

# Annual Report

## 2018-2019



IDBI MF TRUSTEE COMPANY LIMITED

TRUST IS ALWAYS EARNED



**Date of AGM:** September 26, 2019

**IDBI MF TRUSTEE COMPANY LIMITED**

**CIN:** U65991MH2010PLC199326

**Regd. Off.:** IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai - 400 005

# IDBI MF TRUSTEE COMPANY LIMITED

CIN: U65991MH2010PLC199326

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

(as on March 31, 2019)

|  |                             |
|--|-----------------------------|
| Shri. Gurudeo M. Yadwadkar (01432796)          | <b>Chairman</b>             |
| Shri. Thirukkurugavoor M. Nagarajan (00518074) | <b>Independent Director</b> |
| Shri. Avinash Chander Mahajan (00041661)       | <b>Independent Director</b> |
| Shri. Parthasarathy Krishnamurthy (05336749)   | <b>Independent Director</b> |
| Shri. Jagadeesan Jayaraman (02423487)          | <b>Independent Director</b> |

### AUDIT COMMITTEE

(as on March 31, 2019)

|  |   |
|--|---|
| Shri. Thirukkurugavoor M. Nagarajan (00518074) | <b>Independent Director (Chairperson)</b> |
| Shri. Avinash Chander Mahajan (00041661)       | <b>Independent Director</b>               |
| Shri. Parthasarathy Krishnamurthy (05336749)   | <b>Independent Director</b>               |
| Shri. Jagadeesan Jayaraman (02423487)          | <b>Independent Director</b>               |

### REGISTERED OFFICE

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

Tel: (022) 6655 3355

Website: [www.idbimutual.co.in](http://www.idbimutual.co.in)

Email: [corp.secretarial@idbimutual.co.in](mailto:corp.secretarial@idbimutual.co.in)

### STATUTORY AUDITORS

**M/s. U. G. Devi & Co.**

7/10, Botawala Building,

Horniman Circle, Fort, Mumbai- 400 023

Email: [ugdevi@hotmail.com](mailto:ugdevi@hotmail.com)

NOTICE  
OF  
ANNUAL  
GENERAL  
MEETING

## **NOTICE**

**NOTICE** is hereby given that the Ninth Annual General Meeting of the member of IDBI MF Trustee Company Limited will be held on Thursday, 26<sup>th</sup> day of September, 2019 at 3.00 p.m. in the Board Room of IDBI MF Trustee Company Limited at 4<sup>th</sup> Floor, IDBI Tower, World Trade Centre Complex, Cuffe Parade, Colaba, Mumbai 400 005, to transact the following business:

### **ORDINARY BUSINESS** –

#### **Item No. 1 – *Adoption of Financial Statements:***

To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 including audited Balance Sheet as at March 31, 2019, Profit & Loss Account for the year ended on that date and the reports of the Board of Directors, Statutory Auditors and Comptroller and Auditor General of India thereon.

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

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

‘**RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to decide, negotiate and finalise the remuneration of the Statutory Auditors of the Company as appointed by the Comptroller and Auditor General of India (C&AG) pursuant to the provisions of Section 139(5) and other applicable provisions, if any, of the Companies Act, 2013, upto an amount as may be recommended by the Audit committee and at the discretion of the Board, for the financial year 2019-20.’

### **SPECIAL BUSINESS** –

#### **Item No. 3 – *Re-appointment of Independent Director:***

To consider re-appointment of Shri Avinash Chander Mahajan (DIN:00041661) as an Independent Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution, as a **Special Resolution**:

‘**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013, as amended and the rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of any other guidelines issued by relevant authorities, Shri Avinash Chander Mahajan (DIN:00041661) who was appointed as an Independent Director on the Board of Directors of the Company w.e.f. June 28,2014 and who holds office upto the date of the

9<sup>th</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013, proposing his candidature for the office of an Independent Director and his consent to act as Independent Director, be and is hereby appointed as an Independent Director for a period of 5 years from the date of this Annual General Meeting. Shri Avinash Chander Mahajan is not subject to retire by rotation.

**Item No. 4 – Re-appointment of Independent Director:**

To consider re-appointment of Shri Jayaraman Jagadeesan (DIN: 02423487) as an Independent Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution, as a **Special Resolution**:

**‘RESOLVED THAT** pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013, as amended and the rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of any other guidelines issued by relevant authorities, Shri Jayaraman Jagadeesan (DIN: 02423487) who was appointed as an Independent Director on the Board of Directors of the Company w.e.f. June 28,2014 and who holds office upto the date of the 9<sup>th</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013, proposing his candidature for the office of an Independent Director and his consent to act as Independent Director, be and is hereby appointed as an Independent Director for a period of 5 years from the date of this Annual General Meeting. Shri Jayaraman Jagadeesan is not subject to retire by rotation.

**Item No. 5 – Re-appointment of Independent Director:**

To consider re-appointment of Shri Krishnamurthy Parthasarathy (DIN: 05336749) as an Independent Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution, as a **Special Resolution**:

**‘RESOLVED THAT** pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013, as amended and the rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of any other guidelines issued by relevant authorities, Shri Krishnamurthy Parthasarathy (DIN : 05336749 ) who was appointed as an Independent Director on the Board of Directors of the Company w.e.f. June 28,2014 and who holds office upto the date of the 9<sup>th</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013, proposing his candidature for the office of an Independent Director and his consent to act as Independent Director, be and is hereby appointed as an Independent Director for a period of 5 years from the date of this Annual General Meeting. Shri Krishnamurthy Parthasarathy is not subject to retire by rotation.

