



17th
Annual Report 2016-17

ASSOCIATION FOR VOLUNTARY ACTION

1176

RECEIPT

PAN-AAATA8585E

L-6, Kalkaji, New Delhi-110019
Ph.: +91 11 49211111
Email : info@bba.org.in
Website : www.bba.org.in

No.

Date 8/3/17

Received with thanks from IDBI TRUSTEESHIP SERVICES LTD.

Address Asian Building, Ground floor, 17 R Kamani Marg, Ballard Estate
Mumbai - 400001 PAN _____

a sum of Rupees Twenty Five Lakh Thirty Thousand Five Hundred Seventy Five only.
by Cash/DD/cheque No. RTGS Date 8/3/17

on account of Donation / Grant under CSR Contribution

Rs. 2530575/-

Accounts Officer



80G Certificate No. DIT (E) 2008-09 / A-339/1877 Dt. 03/10/2008
Registration No. S/10602 Registered under Societies Registration Act, 1860



(Exemption: CITE/80G/1085(2014-15)2015-16 | P.A. No: AABTD 9237D. | 12.A Registration No: 47244 Dated 25.02.2015)

Ref:CSR/IDBITRUSTEE/2016-17

Date: August 27, 2016

To
IDBI Trusteeship Services Ltd
Asian Building, Ground Floor
17 R Kamani Marg
Ballard Estate
Mumbai - 400 001



Subject: CSR Contribution

Dear Sir,

We thank you for your kind contributions of the following, and acknowledge receipt of the same:

1. A Laptop, Projector, and screen along with tripod and broadband for one year.
2. A cheque of INR 1,00,000/- (Rupees One Lakh only) towards the welfare activities of Dhaval Akshar Educational Trust - specifically contributing to the mid-day meal being provided to our children for a period of one year.

These contributions made as part of the CSR activity of your organization will certainly make an immediate and positive difference in the life of these under-privileged children and we gratefully accept your help in supplementing the needs of these children.

Thank you once again for your kind support in this noble cause, and we hope that IDBI Trusteeship Services Limited will continue supporting Dhaval Akshar and its children in the future too.

Yours Sincerely,

Nyla Masood
For DHAVAL AKSHAR EDUCATIONAL TRUST
Co-Founder/Trustee



Trustee

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BOARD OF DIRECTORS



Mr. G. M. Yadwadkar
Chairman



Mr. Pankaj Gupta
Director



Mr. Ravishankar G. Shinde
Director



Ms. Madhuri J. Kulkarni
Director



Ms. Mythili Balasubramanian
Director



Mr. B. Balachandra
Managing Director & CEO

IDBI TRUSTEESHIP SERVICES LIMITED

REGISTERED OFFICE :

Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400001.

Telephone : +91-22-4080 7000

Fax : +91-22-6631 1776

Email : itsl@idbitrustee.com

Website : www.idbitrustee.com

CIN : U65991MH2001GOI131154

SATARA OFFICE :

Vishwastha Bhavan 218,
Pratapganj Peth, Satara,
Maharashtra - 415002.

Telephone : +91-2162-280 075

Fax : +91-2162-280 075

Email : itslsatara@idbitrustee.com

DELHI OFFICE :

1105, Arunachal Building,
Barakhamba Road,
New Delhi - 110001

Telephone : +91-7047237933, +91-11-45708885

Email : itsldelhi@idbitrustee.com

BOARD OF DIRECTORS (*)

Mr. G. M. Yadwadkar	<i>Chairman (w.e.f. 28.11.2016)</i>
Mr. Kishor Kharat	<i>Chairman (up to 28.11.2016)</i>
Mr. Pankaj Gupta	<i>Director</i>
Ms. Mythili Balasubramanian	<i>Director</i>
Mr. Ravishankar G. Shinde	<i>Director (w.e.f. 25.04.2017)</i>
Mr. Dilip Ticku	<i>Director (up to 11.01.2017)</i>
Ms. Madhuri J. Kulkarni	<i>Director (w.e.f. 25.04.2017)</i>
Ms. K. S. Nagnyal	<i>Director (up to 31.03.2017)</i>
Mr. B. Balachandra	<i>Managing Director & CEO</i>

COMPANY SECRETARY

Mr. K.R. Vishwanath

AUDIT COMMITTEE

Mr. Pankaj Gupta	<i>Chairman</i>
Ms. Mythili Balasubramanian	<i>Member</i>
Ms. Madhuri J. Kulkarni	<i>Member</i>

AUDITORS

S. Singhal & Co *Chartered Accountants*
A-5/101,
Yogi Dham CHS Ltd
Yogi Nagar, Eksar Road
Borivali (West),
Mumbai - 400091
Telephone : +91-141-2228131-33
Fax : +91-141-2228134
Email : natwarca@gmail.com

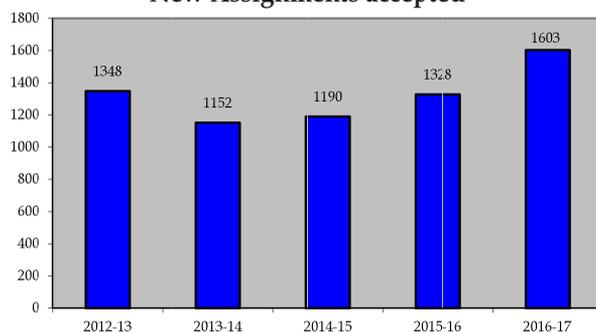
BANKERS

IDBI Bank
Bank of Baroda

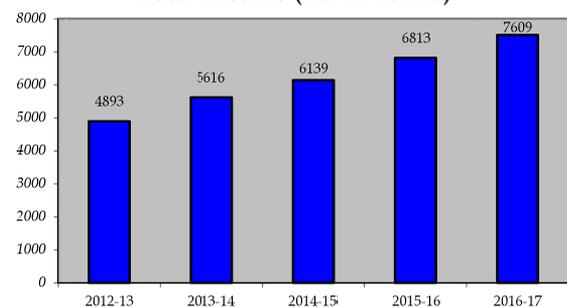
FINANCIAL HIGHLIGHTS - 5 YEARS AT A GLANCE

Particulars	FINANCIAL YEAR				
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Authorised Capital	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
Paid up Capital	6,03,27,600	6,03,27,600	6,03,27,600	6,03,27,600	6,03,27,600
Reserves & Surplus	74,30,35,793	90,30,01,590	1,06,98,33,276	1,25,82,17,771	1,45,54,92,415
Fixed Assets Net Block	1,70,92,807	2,01,64,600	1,62,63,702	1,35,52,624	1,32,34,670
Income	48,93,23,723	56,15,90,014	61,39,00,422	68,13,38,106	76,09,64,798
Profit after Tax	28,47,89,378	31,92,37,450	34,12,22,132	38,10,39,200	41,96,45,487
Dividend in Rs.	12,06,55,200	13,57,37,100	14,47,86,240	15,98,68,140	18,09,82,800
Dividend in %	200%	225%	240%	265%	300%

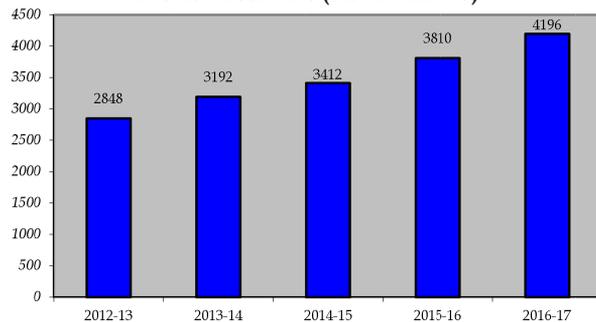
New Assignments accepted



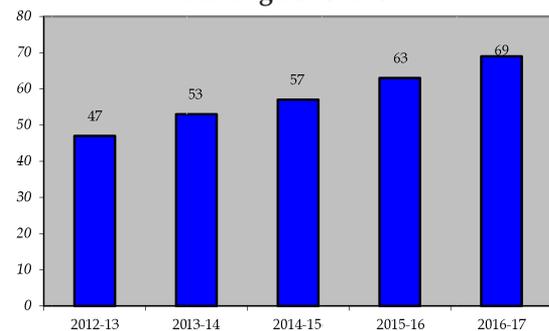
Total Income (Rs. in Lakhs)



