,60,77,424/-		14,86,93,728/-
Balance (A-B)		19,98,592/-		19,25,692/-

B-30 Related Party Disclosures

As per Accounting Standard (AS 18), Related Party Disclosures issued by The Institute of Chartered Accountants of India, the transactions between the Company and related parties and the outstanding balances as on 31st March 2013 are disclosed below.

(i) Relationship

Key Managerial Personnel's: Mr. H. G. Rokade, Managing Director & CEO

Particulars	2013 – 14	2012 - 13
Salary & Allowances	17,81,590/-	6,98,560/-
Other perquisites	72,943/-	45,081/-
Ex – gratia	7,31,157/-	NIL
Reimbursement of Expenses	20,620/-	7,797/-
Gratuity	57,205/-	23,582/-
Total	26,63,515/-	7,75,020/-
Outstanding Amount	NIL	NIL



Key Managerial Personnel's: Mr. S.K. Mitter, Managing Director & CEO

Particulars	2013 – 14	2012 – 13
Salary & Allowances	NIL	6,80,551/-
Other perquisites	NIL	2,85,063/-
Ex – gratia	8,68,843/-	16,00,000/-
Reimbursement of Expenses	NIL	3,060/-
Gratuity (Payable to LIC)	NIL	1,72,109/-
Total	8,68,843/-	27,40,783/-
Outstanding Amount	NIL	NIL

(ii) Transaction with other Related parties

a) IDBI Bank: Holding Company w.e.f. 1st Oct 2011.

Nature of Transaction	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
Rental Income	6,74,112/-	6,74,112/-
Rental Expenses	2,01,250/-	NIL
Fixed Deposits with IDBI	85,25,00,000/-	71,50,00,000/-
Interest Income on Fixed Deposits with IDBI Bank	8,26,88,210/-	2,73,40,825/-
Security deposit payable to IDBI Bank for premises	3,53,000/-	3,53,000/-
Sitting Fees (Paid)	90,000/-	1,00,000/-
Service charges (Received)	NIL	2,95,000/-
Reimbursement of salary of employee on deputation (Paid)	NIL	8,78,909/-
Reimbursement of medical expenses of employee on deputation (Paid)	NIL	49,050/-
Bank Charges	15,757/-	13,448/-
Locker Rent / Safe Custody	12,02,134/-	12,02,078/-
Demat Charges	NIL	4,246/-

b) IDBI Capital Market

Nature of Transaction	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
Brokerage Commission (Received)	99,380/-	1,818/-

c) Life Insurance Corporation

Nature of Transaction	2013 – 14 Amount (Rs.)	2012 - 13 Amount (Rs.)
Quarter's Rent	NIL	42,390/-
Premises Rentals	66,80,962/-	65,73,129/-
Sitting Fees	90,000/-	40,000/-

d) GIC Re

Nature of Transaction	2013 – 14 Amount (Rs.)	2012 - 13 Amount (Rs.)
License Fees	7,518.24	3,132.60
Sitting Fees	NIL	NIL



e) Others

Name of Parties	Nature of Payment	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
IDBI Bank (Represented by Nominee Director Mr. S. Raghavan)	Sitting Fees	30,000/-	-
IDBI Bank (Represented by Nominee Director Mr. R. M. Malla)	Sitting Fees	10,000/-	40,000/-
IDBI Bank (Represented by Nominee Director Mr. Viney Kumar)	Sitting Fees	20,000/-	-
IDBI Bank (Represented by Nominee Director Mr. N. S. Venkatesh)	Sitting Fees	30,000/-	60,000/-
LIC of India (Represented by Nominee Director Mr. Dilip Ticku)	Sitting Fees	60,000/-	20,000/-
LIC of India (Represented by Nominee Director Mr. S.K. Mitter)	Sitting Fees	20,000/-	20,000/-
LIC of India (Represented by Nominee Director Mr. R. Chaudhury)	Sitting Fees	10,000/-	-

B-31 ITSL was a small and medium sized company till 2010-2011.

As the Company has become a subsidiary of IDBI Bank (Which is level 1 enterprise), all notified Accounting Standards are now applicable to it. Accordingly it is no longer small and medium Company.

B-32 Operating Leases

The Company's significant leasing arrangements are in respect of Premises. The lease rentals are payable by the company on monthly basis. In accordance with Accounting Standard 19 on "Leases" issued by the Institute of Chartered Accountants of India, future minimum lease payments in respect of the leases are:

Minimum Lease Payments	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Not Later than One Year	40,14,624/-	40,14,624/-
Later than one year but not later than Five years	35,12,796/-	75,27,420/-
Later than Five years	NA	NA

B-33 Disclosure under Micro small and Medium Enterprises Development Act, 2006.

Based on the information to the extent received from 'enterprises' regarding their status under the 'Micro, Small & Medium Enterprises Development Act, 2006' there is no Micro, Small & Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2014 and hence disclosure relating to amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been given.

B-34 Previous year figures have been regrouped, rearranged, reworked and reclassified to comply with the New Schedule VI and wherever necessary.