**Item No. 6 – Authorization of related party transactions.**

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

**‘RESOLVED THAT** in terms of the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, read with Rule 15 of the Companies (Meeting of the Board and its powers) Rules, 2014 and other applicable rules notified under the act, as amended from time to time, the members of the Company hereby approve the continuation of existing contracts of the Company and further hereby authorize the Board/Audit Committee of the Board of Directors to approve and enter into contracts and arrangements with related parties including sub-delegation thereof to a Director/Committee of Directors, as it may think fit including granting of omnibus approval in compliance with the provisions of Section 177 of the Companies Act, 2013, for a value not exceeding Rs. 25 crores or each contract and/or arrangement whether entered into in ordinary course of business or not and/or whether at arm’s length price or not or at such price with the recommendation and approval of the Audit Committee to the Board of Directors of the Company for their approval, without any further reference to the shareholders of the Company.

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

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

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers, herein conferred, to a Director/duly constituted committee of directors, to give effect to the aforesaid resolution.’

**Item No. 7 Appointment of Director**

To consider appointment of Shri Samuel Joseph Jebaraj (DIN: 02262530) as Nominee Director and Chairman of the Board of Directors of IDBI MF Trustee Company Limited and

in this regard to consider and if thought fit, pass , with or without modification(s), the following resolution as a **Special Resolution** :

‘RESOLVED THAT pursuant to the provisions of Sections 152 and any other applicable provisions of the Companies Act, 2013 as amended from time to time and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of any other guidelines issued by the relevant authorities, Shri Samuel Joseph Jebaraj (DIN: 02262530), who was appointed as Nominee Director in terms of section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160(1) of the Companies Act, 2013 proposing his candidature for the office of the Nominee Director and Chairman, be and is hereby appointed as a Director and Chairman of the Board of Directors of the Company w.e.f. the date of the 9th Annual General Meeting. Shri Samuel Joseph Jebaraj will not be liable to retire by rotation.

***For and on behalf of the Board of Director of  
IDBI MF Trustee Company Limited***

**Sd/-**

**Avinash C. Mahajan  
DIN No. 00041661**

**Place : Mumbai**

**Date : September 26,2019**

**Registered office:**

**IDBI Tower, World Trade Centre,  
Cuffe Parade, Colaba, Mumbai 400 005**

NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FOURT EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Members/Proxies/Representatives should bring the attendance slip duly filled in for attending the meeting. Only Members carrying the attendance slips or holders of valid proxies registered with the Company will be permitted to attend the meeting. In case of shares held in joint names or shares held under different registered folios wherein the name of the sole holder/first joint-holder is same, only the first joint-holder/sole holder or any proxy appointed by such holder, as the case may be, will be permitted to attend the meeting
3. The relevant explanatory statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of business under item no. 2 to 5 are attached herewith.



## **EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 2 –**

The office of Comptroller and Auditor General of India (CAG) has vide their letter no. CA.V/COY/CENTRAL GOVERNMENT, IDBITR(1)/103 dated July 31,2019 continued the appointment of U.G. Devi & Co., as statutory auditors of the Company for the financial year 2019-20 in terms of section 139 & 141 of the Companies Act, 2013 read with rule 4 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time.

As per the Section 139 of the Companies Act, 2013, the remuneration of Auditors appointed by C& AG, shall be fixed by the Company in the Annual General Meeting. Accordingly, the Notice of the Annual General Meeting includes an item pertaining to the remuneration of MGB & Co., Statutory Auditors of the Company for the financial year 2019-20.

None of the Directors of the Company or their respective relatives is concerned or interested in the resolution mentioned in Item No. 2 for the approval of the members.

### **Item no. 3 –**

Pursuant to the provisions of Companies Act 2013, Shri Avinash Chander Mahajan (DIN:00041661) as an Independent Director on the Board of the Company were appointed as Independent directors on the Board of the Company for five consecutive years (first term) with effect from June 28, 2014 up to the conclusion of the Annual General Meeting (AGM) to be held in the calendar year 2019.

Pursuant to section 149 of the Companies Act 2013, an Independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a Special Resolution by the company. Further, no independent director shall hold office for more than two consecutive terms.

None of the Directors of the Company or their respective relatives are concerned or interested, in the resolution set out at item no. 3 are for the approval of the members.

### **Item No. 4 –**

Pursuant to the provisions of Companies Act 2013, Shri Jayaraman Jagadeesan (DIN: 02423487) as an Independent Director on the Board of the Company were appointed as Independent directors on the Board of the Company for five consecutive years (first term) with effect from June 28, 2014 up to the conclusion of the Annual General Meeting (AGM) to be held in the calendar year 2019.

Pursuant to section 149 of the Companies Act 2013, an Independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-

appointment on passing of a Special Resolution by the company. Further, no independent director shall hold office for more than two consecutive terms.

None of the Directors of the Company or their respective relatives are concerned or interested, in the resolution set out at item no. 4 are for the approval of the members.