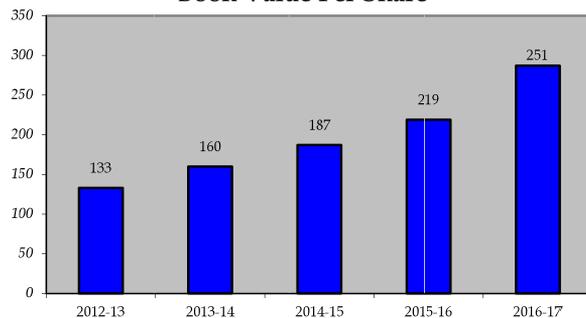
Profit After Tax (Rs. in Lakhs)



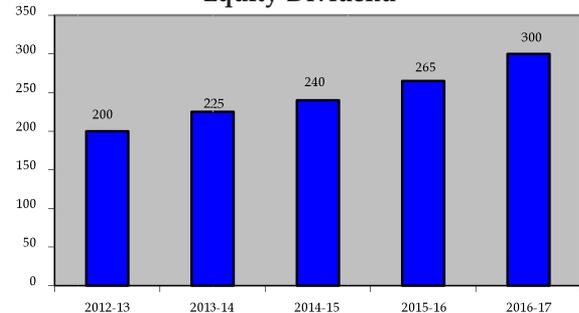
Earning Per Share



Book Value Per Share



Equity Dividend



DIRECTORS' REPORT

Your Directors are pleased to present the Seventeenth Annual Report on the business and operations of IDBI Trusteeship Services Limited together with the Audited Accounts for the year ended March 31, 2017.

MAJOR FINANCIAL HIGHLIGHTS

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

(Rupees in lakhs)

Particulars	F. Y. 2016-17	F. Y. 2015-16
Income from Operations	6,621.25	5,805.04
Other Income	988.39	1,008.34
Total income	7,609.64	6,813.38
Expenditure	1,163.97	920.37
Prior Period Income/Expenditure	7.69	(13.54)
Profit/ (Loss) before Depreciation & Tax	6,453.36	5,879.47
Depreciation	27.65	41.23
Tax Expenses	2,229.26	2,027.85
Profit/ (Loss) after Depreciation & Tax	4,196.45	3,810.39
Dividend	1,809.82	1,598.68
Net Worth	15,158.20	13,185.45
Return on Average Net Worth	29.61%	31.12%
Earnings Per Share (Rs)	69.56	63.16
Dividend (%)	300%	265%
Book Value Per Share (Rs)	251.26	218.56

Year in retrospect

The twin balance sheet problem (of banks and corporates) as well as the output gap has resulted in weak investment & credit demand.

The credit growth of the banking sector was at multi decade lows. However the incremental demand for corporate financing was well served by the corporate bond market.

Demonetization as expected temporarily affected the economy, which has now rebounded to its original trajectory of 7% plus growth.

Outlook for the Current year

As the output gap closes and with NPA resolution a focus area, corporate investments are expected to pick up towards the end of the fiscal.

The implementation of GST is expected to temporarily impact the economy for a quarter or two at best.

Corporate bond market is expected to continue incremental financing to a greater extent than the banking sector.

The outlook for your company in 17-18 is therefore cautiously optimistic.

Dividend

Your Directors have recommended payment of dividend of 300% on equity capital for the year ended 31st March, 2017, 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.

Transfer to Reserves

An amount of Rs.4,19,64,549/- has been credited to General Reserves.

DIRECTORS' REPORT

Share Capital

At the beginning of the year, the Authorized Share Capital was Rs. 10,00,00,000/-, Issued, Subscribed and Paid-up Equity Share capital of the Company was Rs. 6,03,27,600/- divided into 60,32,760 Equity Shares of Rs.10/-. During the year under review the Company there is no alteration to the equity share capital.

Debentures

During the year under review the Company has not issued and allotted debentures.

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.

Extract of Annual Return

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-9 of the rules prescribed under Chapter VII relating to Management and Administration under the Companies Act, 2013 is appended as Annexure II.

Composition of Board

As on March 31, 2017, the total strength of the Board consists of 5 Directors of which 1 is Non- Executive Chairman and 3 are Non-Executive Directors and 1 Managing Director & CEO.

Directors and Key Managerial Personnel

Mr. Kishor Kharat, Chariman, resigned w.e.f. November 28, 2016.

The Company places on record its appreciation for the valuable contribution made by Mr. Kishor Kharat during his tenure as the Chairman of the Company.

Mr. G.M. Yadwadkar, DMD, IDBI Bank, was appointed as an Additional Director & Non-Executive Chairman of the Company with effect from November 28, 2016.

Mr. Dilip Ticku Director, representing LIC of India resigned with effect from January 11, 2017

The Company places on record its appreciation for the valuable contribution made by Mr. Dilip Ticku during his tenure as Director of the Company.

Mr. Ravishankar Shinde, ex-ED, LIC of India was appointed as an Additional Director with effect from April 25, 2017 of the Company

Mr. K.S. Nagnyal, Director, representing LIC of India resigned with effect from March 31, 2017

The Company places on record its appreciation for the valuable contribution made by Mr. K.S. Nagnyal during his tenure as the Director of the Company

Ms. Madhuri J. Kulkarni, ED LIC of India was appointed as an Additional Director with effect from April 25, 2017 of the Company.

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

The Company do not have any Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act, 2013.

Number of meetings of the Board

During the financial year under review, the Board of Directors met four times on April 26, 2016, August 02, 2016, November 28, 2016 and March 23, 2017.

Committees of the Board

The Company has several Committees which have been established as a part of the best corporate governance practices.

DIRECTORS' REPORT

The Company has following Committees of the Board:

Audit Committee

HR and Remuneration Committee

Investment Committee

Corporate Social Responsibility Committee

Particulars of Remuneration

The Company does not pay any remuneration to its Directors except sitting fees of Rs. 15000/- to each of the non-executive Directors of the Company for attending each meetings of the Board of Directors and Rs. 15000/- for attending each meetings of the Audit Committee, HR & Remuneration Committee and CSR Committee of the Board of Directors.

Particulars of Loans, Guarantees or Investments under Section 186

During the period under review, the Company has neither granted any loan to any person or body corporate nor has provided any guarantee or security in connection with a loan to any person or body corporate. Further, the Company has not made any investments/acquisition in terms of Section 186 of the Companies Act, 2013 during the financial year 2016-17.

Particulars of Contracts or Arrangements with Related Parties Referred to in Section 188(1)

No contracts or arrangements with related parties referred to in Section 188(1), has been entered into in terms of Section 188(1) of the Companies Act, 2013

Internal Financial Control Systems and their Adequacy

IDBI Trusteeship Services Limited (ITSL) has implemented adequate procedures and Internal Controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. ITSL also ensures that Internal Controls are operating effectively.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis.
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Employees

None of the employees of ITSL was in receipt of remuneration of Rs.1.02 crore per annum or more than Rs.8.50 Lac per month during the previous year and hence no employee was covered under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

Auditors

The Comptroller and Auditor General of India (C & AG), appointed M/s. S. Singhal & CO., Chartered Accountants as Statutory Auditors of the Company for the period 1st April 2016 till 31st March 2017.