For S. Singhal & Co.
Chartered Accountants
FRN 001526C
(CA Sachin Gupta)
Partner
M. No 412472

For and on behalf of the Board of Directors

M.S. Raghavan
Chairman

H.G. Rokade
Managing Director & CEO

Viney Kumar

Pankaj Gupta

(Directors)

Mr. K. R. Vishwanath
Company Secretary
M. No. (M No. ACS14521)

Place : Mumbai
Date : 17th April, 2014



Notice

Notice is hereby given that the Fourteenth Annual General Meeting of IDBI TRUSTEESHIP SERVICES LIMITED will be held on Thursday, 26th June, 2014 at 3.30 p.m. at the Registered Office: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of Accounts comprising of Balance Sheet as on 31st March 2014 and the Profit & Loss Account for the year ended on that date and the Report of Director's and Auditor's thereon.
2. To declare a final dividend for the year ended 31st March 2014.
3. To appoint a Director in place of Mr. Pankaj Gupta, Director of the company who retires by rotation and being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Mr. Dilip Ticku, Director of the company who retires by rotation and being eligible, has offered himself for re-appointment.
5. To fix the remuneration of the Statutory Auditors to be appointed by the Comptroller and Auditor-General of India for the financial year 2014 - 15.

SPECIAL BUSINESS

6. To consider and if thought fit, pass with or without modification the following as an Ordinary Resolution:
"RESOLVED THAT Mr. K.S. Nagnyal, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board of Directors

K.R. Vishwanath
Company Secretary

Asian Building, Ground Floor,
17, R Kamani Marg, Ballard Estate,
Mumbai – 400 001
Place Mumbai
Date: May 28, 2014



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies to be valid must be completed and deposited at the Company's registered office not later than 48 hours before the commencement of the meeting.

Pursuant to Section 124 (5) of the Companies Act, 2013 (205A of the Companies Act, 1956) read with applicable rules and provisions of the Companies Act, 2013, all unclaimed/unpaid dividend declared and paid by erstwhile The Western India Executor and Trustee Company Limited, up to the financial year 31 March 2006 has been transferred to the Investor Education and Protection Fund set up by the Central Government account and no claim can be admitted in respect of this fund. Members are therefore requested to en-cash their dividend warrants, if any, immediately for subsequent financial years. Members may approach the Company for issue of fresh dividend Cheques in case any amount of dividend has remained unclaimed.

3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Section 173(2) of the Companies Act, 1956) forms part of this notice.

Explanatory statement pursuant to Section 102 of the Companies Act 2013 (Section 173(2) of the Companies Act, 1956)

Item no. 5

The Statutory Auditors of the Company are appointed by the Comptroller & Auditor General of India (C&AG) every year in terms of Section 619 (4) of the Companies Act, 1956. However their remuneration is required to be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. The Board of Directors at their meeting held on 28th May 2014 has recommended an amount of Rs.3,00,000/- (Rupees Three Lac only) and related expenses to be paid to the Statutory Auditors appointed by the C&AG for the financial year 2014-2015. The members are requested to approve the remuneration payable to the Statutory Auditors.

None of the Directors are interested in the aforesaid resolution.

Item no. 6

Mr. K.S. Nagnyal, was nominated by Life Insurance Corporation of India, a shareholder of the Company, for appointment as an Additional Director of the Company at the Meeting of the Board of Directors held on 17th April 2014 and holds office up to the date of the Annual General Meeting of the Company. The Company has received a written notice from a member under the provisions of the Companies Act, 2013 proposing his candidature for the office as a Director. Mr. K.S. Nagnyal being eligible has offered himself for appointment as the Director of the Company. The Board of Directors, recommend the Resolution as set out in Item No 6 of the accompanying Notice.

No Directors other than Mr. K.S. Nagnyal is interested in the aforesaid resolution.

By Order of the Board of Directors

K.R. Vishwanath
Company Secretary

Asian Building, Ground Floor,
17, R Kamani Marg, Ballard Estate,
Mumbai – 400 001

Place Mumbai

Date: May 28, 2014



Attendance Slip

Members or their proxies are requested to present this form for admission, Duly signed in accordance with their specimen signatures registered with the company. The admission will, however be subject to verification of signatures and such other checks, as may be necessary.

Name & Address of the shareholder: L.F. No

I hereby record my presence at the 14th annual General Meeting of the company at the Registered Office: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400 001

Signature of the Shareholder or Proxy

Proxy Form

I/We _____

Of _____ being a member/

Members of IDBI TRUSTEESHIP SERVICES LIMITED hereby appoint _____
of _____ or failing

him _____ of _____

_____ as my/our proxy to

Vote for me/us and on my/our behalf at the 14th Annual General Meeting of the company to be held on Thursday, 26th June, 2014, at 15.30 hrs and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2014.

Affix
one
Rupee
Revenue
Stamp

Signature of Shareholder(s)

Note: The proxy must be returned so as to reach the Company not less than 48 hours before the time of holding the aforesaid meeting.

IDBI TRUSTEESHIP SERVICES LIMITED

BOUQUET OF SERVICES



Debenture Trustee

Bond Trustee

Security Trustee

Securitization

Legal Documentation

Escrow Agent

Facility Agent

SPV Management

Private Trust

Safe Keeping

Lockers

Alternative Investment Fund