**Item No. 5 –**

Pursuant to the provisions of Companies Act 2013, Shri Krishnamurthy Parthasarathy (DIN: 05336749) as an Independent Director on the Board of the Company were appointed as Independent directors on the Board of the Company for five consecutive years (first term) with effect from June 28, 2014 upto the conclusion of the Annual General Meeting (AGM) to be held in the calendar year 2019.

Pursuant to section 149 of the Companies Act 2013, an Independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a Special Resolution by the company. Further, no independent director shall hold office for more than two consecutive terms.

None of the Directors of the Company or their respective relatives are concerned or interested, in the resolution set out at item no. 5 are for the approval of the members.

**Item No. 6 –**

IDBI MF Trustee Company Limited (“IDBI MFT”) is a wholly owned subsidiary of IDBI Bank Limited. IDBI Asset Management Limited (“IDBI AMC”) has been appointed as an Investment Manager for IDBI Mutual Fund by IDBI MF Trustee Company Limited *vide* Investment Management Agreement dated February 20, 2010. As per the agreement the Company is required to manage the funds, ensure compliance with regulations and accounting of transactions of schemes, formalize, float and launch new schemes with approval of Trustees, to inter alia issue, sell units of Mutual fund, to invest in securities as per the scheme(s) investment objective on behalf of Mutual Fund, to declare and pay dividend, calculation of NAV, appointment of intermediaries.

The Board of IDBI MFT has in its meeting held on April 25, 2016 accorded approval to the ACB of IDBI MFT to grant omnibus approval for two transactions namely Trusteeship fees and Secretarial, Accounting and Administration Services.

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

| A      | B                             |  | C                      | D   | E  |
|--------|-------------------------------|--|------------------------|---|--|
| Sr. No | Name of the party             | Name of Director or Key Managerial Personnel who is related of any | Nature of Relationship | Nature, material terms, monetary value and particulars of the contract or arrangement   | Whether in ordinary course of business and at arm's length price |
| 1      | IDBI Asset Management Limited | -  | Group Company          | <p>Secretarial, Accounting and administration service expenses Certain common Expenses incurred by AMC such as Rent, Electricity, Maintenance relating to Mumbai office premises and also a portion of salary expenses for the services rendered by AMC.</p> <p>Out of the above common expenses we charge 5% to MFT.</p> <p>These AMC officials take care of the work relating to secretarial matters, conducting of</p> | In ordinary course of business.                                  |

|   |  |   |               |  |  |
|---|--|---|---------------|--|--|
|   |  |   |               | meetings, ROC work, accounts/tax matters, SEBI compliance etc.<br><br>IDBI AMC is charging 1% of salary expenses.  |  |
| 2 | IDBI Mutual Fund through IDBI Bank Limited by way of Trust Deed dated February 19, 2010. | – | Group Company | Trusteeship Fees.<br><br>The Trustee shall be entitled to receive a fee not exceeding 0.01% per annum of the daily/net assets of the Mutual Fund.<br><br>The Trustee shall also be entitled for reimbursement of all costs, charges and expenses incurred in the course of the administration and execution of the Fund. | In ordinary course of business and in lines with the SEBI regulations. |

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

None of the Directors of the Company or their respective relatives are concerned or interested in the Resolution mentioned in Item no. 3 for approval of the members.

**Item no. 7 :**

Shri. Samuel Joseph Jebaraj Deputy Managing Director of IDBI Bank Limited has been appointed as Nominee Director of IDBI MF Trustee Company Limited vide letter No.546/S&AIC/Nominee/IMFTCL dated September 24,2019.

He have 27 years of experience in Project & Trade finance. Was in-charge of the Loan Recovery & HR Groups at Exim Bank's Head Office in Mumbai, just before assuming charge as Dy. Managing Director of IDBI Bank Ltd. At EXIM, was in-charge of the Treasury, Resources, Accounts, and IT Groups. Earlier was in-charge of the Corporate Banking Group including SME & Agri Finance. Previously was head of Exim Bank's offices in London, Milan & Hyderabad.

None of the Directors of the Company or their respective relatives are concerned or interested, in the resolution set out at item no. 7 are for the approval of the members.



**PROXY FORM**

**Form No. MGT-11**

**Proxy Form**

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

|                            |   |   |
|----------------------------|---|---|
| <b>CIN</b>                 | : | <b>U65991MH2010PLC199326</b>  |
| <b>Name of the Company</b> | : | <b>IDBI MF TRUSTEE COMPANY LIMITED</b>                                  |
| <b>Registered Office</b>   | : | <b>IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai - 400 005.</b> |

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

I/We, being the members(s) of \_\_\_\_\_ shares of the above name company, hereby appoint

|   |           |   |                       |
|---|-----------|---|-----------------------|
| 1 | Name      | : |                       |
|   | Address   | : |                       |
|   | E-mail Id | : |                       |
|   | Signature | : | _____, or failing him |

|   |           |   |                       |
|---|-----------|---|-----------------------|
| 2 | Name      | : |                       |
|   | Address   | : |                       |
|   | E-mail Id | : |                       |
|   | Signature | : | _____, or failing him |

|   |           |   |                 |
|---|-----------|---|-----------------|
| 3 | Name      | : |                 |
|   | Address   | : |                 |
|   | E-mail Id | : |                 |
|   | Signature | : | ,or failing him |

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Ninth Annual General Meeting of the Company to be held on Thursday, 26<sup>th</sup> day of September, 2019 at 3.00 p.m. and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

**Resolution No.**

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

Signed this.....day of.....2019

Signature of shareholder.....