The observations made by the Auditors are self-explanatory.

DIRECTORS' REPORT

Comments of CAG

Comments of the Comptroller and Auditor General of India under Section 394(1) of the Companies Act, 2013 (619(4) of the Companies Act, 1956) on the Accounts of IDBI Trusteeship Services Limited for the year ended 31 March 2017 is attached to this report which is free of any qualification.

Particulars Regarding Conservation of Energy Technology Absorption and Foreign Exchange Earning and Outgo

- a) The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to 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.13,17,231/- (Rupees Thirteen Lac Seventeen thousand Two hundred thirty one only) [(Previous Year Rs.24,64,046/- (Rupees Twenty Four Lac Sixty Four Thousand Forty Six only)] as Foreign Exchange and has incurred an expenditure in foreign exchange of NIL (Previous Year: Nil)

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (CSR) has formulated and recommended to the Board, a Corporate Social Responsibility (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The Company attaches utmost importance to corporate governance and regulatory compliance. Pursuant to Section 135 of the Companies Act 2013 and in line with CSR policy and in accordance of Schedule VII of the Companies Act, 2013.

Composition of CSR Committee

ITSL has constituted Corporate Social Responsibility Committee to monitor CSR activities.

Members of the committee are:

1. Mr. Ravishankar G. Shinde (Chairman of the Committee)
2. Mr. Pankaj Gupta (Independent Director)
3. Mr. B. Balachandra (Managing Director & CEO)

Average net profit before tax of the Company for last three financial years: Rs.53,03,63,991/-

Prescribed CSR Expenditure (two percent of the amount as above) Rs.1,06,07,280/-

The Company spent an amount of Rs.27,43,913/- (Rupees Twenty Seven Lac Forty Three Thousand Nine Hundred Thirteen only) towards CSR spending for FY 2016-17.

The Committee could not identify a proper project and therefore did not spend the Balance amount for the year 2016-17.

Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure 1.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

No of complaints received: Nil

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.

On behalf of the Board of Directors

18th August, 2017

Mumbai

Chairman

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

ANNEXURE 1

Details of CSR spent during the financial year.

Total amount to be spent for the financial year: Rs. 1,06,07,280/-

The company has spent Rs. 27,43,913/- during the year FY 2016-17

The manner in which, amount spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: Direct expenditure on projects or programs Overheads	Cumulative Expenditure up to the Reporting Period	Amount spent: Direct or through implementing agency
1.	Association for Voluntary Action - (Bachpan Bachao Andolan)	Promoting Healthcare livelihood enhancement projects	Pan India (Care and Protection of Survivors of Trafficking and Forced Labour)	Rs. 25,30,575/-	Rs. 25,30,575/-	Rs. 25,30,575/-	Direct
2.	Dhai Akshar Educational Trust	Promoting Education	Andheri Mumbai Maharashtra	Rs. 2,13,338/-	Rs. 2,13,338/-	Rs. 2,13,338/-	Direct

Reasons for not spending the two percent of the average net profit of the last three financial year or any part thereof.

The intent is to ensure positive impact of CSR projects and allocate the limited resources in a calibrated manner. The Committee could not identify a proper project and therefore did not spend the Balance amount for the year 2016-17.

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

B. Balachandra
Managing Director & CEO

Mr. Ravishankar G. Shinde
Chairman - CSR Committee

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

ANNEXURE II TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	U65991MH2001GOI131154
ii.	Registration Date	March 8, 2001
iii.	Name of the Company	IDBI Trusteeship Services Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001. Tel.: 91-22-40807000 Fax: 91-22-66311776
vi.	Whether listed company (Yes/No)	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N. A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1.	Debenture & Bond Trusteeship Services	99715410	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: N.A.

Sl. No.	Name of the Company	CIN	Holding/Subsidiary/Associate	% of Shares
1.	IDBI Bank	L65190MH2004GOI148838	Holding	55%

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters & Promoter Group									
(1) Indian Individual/HUF	-	32760	32760	0.54	-	32760	32760	0.54	NIL
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	6000000	6000000	99.46	-	6000000	6000000	99.46	NIL
Any Other (Partnership Firm through its partner)	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	6032760	6032760	100.00	-	6032760	6032760	100.00	NIL
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)		6032760	6032760	100	-	6032760	6032760	100	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during total shares
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	IDBI Bank Limited	3300000	55	-	3300000	55	-	-
2.	Life Insurance Corporation of India	1800000	30	-	1800000	30	-	-
3.	General Insurance Corporation of India	900000	15	-	900000	15	-	-

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

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

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total Shares of the Company (31/03/2016)	No. of Shares	% of total Shares of the Company (31/03/2016)
-	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel: None of the Directors of the Company hold any shares in the Company. The Company does not have any Key Managerial Personnel.

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD & CEO		Total Amount
		Mr. B. Balachandra	Mr. H.G. Rokade	
1.	Salary & Allowances	22,24,441	13,66,599	35,91,040
2.	Other perquisites	5,23,683	NIL	5,23,683
3.	Ex-gratia	3,17,623	15,57,377	18,75,000
4.	Reimbursement of Expenses	31,776	NIL	31,776
5.	Gratuity	1,43,312	1,80,379	3,23,691
	Total	32,40,835	31,04,355	63,45,190
	Outstanding	2,38,000	NIL	2,38,000

B. Remuneration to Independent Directors: N.A.

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

C. Remuneration to Non Executive Directors:

(in Rs.)

Particulars of Remuneration	Name of Director		Total Amount
	Mr. Pankaj Gupta	Mr. Dilip Ticku	
Fee for attending board/committee meetings	1,80,000	45,000	2,25,000
Commission	-	-	-
Others, please specify	-	-	-
Total	1,80,000	45,000	2,25,000

Note: 1% of the Net Profits equivalent to Rs. N.A. with respect to the ceiling for the Company applicable for the financial year covered by this Report.

D. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: Not Applicable

VII. Penalties / Punishment/ Compounding Of Offences: Not Applicable

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
B. DIRECTORS					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
C. OTHER OFFICERS IN DEFAULT					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

INDEPENDENT AUDITOR'S REPORT

To the Members of

IDBI Trusteeship Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of IDBI Trusteeship Services Limited (“the Company”), which comprise the Balance Sheet for the year ended March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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, 2017;
- b) in the case of the Statement of Profit and Loss, 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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (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.

INDEPENDENT AUDITOR'S REPORT

- 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013 and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Annexure

Report on Directions under section 143(5) of Companies Act 2013

1) Whether the Company has clear title / lease deeds or freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	Yes the title deeds of immovable properties are held in the name of company.
2) Please report whether there are any cases of waiver / write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	During the year, management has written off outstanding debt, as per NPA policy of the company. We have not observed cases of waiver of loan and interest.
3) Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from Govt. or other authorities	Not applicable
4) Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016	Refer Notes to Account B-34

Report on Sub Directions under section 143(5) of Companies Act 2013

Whether there are any cases of waiver of fees/reversal of accounted fees which was due but not received/written off. If yes, the reason therefore and amount involved- case wise	Yes, there are 92 cases where total amount Rs.1,48,01,629/- was not recoverable and hence written off treating the same as bad debts as per Revenue Recognition Policy of the Company. Case wise detail is given in the Annexure-2 to this report.
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Forming an Opinion and Reporting on Financial Statements.