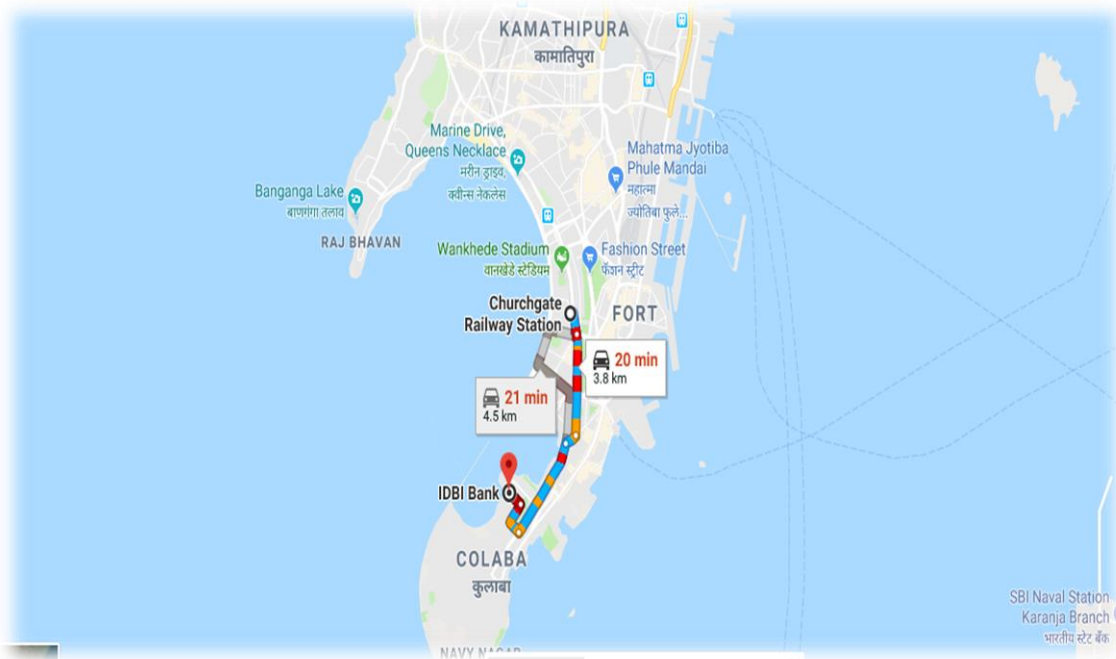
Signature of Proxy holder(s).....

|         |
|---------|
| Affix   |
| Revenue |
| Stamp   |

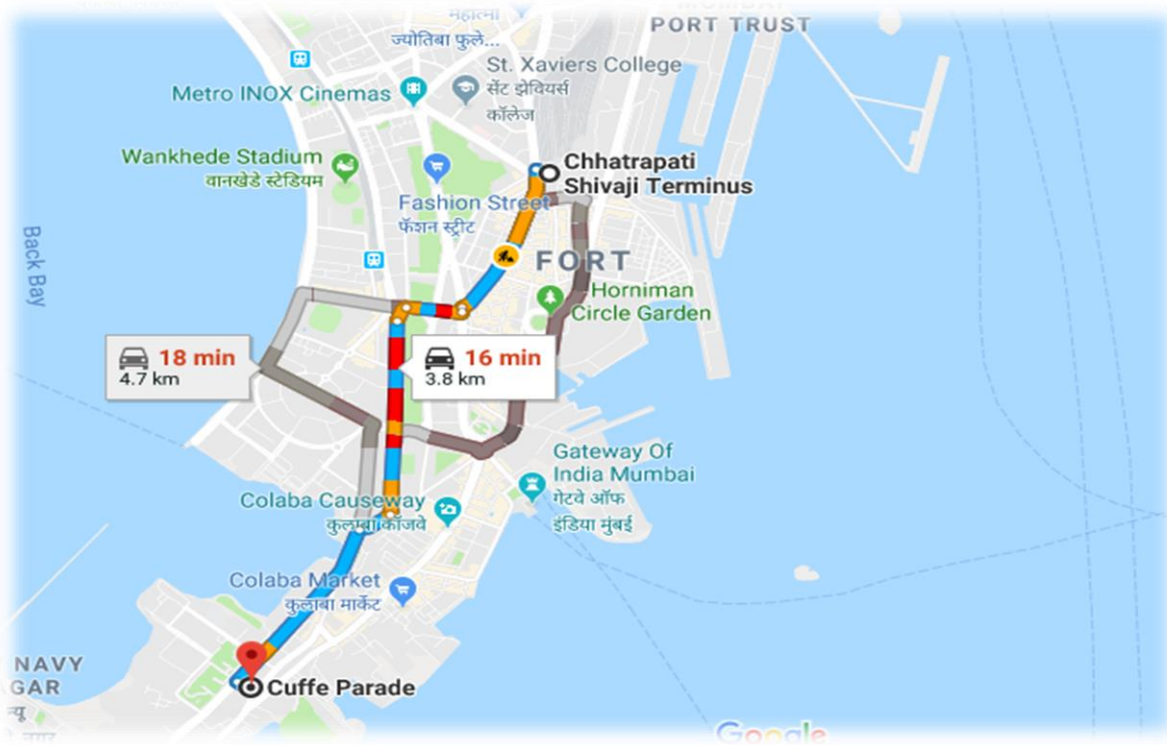
***Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.***



### Route map for the venue of AGM (from Churchgate Station)



### Route map for the venue of AGM (from CST Station)



# Director's Report

## DIRECTOR'S REPORT

Dear Members,

The Board of Directors takes pleasure to present the **Ninth Annual Report** on the affairs of IDBI MF Trustee Company Limited along with the audited accounts for the financial year ended March 31, 2019.

### HIGHLIGHTS OF FINANCIAL SUMMARY

The company's financial performance for the year ended March 31, 2019 is summarized as below:-

| <b>Particulars</b>                        | <b>2018 – 19</b> | <b>2017 - 18</b> |
|---|------------------|------------------|
| Total Income                              | 81.56            | 81.80            |
| Total Expenses                            | 75.02            | 52.17            |
| Profit/(Loss) before Tax                  | 6.54             | 29.63            |
| Tax expenses:                             |                  |                  |
| Current Tax                               | (2.04)           | (7.79)           |
| Deferred Tax                              | (0.01)           | –                |
| Tax Adjustment in respect of earlier year | --               | 0.14             |
| Profit/(Loss) for the year                | <b>4.49</b>      | <b>21.98</b>     |
| Earnings per equity share:                |                  |                  |
| Basic                                     | 2.25             | 10.99            |
| Diluted                                   | 2.25             | 10.99            |

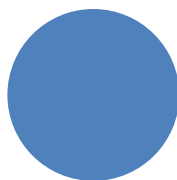
The total Asset Under Management (AUM) of IDBI Mutual Fund has declined to Rs.6,238 crores as on March 31, 2019 as against Rs. 7,241 crores as on March 31, 2018 due to decrease in Equity and Liquid AUM. The total income of your company has marginally decreased from Rs.81.80 crores during financial year 2017-18 to Rs.81.56 crores during financial year 2018-19. Further, the Net profit has decreased from Rs.21.98 crores during the financial year 2017-18 to Rs.4.49 crores during the financial year 2018-19.

### SHARE CAPITAL

During the year under review, the company's authorized share capital was Rs.50 lakhs and issued, subscribed & paid up share capital was Rs.20 lakhs divided into 2 lakhs equity shares of Rs.10 /- each.

The shareholding pattern of the company as on March 31, 2019 was as under:-

## **IDBI Bank Limited- 100%\***



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

### **I. RESULT OF OPERATIONS AND THE COMPANY'S STATE OF AFFAIRS**

IDBI MF Trustee company Limited ('IDBI MFT') acts as a 'Trustee' to IDBI Mutual Fund appointed vide Trust Deed dated February 19, 2010. IDBI MFT performs a supervisory role over the operations of IDBI Asset Management Limited ('IDBI AMC'). For performing the said role IDBI MFT receives Trusteeship fees at a defined rate as prescribed under SEBI (Mutual Funds) Regulations, 1996 and the Trust Deed. IDBI AMC, being an investment manager to 'IDBI Mutual Fund' manages Eight Equity-oriented Schemes, Six Debt Fund Schemes, Two Hybrid Funds, FoF (Gold) and Gold ETF Scheme of IDBI Mutual Fund. The year 2018-19 is the Ninth year of operation of your company. The Average Assets under Management (AAUM) of IDBI AMC during the quarter ended March 31, 2019 was Rs.9297.18 crores.

The trustee fee income for the company YoY is decreased by 0.31% from Rs.81.80 Lakhs for the year ended March 31, 2018 to Rs.81.56 Lakhs for the year ended March 31, 2019.

In order to widespread the operations and to offer more investment option to the investors, IDBI AMC had launched following schemes under IDBI Mutual Fund during the financial year 2018-19:-

#### **IDBI Banking & Financial Services Fund:**

It is an open-ended equity scheme predominantly investing in Banking & Financial Services Sector. The objective of the scheme is to provide investors maximum growth opportunities and to achieve long term capital appreciation by predominantly investing in equity and equity related instruments of companies engaged in Banking and Financial Services Sector. However there can be no assurance that the investment objective under the scheme will be realized.

The New Fund Offer (NFO) was open from 14<sup>th</sup> May 2018 to 28<sup>th</sup> May 2018 and the fund mobilized during NFO period was Rs.178.74 crores.

#### **IDBI Long Term Value Fund:**

It is an open ended equity scheme following value investment strategy. The Investment Objective of the Scheme is to generate long-term capital appreciation along with regular income by investing predominantly in equity and equity related Instruments by following value investing strategy. However, there can be no assurance that the investment objective of the Scheme will be realized.

The New Fund offer was open from 30<sup>th</sup> July 2018 to 13<sup>th</sup> August 2018 the fund mobilized during NFO period was Rs.170 crores.