For and on behalf of

S. Singhal & Co. (Chartered Accountants)

Firm Registration No. - 001526C

N. K. Sarda (Partner)

Membership No.: 76070

Place: Mumbai

Date: 25th April, 2017

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our report to the members of IDBI Trusteeship Services Limited the Company') for the year Ended on 31.03.2017. We report that:

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. No material discrepancies were noticed on such verification as informed
- c. Title deeds of immovable properties are held in the name of the Company.
2. The Company is providing trusteeship services and accordingly it does not hold any physical inventories, Thus clause 3 (ii) of the Companies (Auditor's Report) order 2016 ("The Order") is not applicable.
3. As per the information and explanations given to us, The Company has not granted any loans; secured or unsecured to companies, firms and other parties covered in the Register maintained under section 189 of the Companies act, 2013 during the year. Hence, there is no need of reporting under sub-clause a to c of clause (iii) of paragraph 3 of the aforesaid order.
4. Since the company has not given any loans or made investments or given guarantee or security, provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable.
5. 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 73 to 76 of the Act and the rules framed there under.
The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies act, 2013.
7. a. According to the records of the Company, it is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, 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, 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), Satara

8. 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.
9. The company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and Term Loans.
10. 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.
11. Managerial remuneration have been paid as per the provisions of Companies Act, 2013 and no approval was required u/s 197 of the Act.
12. The company is not a Nidhi Company.

ANNEXURE TO THE AUDITOR'S REPORT

13. All transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 and have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. The company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.
15. The company has not entered into any non- cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934.

For and on behalf of

S. Singhal & Co. (Chartered Accountants)

Firm Registration No. - 001526C

N. K. Sarda (Partner)

Membership No.: 076070

Place : Mumbai

Date : 25th April, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF IDBI TRUSTEESHIP SERVICES LIMITED.

[REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB- SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013]

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

Management's Responsibility for Internal Financial Controls:

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

Auditor's Responsibility:

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

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

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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF IDBI TRUSTEESHIP SERVICES LIMITED.

Opinion

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

For and on behalf of

S. Singhal & Co. (Chartered Accountants)

Firm Registration No. - 001526C

N. K. Sarda (Partner)

Membership No.: 076070

Place : Mumbai

Date : 25th April, 2017

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

The preparation of financial statements of IDBI Trusteeship Services Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of the India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on the auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 April 2017.

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

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

For and on behalf of

Comptroller and Auditor General of India

Roop Rashi

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

Place : Mumbai

Date : 4th August 2017

BALANCE SHEET AS AT 31 MARCH, 2017

(Amount in Rs.)

	NOTE NO.	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
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	1,45,54,92,415	1,25,82,17,771
Total (1)		1,51,58,20,015	1,31,85,45,371
2 Non-current liabilities			
(a) Other Long Term Liability	B-4	1,40,25,977	1,11,80,969
(b) Long Term Provisions	B-5	26,80,341	14,81,946
Total (2)		1,67,06,318	1,26,62,915
3 Current liabilities			
(a) Other Current Liabilities	B-6	64,01,017	72,53,597
(b) Short Term Provisions	B-7	22,50,20,769	19,32,41,436
Total (3)		23,14,21,786	20,04,95,033
TOTAL (1+2+3)		1,76,39,48,119	1,53,17,03,319
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	B-8		
(i) Tangible Assets		1,22,69,507	1,24,13,623
(ii) Intangible Assets		6,27,663	11,39,002
(iii) Capital Work-In-Progress		3,37,500	-
(b) Non Current Investment	B-9	45,54,05,138	1,000
(c) Long-term Loans and Advances	B-10	5,04,36,864	4,59,01,219
(d) Deferred Tax Assets	B-3	6,27,565	4,09,837
Total (1)		51,97,04,237	5,98,64,681
2. Current Assets			
(a) Trade Receivables	B-11	22,15,67,370	17,13,06,648
(b) Cash and Bank Balances	B-12	98,18,15,550	1,26,18,01,220
(c) Short Term Loans and Advances	B-13	72,75,003	21,14,944
(d) Other Current Assets	B-14	3,35,85,959	3,66,15,826
Total (2)		1,24,42,43,882	1,47,18,38,638
TOTAL (1+2)		1,76,39,48,119	1,53,17,03,319

Note: The Accompanying Notes are part of financial Statements

For and on behalf of

S. Singhal & Co. (Chartered Accountants)
Firm Registration No. - 001526C

CA. Natwar Sarda (Partner)
Membership No.: 076070

Place : Mumbai

Date : 25th April 2017

G. M. Yadwadkar

B. Balachandra
Mythili Balasubramanian
Pankaj Gupta
K. R. Vishwanath

Place : Mumbai

Date : 25th April 2017

Chairman

Managing Director & CEO

Director

Director

Company Secretary (M No. ACS14521)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

(Amount in Rs.)

	NOTE NO.	For the Year ended at 31 March 2017	For the Year ended at 31 March 2016
I. Revenue from Operations	B-15	66,21,25,081	58,05,04,349
II. Other Income	B-16	9,88,39,717	10,08,33,757
III. Total Revenue (I + II)		76,09,64,798	68,13,38,106
IV. Expenses:			
Employee Benefit Expense	B-17	6,51,79,734	5,20,49,237
Depreciation and Amortization Expense	B-18	27,65,914	41,23,090
Other expenses	B-19	3,36,71,274	2,82,41,900
Corporate Social Responsibility Expenditure	B-20	27,43,913	25,53,000
Bad Debt Written Off		1,48,01,629	91,91,929
Total expenses		11,91,62,464	9,61,59,156
Prior Period Adjustment (NET)	B-21	7,69,425	(13,54,715)
V. Profit before exceptional and extraordinary items and tax (III-IV)		64,25,71,759	58,38,24,235
VI. Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		64,25,71,759	58,38,24,235
VIII. Extraordinary Items		-	-
IX Profit before tax (VII-VIII)		64,25,71,759	58,38,24,235
X Tax expense:			
Current tax		(22,31,44,000)	(20,20,49,891)
Deferred tax Asset(+) / Deferred tax Liability(-)		2,17,728	(7,35,144)
XI Profit/(Loss) from the period from continuing operations (IX-X)		41,96,45,487	38,10,39,200
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)		41,96,45,487	38,10,39,200
XVI Earnings per equity share: (Equity share of Rs.10/- each)			
Basic & Diluted		69.56	63.16

For and on behalf of
S. Singhal & Co. (Chartered Accountants)
 Firm Registration No. - 001526C

CA. Natwar Sarda (Partner)
 Membership No.: 076070

Place : Mumbai
 Date : 25th April 2017

G. M. Yadwadkar
B. Balachandra
Mythili Balasubramanian
Pankaj Gupta
K. R. Vishwanath

Place : Mumbai
 Date : 25th April 2017

Chairman
Managing Director & CEO
Director
Director
Company Secretary (M No. ACS14521)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rs.)