### **IDBI Dividend Yield Fund**

This is an open ended equity scheme predominantly investing in dividend yielding stocks. The Investment objective of the Scheme is to provide long term capital appreciation and/or dividend distribution by investing predominantly in dividend yielding equity and equity related instruments. However there can be no assurance that the investment objective under the scheme will be realized.

The New Fund offer was open from 3<sup>rd</sup> December 2018 to 17<sup>th</sup> Dec 2018 the fund mobilized during NFO period was Rs. 116 crores.

### **IDBI Healthcare Fund**

It is an open-ended equity scheme investing in Healthcare and Allied sectors. The objective of the Scheme is to achieve long term capital appreciation by predominantly investing in equity and equity related instruments of companies engaged in Healthcare and Allied sectors. However there can be no assurance that the investment objective under the scheme will be realized.

The New Fund offer was open from 8<sup>th</sup> Feb 2019 to 22<sup>nd</sup> Feb 2019 the fund mobilized during NFO period was Rs.35 crores.

### **Business Environment**

The year 2019 was a difficult year for the economy. GDP growth for the year was slower than expected at 6.8% as against an upward revised rate of 7.2% in 2018 (source: mospi.nic.in). Though Q1 and Q2 showed strong growth of 8.2% and 7.1% respectively, off a favorable base, Q3 and Q4 were disappointing at 6.6% and 5.8% respectively. The slower growth was due to slow down in consumption (reflected in Auto and consumer sales) which was exacerbated by the NBFC liquidity crisis. Several macroeconomic headwinds, both domestic as well as global, impacted growth during the year. These include financial tightening by the US Fed, a 22% rise in average crude oil prices, 8.5% depreciation in the rupee against the US dollar, concerns over fiscal deficit and current account deficit, slowing global growth due to US China trade wars and the run up to the State and National Elections.

Over the years, regulatory operating framework too have undergone a change in order to bring in more transparency and safeguard investor's interest. Post the regulatory guidance on re-classification of schemes, recently the regulator has also brought in changes such as discontinuation of upfront commission, revised TER slab structure which has been revisited after a gap of more than 20 years.

Over the years, the industry has also matured and grown enough to absorb these changes. However, industry as a whole continued to focus on growing the reach to increase investor base. With all these on-going ups and downs, Indian Mutual Fund Industry continued to focus on growing retail and SIP book.

Also, SEBI has mandated all fund houses to benchmark their equity and balanced funds to Total Returns Index (TRI) instead of the current practice of benchmarking against Price Return Index (PRI).

### **Mutual Fund Industry**

The mutual fund industry witnessed another year of growth, at the end of March 2019, the Assets Under Management of the Mutual Fund industry stood at Rs. 24.58 Lakh Crores (US\$ 331.42 billion) as compared to Rs. 22.70 Lakh Crores in March 2018.

The tale of Indian Mutual Fund Industry has completed its 25 years of existence in 2018 in Indian capital markets. The industry has attained a big scale in the last few years especially post demonetization.

Over the years, regulatory operating framework too have undergone a change in order to bring in more transparency and safeguard investor's interest. Post the regulatory guidance on re-classification of schemes, recently the regulator has also brought in changes such as discontinuation of upfront commission, revised TER slab structure which has been revisited after a gap of more than 20 years.

Over the years, the industry has also matured and grown enough to absorb these changes. However, industry as a whole continued to focus on growing the reach to increase investor base. With all these on-going ups and downs, Indian Mutual Fund Industry continued to focus on growing retail and SIP book.

Also, SEBI has mandated all fund houses to benchmark their equity and balanced funds to Total Returns Index (TRI) instead of the current practice of benchmarking against Price Return Index (PRI).

### **Change in the nature of Business, if any.**

Your company was incorporated to act as "Trustee" to IDBI Mutual Fund *vide* Trust Deed dated February 19, 2010. Your company has carried on the same business activity during the financial year 2018 -19.

## **II. DIVIDEND**

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

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

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

## **IV. TRANSFER TO RESERVES**

The Board of Directors has decided to transfer Rs. 4.49 Lakhs to Reserves.

## V. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, there was no foreign exchange earnings and outgo.

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

There are no material changes occurred in between the financial year ended March 31, 2018 and the date of the report affecting the financial position of your company. The promoter of IDBI MFT has invited Expression of Interest (EoI) from potential bidders to sale its entire stake in IDBI MFT. The bidding process is on.

## VII. BOARD OF DIRECTORS

### Changes in Board of Directors: -

During the year under review, there were no changes in the composition of Board of Director of your company.