	For The Year Ended 31 March, 2017	For The Year Ended 31 March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net operating profit before Tax and extraordinary items	642571759.00	583824235.00
Adjustments for: Non cash Income/ Expenses		
Depreciation	2765914.00	4123090.00
Provision for Gratuity & Leave Encashment	-	-
Provision for Expenses	1723689.00	1792911.00
Profit / Loss on sale of Fixed assets	61394.00	(2404.00)
Excess Provision for Written Back	15260.00	(434785.00)
Sundry debit Balance written off	-	-
Service Charges provision on doubtful cases, Bad Debts & Others	-	-
Interest income	(95988979.00)	(99067263.00)
Dividend Income	(558326.54)	-
Short Term Profit on Sale of Mutual Fund units	(1128522.68)	-
Bad Debts Written Off	14801629.00	9191929.00
Rent Received	(1370484.00)	(1316949.00)
Operating Profit before working capital changes	562893332.78	498110764.00
(Increase) / Decrease in Short Term Trade Receivables	(65062352.00)	(51962324.00)
(Increase) / Decrease in Short term Loans and advances	(5160059.00)	14158454.00
(Increase) / Decrease in Long term Loans and advances	(4535644.79)	(20896277.00)
(Increase) / Decrease in Other Current assets	40018545.00	50703302.00
Increase / (Decrease) in Short term Trade Payables/ Provisions		9389.00
Increase / (Decrease) in Long term Trade Payables/ Provisions	396257.60	228129.00
Increase / (Decrease) in Other Short term Liabilities	(2223972.25)	356126.00
Increase / (Decrease) in Other Long term Liabilities	2845008.00	1887106.00
Cash generated from Operations before tax and exceptional items	529171115.34	492594669.00
Net Direct Taxes paid	216379926.85	201549608.00
Extra Ordinary Item : Foreign Exchange Gain	(17230.90)	(12356.00)
Income Tax Adjustment	(4544324.74)	-
Net Cash from Operating Activities (A)	308229632.85	291032705.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital work in progress, intangible assets and Capital advances	(2434177.50)	(1422611.00)
Sale of Fixed Assets	41254.50	13000.00
Adjustment in Depreciation	(162098.00)	-
Net Purchase of Mutual Fund Units	(377304138.00)	-
Income from foreign exchange gain	17230.90	12356.00
Dividend Income	558326.54	-
Short Term Profit on Sale of Mutual Fund units	1128522.68	-
Interest Received	58985041.00	58685077.00
Rent Received	1370484.00	1316949.00
Net cash from Investing activities (B)	(317799553.88)	58604771.00
Net cash from Operating and Investing Activities (A) + (B)	(9569921.03)	349637476.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(192413424.00)	(79872019.00)
Cash Flow from Financing Activities	(192413424.00)	(79872019.00)
Net Cash from Operating, Investing & Financing Activities	(201983345.03)	269765457.00
Net increase in Cash & Cash equivalent	(201983345.03)	269765457.00
Opening balance of Cash & Cash equivalent	1261848011.00	992082554.00
Closing balance of Cash & Cash equivalent	1059864665.97	1261848011.00

For and on behalf of

S. Singhal & Co. (Chartered Accountants)
Firm Registration No. - 001526CCA. Natwar Sarda (Partner)
Membership No.: 076070

Place : Mumbai

Date : 25th April 2017

G. M. Yadwadkar

B. Balachandra

Mythili Balasubramanian

Pankaj Gupta

K. R. Vishwanath

Place : Mumbai

Date : 25th April 2017

Chairman

Managing Director & CEO

Director

Director

Company Secretary (M No. ACS14521)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

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 Preparation of Financial Statements:

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:

In accordance with Accounting Standards AS-26, Intangible Assets are stated at cost of acquisition 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 in schedule II of the Companies Act 2013. 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.

6. Investments:

All investments which are held, since a long period, same are classified as Non Current Investments. 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 and Mutual Funds, 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 amounts outstanding against such irregular assignments are written off as bad debt in year of such determination.

Other Debts are considered as bad and written off when ultimate realisation is uncertain.

b. 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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.

b) Gratuity

The Company provides for gratuity, known as "The Trustees IDBI Trusteeship Services Ltd Employee's Group Gratuity Scheme" based on actuarial valuation as on reporting date 31st March, 2017. The Company is required to pay annual premium contributions. The premium so paid / payable for the year is recognised in profit and loss account.

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 certainty supported by convincing evidence, the Deferred tax asset is not accrued in books of accounts.

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 FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (Amount in Rs.)
B-1 : SHARE CAPITAL		
Authorised Capital		
75,00,000 Equity Shares of Rs. 10/- each (Previous year 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 (Previous year 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 Year	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	60,32,760	60,32,760
	%	31-03-2017 (In numbers)
		31-03-2016 (In numbers)
IDBI Bank (As holding company)	54.67	33,00,000
Others holding over 5% Equity Shares as at the end of the reporting period		33,00,000
LIC	29.84	18,00,000
GIC	14.92	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) 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.		
TOTAL	6,03,27,600	6,03,27,600
B-2 : RESERVES AND SURPLUS		
Other Reserves		
1 General Reserve		
At the beginning of the Accounting Year	17,06,03,920	13,25,00,000
Add: Transfer from Profit and Loss A/C	4,19,64,549	3,81,03,920
Less: Utilised for issue for Bonus Shares	-	-
Less: Income Tax Adjustment for various Assessment Years	45,44,325	-
At the end of the Accounting Period	20,80,24,144	17,06,03,920
2 Surplus		
At the beginning of the Accounting Year	1,08,76,13,851	93,73,33,274
Less: Adjustment on account of Schedule II of Companies Act 2013	-	-
Add: Balance in statement of Profit & Loss	41,96,45,487	38,10,39,200
Total	1,50,72,59,338	1,31,83,72,474
Allocations And Appropriations		
Dividend	180,982,800	15,98,68,140
Tax on Dividend	3,68,43,718	3,27,86,563
Transfer To Reserves	4,19,64,549	3,81,03,920
At the end of the Accounting Year	1,24,74,68,271	1,08,76,13,851
GRAND TOTAL	1,45,54,92,415	1,25,82,17,771

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (Amount in Rs.)
B-3 : DEFERRED TAX		
Carrying value of Fixed Assets as per Books	1,28,97,170	1,35,52,624
Carrying value of Fixed Assets as per Income Tax Act	1,47,10,521	14,76,851
Timing Difference (A)	(18,13,352)	(11,84,227)
Deferred Tax Assets of (A)	6,27,565	4,09,837
TOTAL DEFERRED	6,27,565	4,09,837
B-4 : OTHER LONG TERM LIABILITY		
Service Charges Received in Advance	15,64,474	16,64,474
Advance From Clients - Interest Free	1,19,73,503	90,58,495
Deposit Against Lease Arrangements	4,88,000	4,58,000
TOTAL	1,40,25,977	1,11,80,969
B-5 : LONG TERM PROVISIONS		
Provision for Employee benefit	26,80,341	14,81,946
TOTAL	26,80,341	14,81,946
B-6 : OTHER CURRENT LIABILITIES		
Unclaimed Dividend	19,52,340	14,97,120
TDS Payable	3,96,167	3,61,481
Service Tax Payable	3,99,450	3,75,408
Other - Creditors	-	14,03,902
Swachh Bharat Cess	14,262	13,409
Krishi Kalyan Cess	14,103	-
Retention Money Payable	2,09,300	2,09,300
Service Charges Received in Advance	-	375,960
Provision For Expenses	31,02,612	29,03,344
Creditors for Expenses	3,12,783	1,13,673
TOTAL	64,01,017	72,53,597
B-7 : SHORT TERM PROVISIONS		
a) Provision for Employee benefit	4,30,179	3,27,729
b) Others		
Proposed Dividend (Dividend payable)	18,09,82,800	15,98,68,140
Dividend Distribution Tax (DDT)	3,68,43,718	3,25,45,284
c) Provision for Income Tax AY 17-18/ AY 16-17	22,31,44,000	20,20,49,891
Less : Advance Tax & TDS AY 17-18/ AY 16-17	21,63,79,927	20,15,49,608
Income Tax Payable	67,64,073	5,00,283
TOTAL	22,50,20,769	19,32,41,436

B-8 : SCHEDULE OF FIXED ASSETS

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Opening balance as on 01 April, 2016	Additions during the period	Deletions during the period	Closing balance as on 31 March, 2017	Opening balance as on 01 April, 2016	Additions during the period	Deletions during the period	Closing balance as on 31 March, 2017	As on 31 March, 2016	As on 31 March, 2017
Motor Car	17,57,100	-	-	17,57,100	8,05,146	2,97,295	-	11,02,441	8,35,515	6,54,659
Land	20,94,600	-	-	20,94,600	-	-	-	-	20,94,600	20,94,600
Building	99,82,510	-	-	99,82,510	47,07,710	2,55,187	-	49,62,897	52,74,800	50,19,613
Computer Software	62,46,355	-	-	62,46,355	51,07,353	5,11,339	-	56,18,692	11,39,002	6,27,663
Computer Hardware	91,60,698	9,25,987	12,44,794	88,41,891	80,51,759	8,29,806	11,94,702	76,86,863	11,08,939	11,55,027
Air Conditioner	31,43,469	4,37,263	1,23,961	34,56,771	22,35,482	2,17,941	72,197	23,81,226	9,07,987	10,75,545
Furniture and Fixtures	85,90,350	6,28,465	-	92,18,815	71,17,337	3,66,092	-	74,83,430	14,73,013	17,35,385
Office Equipment	51,13,266	1,04,963	16,000	52,02,229	43,94,497	2,88,255	15,200	46,67,552	7,18,770	5,34,677
TOTAL (A+B)	4,60,88,349	20,96,678	13,84,755	4,68,00,271	3,24,19,286	27,65,914	12,82,099	3,39,03,101	1,35,52,624	1,28,97,170

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

B-9 : INVESTMENTS

Description	No. of Shares/Units	Face Value per share	As on 31-03-2015	No. of Shares/Units	Face Value per share	As on 31-03-2016	No. of Shares/Units	Face Value per share	As on 31-03-2017
LONG TERM INVESTMENT IN DEBT BONDS									
Birla Dynamic Bond Fund	-	-	-	-	-	-	-	-	5,00,00,000
BSL Medium Term Plan	-	-	-	-	-	-	-	-	5,00,00,000
ICICI Prudential Dynamic Bond Fund	-	-	-	-	-	-	-	-	5,00,00,000
ICICI Prudential Short Term Plan	-	-	-	-	-	-	-	-	5,00,00,000
Reliance Dynamic Bond Fund	-	-	-	-	-	-	-	-	5,00,00,000
Reliance Short Term Fund	-	-	-	-	-	-	-	-	5,00,00,000
HDFC Corporate Debt Opportunities Fund	-	-	-	-	-	-	-	-	2,70,00,000
HDFC FMP 1199D Jan 2017 (1) - MF	-	-	-	-	-	-	-	-	5,00,00,000
IDBI Mutual Fund Direct - Growth	-	-	-	-	-	-	-	-	304,138
Total (A)	-	-	-	-	-	-	-	-	37,73,04,138
NON TRADE AND LONG TERM									
Unquoted Shares									
Karnataka Estates Ltd	100	5	450	100	5	450	100	5	450
Binnny Mills Ltd	14	10	98	14	10	98	14	10	98
S V Global Mills Ltd	100	5	352	100	5	352	100	5	352
Sadhana Apartment Condominium	1	100	100	1	100	100	1	100	100
Total (B)									1,000
Fixed Deposit Maturity with more than 12 months (C)	-	-	-	-	-	-	-	-	7,81,00,000
TOTAL INVESTMENT (A+B+C)			1,000			1,000			45,54,05,138

Note:- All Investments are stated at cost

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (Amount in Rs.)
B-10 : LONG TERM LOAN & ADVANCES		
a) Unsecured Considered Good Unless Otherwise Stated		
Security Deposits with Govt Authorities and Others	9,30,596	9,31,846
b) Other Receivables	1,64,84,003	1,63,01,239
c) Refund - Income Tax		
Income Tax Refundable	3,30,22,265	2,86,68,134
TOTAL	5,04,36,864	4,59,01,219
B-11 : TRADE RECEIVABLES		
1) Unsecured, considered good for a period less than 6 months from the date they are due for payment	1,21,847,339	9,88,54,666
2) Others	9,97,20,031	7,24,51,982
TOTAL	221,567,370	17,13,06,648
B-12 : CASH AND BANK BALANCES		
a) Balance with Banks		
<u>In Fixed Deposit</u>		
Maturity within 12 months	96,85,68,995	1,25,40,00,000
<u>In Current Accounts</u>		
Unpaid Dividend in Bank Accounts	1,12,84,674	62,94,419
	19,52,340	14,97,120
b) Cash on hand	9,541	9,681
TOTAL	98,18,15,550	1,26,18,01,220
B-13 : SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good unless otherwise stated)		
Other Receivables	72,75,003	21,14,944
TOTAL	72,75,003	21,14,944
B-14 : OTHER CURRENT ASSET		
a) Accrued Interest on Bank Deposits	3,35,85,959	3,66,15,826
TOTAL	3,35,85,959	3,66,15,826
	For the year ended 31st March 2017 (Amount in Rs.)	For the year ended 31st March 2016 (Amount in Rs.)
B-15 : REVENUE FROM OPERATION		
a) Income from Services		
(i) From Trusteeship Services	66,02,90,148	57,86,63,833
(ii) From Other Services	1,70,809	1,87,383
Sub Total (a)	66,04,60,957	57,88,51,216
b) Other Operating Revenue		
(i) Locker Rent	16,64,124	16,53,133
Sub Total (b)	16,64,124	16,53,133
GRAND TOTAL (A + B)	66,21,25,081	58,05,04,349

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	For the year ended 31st March 2017 (Amount in Rs.)	For the year ended 31st March 2016 (Amount in Rs.)
B-16 : OTHER INCOME		
a Interest Income	9,65,47,306	9,90,67,263
b Other Non-Operating Income	22,92,412	17,66,494
TOTAL	9,88,39,717	10,08,33,757
B-17 : EMPLOYEE BENEFITS EXPENSES		
a Salary	4,64,93,508	3,77,91,782
b Contribution & Provision To Provident Fund	12,41,310	10,10,996
c Contribution & Provision To Gratuity	7,22,890	7,88,349
d Staff Welfare	28,92,826	22,69,610
e Incentives (Ex - Gratia For The Employees)	1,38,29,200	1,01,88,500
TOTAL	6,51,79,734	5,20,49,237
B-18 : DEPRECIATION AND AMORTIZATION EXPENSES		
a Depreciation	27,65,914	41,23,090
TOTAL	27,65,914	41,23,090
B-19 : OTHER (ADMINISTRATIVE) EXPENSES		
a Auditor Remuneration	4,00,250	3,50,000
b Business Development Expenses	18,18,953	17,91,049
c Conveyance & Travelling	15,65,500	16,49,836
d Director Sitting Fees & Honorarium	5,11,725	5,25,000
e Stamp Duty Paid for renewal of lease agreement	-	6,48,000
f Electricity Charges	18,87,653	21,62,604
g House Keeping & Security Services	22,67,548	21,37,698
h Insurance	4,68,042	4,09,675
I membership & Subscription	78,946	40,436
j Miscellaneous Expenses	19,89,035	20,09,476
k Postage & Telephone Charges	17,05,902	12,24,959
l Printing & Stationery / Computer Stationery	9,75,608	9,44,440
m Professional Fees	60,02,975	33,82,717
n Rent, Rates & Taxes	85,69,714	65,16,034
o Repair & Maintenance	23,61,224	12,75,665
p Registration & Filing Fees	2,67,660	2,67,660
q Seminar & Conference Expenses	2,06,768	2,85,865
r Safe Custody Charges & Locker Rent	25,86,168	26,20,787
s Out Of Pocket Expenses - Auditors	7,603	-
TOTAL	3,36,71,274	2,82,41,900
B-20 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE		
Corporate Social Responsibility Activity	27,43,913	25,53,000
TOTAL	27,43,913	25,53,000
B-21 : PRIOR PERIOD ADJUSTMENT (NET)		
Prior Period ---- Income	7,00,494	(13,27,219)
---- Expense	68,931	(27,496)
TOTAL	7,69,425	(13,54,715)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

B-22 : CONTINGENT LIABILITIES

Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
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))	6,53,322/-	6,53,322/-
ii) Municipal Taxes demand by Licensor for basement premises	29,22,426/-	29,22,426/-
iii) There may arise interest on delayed payment of withholding taxes on Securitization transactions amounting to Rs. 1.61 crores (approximately) on various Securitization trusts, where ITSL is acting as Securitization Trustee for the same		

B-23 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-24 An amount of Rs.23,73,595/- (Previous year Rs. 1,16,444/-) recovered from Irregular Assignments has been recognized as income.