The composition of the Board, as on March 31, 2019 was as under: -

| S. No. | Name of the Director                                    | Designation          | Date of Appointment | Date of Resignation |
|--------|---|----------------------|---------------------|---------------------|
| 1.     | Shri Gurudeo Madhukar Yadwadkar (DIN: 01432796)         | Chairperson          | October 28, 2016    | N.A.                |
| 2.     | Shri Thirukkurugavoor Muthiah Nagarajan*(DIN: 00518074) | Independent Director | June 28, 2014       | N.A.                |
| 3.     | Shri Avinash Chander Mahajan* (DIN: 00041661)           | Independent Director | June 28, 2014       | N.A.                |
| 4.     | Shri Jagadeesan Jayaraman* (DIN: 02423487)              | Independent Director | June 28, 2014       | N.A.                |
| 5.     | Shri Parthasarathy Krishnamurthy* (DIN: 05336749)       | Independent Director | June 28, 2014       | N.A.                |

*\*Appointed for a period of five years at the 04<sup>th</sup> Annual General Meeting of the company held on June 28, 2014 in compliance with Section 149 of the Companies Act, 2013.*

### Retirement by Rotation

Section 152 (6) of the Companies Act, 2013 provides that two-third of the total number of Directors should be retiring director, of which one-third of the directors should retire at every Annual General Meeting. Also, as per the provisions of the Section 152 of the Companies Act,

2013, the Independent Directors are not liable to retire by rotation. Further, the Articles of Association of your company provides that the Chairman is also not liable to retire by rotation.

The Board of your company comprises of the Chairman and four independent directors as on the date of the Annual General Meeting.

As the Board of your company comprises of the Chairman and Independent Directors only, your company has no director to retire at the Annual General Meeting of the company.

#### **VIII. BOARD MEETINGS HELD DURING THE YEAR**

The Board meets at regular intervals to discuss and decide the operations of your company. The notice of board meeting is given well in advance to all the Directors of the company. The Agenda of the Board meeting is circulated a week prior to the Board meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board and committee meetings were carried out unanimously as recorded in the minutes of the meetings as the case may be.

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

| <b>Dates on which Board Meetings were held</b> | <b>Total strength of the Board</b> | <b>Director's present</b> |
|--|------------------------------------|---------------------------|
| April 23, 2018                                 | 5                                  | 4                         |
| June 28, 2018                                  | 5                                  | 3                         |
| July 5, 2018                                   | 5                                  | 4                         |
| July 25, 2018                                  | 5                                  | 4                         |
| September 24, 2018                             | 5                                  | 4                         |
| September 28, 2018                             | 5                                  | 4                         |
| October 31, 2018                               | 5                                  | 5                         |
| December 31, 2018                              | 5                                  | 5                         |
| February 26, 2019                              | 5                                  | 5                         |
| March 7, 2019                                  | 5                                  | 5                         |
| March 29, 2019                                 | 5                                  | 3                         |



## ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

(Leave of Absence – LoA)

| Name of the Director  | Attendance at the Board Meeting held on |             |            |            |             |             |             |             |             |            |             |
|---|---|-------------|------------|------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|
|   | 23Apr<br>18                             | 28Jun<br>18 | 5Jul<br>18 | 25Ju<br>18 | 24Sep<br>18 | 28Sep<br>18 | 31Oct<br>18 | 31Dec<br>18 | 26Feb<br>19 | 7Ma<br>r19 | 29Mar<br>19 |
| Shri Gurudeo Madhukar Yadwadkar<br>(DIN: 01432796)          | ✓                                       | LoA         | ✓          | ✓          | LoA         | ✓           | ✓           | ✓           | ✓           | ✓          | LoA         |
| Shri Avinash Chander Mahajan<br>(DIN: 00041661)             | ✓                                       | ✓           | ✓          | ✓          | ✓           | ✓           | ✓           | ✓           | ✓           | ✓          | ✓           |
| Shri Jagadeesan Jayaraman<br>(DIN: 02423487)                | ✓                                       | ✓           | ✓          | ✓          | ✓           | ✓           | ✓           | ✓           | ✓           | ✓          | ✓           |
| Shri Parthasarathy Krishnamurthy<br>(DIN: 05336749)         | ✓                                       | ✓           | ✓          | ✓          | ✓           | ✓           | ✓           | ✓           | ✓           | ✓          | ✓           |
| Shri Thirukkurugavoor Muthiah Nagarajan*<br>(DIN: 00518074) | LoA                                     | LoA         | LoA        | LoA        | ✓           | LoA         | ✓           | ✓           | ✓           | ✓          | LoA         |

### AUDIT COMMITTEE OF THE BOARD:

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

The Composition of the Audit Committee as on March 31, 2018 was as under: -

| S. No. | Name of the Director                                       | Particulars                        | Date of Appointment |
|--------|--|------------------------------------|---------------------|
| 1.     | Shri Thirukkurugavoor Muthiah Nagarajan<br>(DIN: 00518074) | Chairperson & Independent Director | June 28, 2014       |
| 2.     | Shri Avinash Chander Mahajan<br>(DIN: 00041661)            | Independent Director               | June 28, 2014       |
| 3.     | Shri Parthasarathy Krishnamurthy<br>(DIN: 05336749)        | Independent Director               | June 28, 2014       |
| 4.     | Shri Jagadeesan Jayaraman<br>(DIN:02423487)                | Independent Director               | June 28, 2014       |

*All the aforementioned Directors have been appointed for a period of five years at the 04<sup>th</sup> Annual General Meeting held on June 28, 2014 in compliance with Section 149 of the Companies Act, 2013.*

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

| Dates on which Audit Committee Meetings were held | Total strength of the Committee | Director's present |
|---|---------------------------------|--------------------|
| April 23, 2018                                    | 4                               | 3                  |
| June 28, 2018                                     | 4                               | 3                  |
| July 5, 2018                                      | 4                               | 3                  |
| September 24, 2018                                | 4                               | 4                  |
| October 31, 2018                                  | 4                               | 4                  |
| February 26, 2019                                 | 4                               | 4                  |