B-25 Salaries, allowances and all related payments for the employees on deputation from IDBI Bank, LIC of India and GIC are borne by the Company and are included in payment to and provisions for Employees. The cumulative provision stands as on 31-03-2017, Rs. 4,87,334/- (Previous Year Rs. 4,87,334/-) for gratuity liability on the employees on deputation from the year of their appointment.

B-26 In the opinion of the Board of Directors, the Trade Receivables 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-27 : EARNING PER SHARE

Sl. No.	Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
1	Net Profit for the period attributable to equity share holder	41,96,45,487	38,10,39,200
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)	69.56	63.16

B-28 : PAYMENT TO AUDITORS

Sl. No.	Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
a)	Auditor Fees	3,00,000/-	3,00,000/-
b)	Certification Charges	50,250/-	50,000/-

B-29 : DISCLOSURE PURSUANT TO THE ACCOUNTING STANDARD 15 (REVISED) "EMPLOYEE BENEFITS":

Defined Contribution Plans

The company has recognized Rs. 12,41,310/- for the year ended 31st March 2017 (Previous year Rs. 10,10,996/-) for the Provident Fund Contributions in the Profit and Loss Account.

(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.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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 year end 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	2016-17	2015-16
Discount Rate	7.21% P.A.	7.69% P.A.
Expected Return On Plan Assets	7.50% P.A.	8.00% P.A.
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
Future Salary Increases	10.00% P.A.	10.00% P.A.
Disability	Nil	Nil
Attrition	10.00% p.a.	20.00% p.a.
Retirement	60yrs	60yrs

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

Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Present Value of obligation Beginning of the Period	17,84,674	16,85,108
Interest Cost	1,19,551	1,21,590
Current Service Cost	5,83,241	3,41,201
Past Service Cost	-	10,089
Benefits Paid	(2,53,081)	(2,07,938)
Actuarial (gain) loss on Obligation	4,82,815	(1,65,376)
Present Value Of obligation End Of The Period	27,17,200	17,84,674

Changes in the fair value of plan assets

Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Fair value of plan Assets Beginning Of The Period	12,12,650	8,89,546
Expected Return On plan assets	1,04,027	84,088
Contributions	4,31,670	3,69,833
Benefits Paid	(2,53,081)	(2,07,938)
Actuarial gain (Loss) Plan Assets	66,143	77,121
Fair value of plan Assets End Of The Period	15,61,409	12,12,650
Total Actuarial gain (loss) to be recognized	(4,16,672)	2,42,497

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Balance Sheet Recognition

Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Present Value Of Obligation	27,17,200	17,84,674
Fair Value Of Plan Assets	(15,61,409)	(12,12,650)
Liability (assets)	11,55,791	5,72,024
Unrecognized Past Service Cost	-	-
Liability (asset) recognised in the Balance Sheet	11,55,791	5,72,024

Profit & Loss - Expenses

Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Current Service Cost	5,83,241	3,41,201
Interest Cost	1,19,551	1,21,590
Expected Return On plan assets	(1,04,027)	(84,088)
Net Actuarial gain (loss) recognised in the year	4,16,672	(2,42,497)
Past Service Cost	-	10,089
Expenses Recognised in the statement of Profit & Loss	10,15,437	1,46,295

Movement in the net Liability recognised in the Balance Sheet

Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Opening net Liability	5,72,024	7,95,562
(Expenses)/Income	10,15,437	1,46,295
Contribution	(4,31,670)	(3,69,833)
Closing Net Liability	11,55,791	5,72,024

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

Sl. No.	Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
a.	Paid Benefits Charged to Statement of Profit & Loss	51,671	43,755
b.	Unpaid Benefits Charged to Statement of Profit & Loss	-	-
c.	Cumulative Liability Recognised at year end	14,67,395	7,50,317

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

B-30 : BALANCES IN CLIENTS' DEPOSITS ACCOUNT IS NET OF INVESTMENTS, FIXED DEPOSITS MADE IN TRUST ACCOUNTS, EXPENSES INCURRED ON BEHALF OF CLIENTS

Particulars	2016-17 (Amount in Rs.)		2015-16 (Amount in Rs.)	
	Vishwastha Fund Balance	19,22,83,602		17,23,88,773
Debenture Holders Fund	26,30,022		21,30,602	
Total (A)		19,49,13,624		17,45,19,375
Less :				
Vishwastha Fund Investments	2,24,37,955		1,98,31,804	
Vishwastha Fund Deposit	16,12,27,534		14,69,81,909	
Bank Balances including Cheque in Transit	75,05,057		54,81,250	
Expenses behalf of Debenture Holders	1,03,895		1,03,895	
Total (B)		19,12,74,441		17,23,98,858
BALANCE (A-B)		36,39,183		21,20,517

B-31 : 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 2017 are disclosed below.

(i) Relationship

Key Managerial Personnel's: Mr. B. Balachandra, Managing Director & CEO

Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Salary & Allowances	22,24,441	4,04,023
Other perquisites	5,23,683	77,108
Ex - gratia	3,17,623	NIL
Reimbursement of Expenses	31,776	2,068
Gratuity	1,43,312	20,143
Total	32,40,835	5,03,342
Outstanding Amount	2,38,000	4,91,274

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

Particulars	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Salary & Allowances	13,66,599	17,94,076
Other perquisites	NIL	50,000
Ex - gratia	15,57,377	18,75,000
Reimbursement of Expenses	NIL	64,085
Gratuity	1,80,379	49,880
Total	31,04,355	38,33,041
Outstanding Amount	NIL	1,56,990

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(ii) Transaction with other Related parties

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

Nature of Transaction	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Rental Income	8,42,640	8,42,640
Rental Expenses	2,41,500	2,41,500
Fixed Deposits with IDBI	1,04,66,68,995	125,40,00,000
Interest Income on Fixed Deposits with IDBI Bank	9,59,88,979	9,90,67,263
Security deposit payable to IDBI Bank for premises	3,53,000	3,53,000
Sitting Fees (Paid)	2,25,000	2,10,000
Bank Charges	18,657	28,505
Locker Rent / Safe Custody	12,07,260	12,01,236
Demat Charges	11,277	NIL
Dividend Paid	8,74,50,000	3,63,00,000

b) IDBI Capital Market Services Limited

Nature of Transaction	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Brokerage Commission (Received)	9,459	18,563

c) Life Insurance Corporation

Nature of Transaction	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
Premises Rentals	79,04,422	60,02,280
Sitting Fees	1,05,000	75,000
Dividend Paid	4,77,00,000	1,98,00,000

d) National Securities Depository Limited

Nature of Transaction	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
NSDL Charges	2,17,960	6,71,000

B-32: 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

B-33: 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 Ministry Of Corporate Affairs, future minimum lease payments in respect of the leases are:

Nature of Transaction	As at 31-03-2017 (Amount in Rs.)	As at 31-03-2016 (Amount in Rs.)
Not Later than One Year	NA	NA
Later than one year but not later than Five years	NA	NA
Later than Five years	NA	NA

B-34: 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, 2017 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

B-35 : Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	(500*30+1000 *7)	NIL	22,000
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	(500*30+1000 *7)	NIL	22,000
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

B-36 Previous year figures have been regrouped, rearranged, reworked and reclassified to comply with the Schedule II and wherever necessary.

For and on behalf of
S. Singhal & Co. (Chartered Accountants)
 Firm Registration No. - 001526C
CA. Natwar Sarda (Partner)
 Membership No.: 076070

Place : Mumbai
 Date : 25th April 2017

G. M. Yadwadkar
B. Balachandra
Mythili Balasubramanian
Pankaj Gupta
K. R. Vishwanath

Place : Mumbai
 Date : 25th April 2017

Chairman
Managing Director & CEO
Director
Director
Company Secretary (M No. ACS14521)

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of **IDBI TRUSTEESHIP SERVICES LIMITED** will be held on **Thursday, 14th September, 2017 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 business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2017, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended on that date including any explanatory note annexed to, or forming part of, the aforementioned documents, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the year ended 31st March 2017.
3. To appoint a Director in place of Mr. Pankaj Gupta (DIN: 00085831), who retires by rotation and being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Mr. B. Balachandra (DIN: 07424524), who retires by rotation and being eligible, has offered himself for re-appointment.
5. To fix the remuneration of the Statutory Auditors appointed by the Comptroller and Auditor-General of India for the financial year 2017 – 18

SPECIAL BUSINESS

6. To consider and if thought fit, pass with or without modification the following as an Ordinary Resolution:
“**RESOLVED THAT** Mr. G.M. Yadwadkar, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”
7. To consider and if thought fit, pass with or without modification the following as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Ravishankar G. Shinde, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
8. To consider and if thought fit, pass with or without modification the following as an Ordinary Resolution:
“**RESOLVED THAT** Ms. Madhuri J. Kulkarni, 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

Registered Office:

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

CIN: U65991MH2001GOI131154

Place: Mumbai

Date: August 18, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Members.
2. Wherein member(s) are body corporate (viz companies etc.) authorization is to be done by the board of that body corporate in favour of any person as per the provisions of section 113 of the Companies Act, 2013, who shall act as the representative of that body corporate and shall have same right and powers on behalf of body corporate as if it were an individual. The authorized representative shall send the certified true copy of the resolution at the registered office of the company to reach before the date of Annual General Meeting.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
4. An Explanatory Statement pursuant to the section 102 of the Companies Act, 2013 with respect to the item nos. 6 to 9 of the notice set out above is annexed hereto.
5. All the Documents referred to in accompanying notice are available at the registered office of the Company during office hours on all days except Saturday, Sunday and public holiday up to the date of this General meeting.
6. A route map enclosed with the notice forms the part of the notice.
7. 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 2009 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 claim 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.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of this notice.

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 139(5) of the Companies Act, 2013 (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 August 2016 has recommended an amount of Rs. 325000/- (Rupees Three Lakh Twenty Five Thousand only) and related expenses to be paid to the Statutory Auditors appointed by the C&AG for the financial year 2017-2018. 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. G.M. Yadwadkar, was nominated by IDBI Bank Limited, a shareholder of the Company, for appointment as an Additional Director of the Company and Non-Executive Chairman of the Board of Directors. He was appointed at the Meeting of the Board of Directors held on 28th November, 2016 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 Section 160 of the Companies Act, 2013 proposing his candidature for the office as a Director. Mr. G.M. Yadwadkar 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. In terms of the Subscription Agreement entered into between the Shareholders of the Company and the Articles of Association of the Company, Mr. G.M. Yadwadkar would not be liable to retire by rotation.

Mr. G.M. Yadwadkar, Director (non-executive) who is also a non-executive Chairman, age 55, he has been Deputy Managing Director at IDBI Bank Limited since October 2016 and is not related to any other Director on the Board of ITSL.

No Directors other than Mr. G.M. Yadwadkar is interested in the aforesaid resolution.

Item no. 7

Mr. Ravishankar G. Shinde nominee of Life Insurance Corporation of India, a shareholder of the Company, was appointed as an Additional Director at the Meeting of the Board of Directors held on 25th April 2017 and holds office up to the date of the Annual General Meeting of the Company. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director. Mr. Ravishankar G. Shinde 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. 7 of the accompanying Notice.

Mr. Ravishankar G. Shinde, Director (non-executive), age 60 is a B.SC graduate. He is well experienced and was an Executive Director (E&OS) with LIC of India and is not related to any other Director on the Board of ITSL.

None of the Directors other than Mr. Ravishankar G. Shinde is interested in the aforesaid resolution

Item no. 8

Ms. Madhuri J. Kulkarni nominee of Life Insurance Corporation of India, a shareholder of the Company, was appointed as an Additional Director at the Meeting of the Board of Directors held on 25th April 2017 and holds office up to the date of the Annual General Meeting of the Company. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director. Ms. Madhuri J. Kulkarni being eligible has offered herself for appointment as the Director of the Company. The Board of Directors, recommend the resolution as set out in Item No. 8 of the accompanying Notice.

Ms. Madhuri J. Kulkarni, Director (non-executive), age 59 is a M.SC graduate in Mathematics and an Associate of Actuaries of India. She is well experienced and is an Executive Director with LIC of India and is not related to any other Director on the Board of ITSL.

None of the Directors other than Ms. Madhuri J. Kulkarni is interested in the aforesaid resolution

By Order of the Board of Directors

K.R. Vishwanath

Company Secretary

Registered Office:

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

CIN: U65991MH2001GOI131154

Place: Mumbai

Date: August 18, 2017

IDBI Trusteeship Services limited

CIN: U65991MH2001GOI131154

Registered Office: Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai-400 001
Tel:+91(22)40807000 Fax: +91(22)66311776 Website: www.idbitrustee.com Email: idbitrustee.com

ATTENDANCE SLIP

Folio No.....DP ID.....Client ID.....

Name of the Member.....

Name of the Proxy holder.....

Number of Shares Held.....

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

Signature of Member/ Proxy holder

Notes:

- (1) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
- (2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

**Venue Of The 17th Annual General Meeting of
IDBI Trusteeship Services Limited
To Be Held On Thursday, September 14, 2017 At 3.30 P.m.**

Venue Address: Asian Building, Ground Floor,
17, R.Kamani Marg, Ballard Estate, Mumbai-400 001

MAP OF VENUE BELOW



Form No. MGT-11

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

IDBI Trusteeship Services limited

CIN: U65991MH2001GOI131154

Registered Office: Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai-400 001

Tel:+91(22)40807000 Fax: +91(22)66311776 Website: www.idbitrustee.com Email: idbitrustee.com

Name of the members (s): _____

Email Id: _____

Registered address: _____

Folio No/Client Id: _____

I/We, being 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 17th Annual General Meeting of the Bank, to be held on the Thursday, September 14, 2017 at 3.30 P.M. at the Registered Office: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 and at any adjournment thereof in respect of such resolution as are indicated below:

SL.No.	Resolution	Optional*	
		For	Against
	Ordinary Business:		
1.	Adoption of financial statement for the year ended March 31, 2017		
2.	Approval of dividend on equity shares		
3.	Appoint a Director in place of Mr. Pankaj Gupta, who retires by rotation and being eligible offers himself for re-appointment		
4.	Appoint a Director in place of Mr. B. Balachandra, who retires by rotation and being eligible offers himself for re-appointment		
5.	Fixation of remuneration of the Statutory Auditors appointed by the Comptroller and Auditor-General of India		
	Special Business		
6.	Appointment of Mr. G.M. Yadwadkar as Director not liable to retire by rotation		
7.	Appointment of Mr. Ravishankar G. Shinde as Director liable to retire by rotation		
8.	Appointment of Ms. Madhuri J. Kulkarni as Director liable to retire by rotation		

Signed this.....day of.....2016

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
One Rupee
Stamp here

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

THIS PAGE HAS BEEN KEPT BLANK INTENTIONALLY





www.idbitrustee.com

REGISTERED OFFICE

Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai - 400001
Phone - 40807000