### **ATTENDANCE OF DIRECTORS AT AUDIT COMMITTEE MEETINGS**

(Leave of Absence – LoA)

| Name of the Director                                    | Attendance at the Audit Committee Meeting held on |         |        |         |         |         |
|---|---|---------|--------|---------|---------|---------|
|   | 23Apr18   | 28Jun18 | 5Jul18 | 24Sep18 | 31Oct18 | 26Feb19 |
| Shri Thirukkurugavoor Muthiah Nagarajan (DIN: 00518074) | LoA   | LoA     | LoA    | ✓       | ✓       | ✓       |
| Shri Avinash Chander Mahajan (DIN: 00041661)            | ✓   | ✓       | ✓      | ✓       | ✓       | ✓       |
| Shri Parthasarathy Krishnamurthy (DIN: 05336749)        | ✓   | ✓       | ✓      | ✓       | ✓       | ✓       |
| Shri Jagadeesan Jayaraman (DIN: 02423487)               | ✓   | ✓       | ✓      | ✓       | ✓       | ✓       |

### **IX. OTHER COMMITTEES**

#### **Committee of Independent Directors**

The company has constituted a Committee of its Independent Directors as provided under the provisions of the Companies Act, 2013. As on March 31, 2018, the composition of the Committee of Independent Directors was as under: -

| S. No. | Name of the Director                                      | Particulars                        | Date of Appointment |
|--------|---|------------------------------------|---------------------|
| 1.     | Shri Parthasarathy Krishnamurthy<br>(DIN: 05336749)       | Chairperson & Independent Director | June 28, 2014       |
| 2.     | Shri Avinash Chander Mahajan<br>(DIN: 00041661)           | Independent Director               | June 28, 2014       |
| 3.     | Shri Jagadeesan Jayaraman<br>(DIN:02423487)               | Independent Director               | June 28, 2014       |
| 4.     | Shri Thirukkurgavoor Muthiah<br>Nagarajan (DIN: 00518074) | Independent Director               | June 28, 2014       |

*All the aforementioned Directors have been appointed for a period of five years at the 04<sup>th</sup> Annual General Meeting held on June 28, 2014 in compliance with Section 149 of the Companies Act, 2013.*

The Committee met once during the financial year 2018-19 on February 26, 2019 where all the Directors were present.

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

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

- 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 have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis;
- e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively; and
- f. Those proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

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

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 including Companies (Amendment) Act, 2017 the copy of the annual return of the company will be available on the website of IDBI Mutual Fund at [www.idbimutual.co.in](http://www.idbimutual.co.in).

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

The company has received necessary disclosures from the Independent Directors under Section 149(7) of the Companies Act, 2013 that he/she meets all the criteria laid down in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

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

The company has devised and adopted the Director's Appointment and Evaluation Policy.

## **XIV. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The company acts as a Trustee to IDBI Mutual Fund. The Trustees have been appointed by the Sponsor ('*IDBI Bank Limited*') vide Trust deed dated February 19, 2010. Further the company has appointed IDBI Asset Management Limited ('*IDBI AMC*') as Investment Manager to IDBI Mutual Fund vide Investment Management Agreement dated February 26, 2010. Thus, the company has the function more of a supervisory on the management of operations by IDBI AMC which are guided by the SEBI Regulations and directives and AMFI guidelines issued from time to time. In compliance with the SEBI circular, IDBI AMC has in place a policy manual on managing risks related to the business and is duly implemented.

## **XV. CORPORATE SOCIAL RESPONSIBILITY POLICY**

The Provisions of Corporate Social Responsibility (CSR) are not applicable to your company during the year under review. However your company has formulated and adopted a policy for the CSR in lines with the CSR policy of the IDBI Bank Limited ('*Holding Company*'), the same will be available on the website of IDBI Mutual Fund at [www.idbimutual.co.in](http://www.idbimutual.co.in).

## **XVI. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186**

During the financial year under review your company did not seek/ provide for loans and guarantee.

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

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

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

## **XVIII. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

### **(A) Conservation of energy-**

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

### **(B) Technology absorption-**

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

Your company has been increasingly using Information Technology systems in its operations.

## **XIX. STATUTORY AUDITOR**

The office of Comptroller and Auditor General of India (C&AG) vide letter no. CA.V/COY/CENTRAL GOVERNMENT.IDBITR(1)/103 dated July 31, 2019 has continued the appointment of U. G. Devi & Co., Chartered Accountants, Mumbai as Statutory Auditor of the company for the financial year 2019 - 20 in terms of Section 139 & 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time.

As per the Section 139 of the Companies Act, 2013, the remuneration of Auditors appointed by the office of C&AG, shall be fixed by the company in the Annual General Meeting. Accordingly, the Notice of the Annual General Meeting includes an item pertaining to remuneration of the Auditors for the year 2019-20.

## **XX. STATUTORY AUDITOR'S REPORT**

The Auditor's Report does not contain any qualification. The notes to the accounts referred to in the Report are self-explanatory and therefore do not call for any further comments from the Directors.

## **XXI. COMPLIANCE WITH SECRETARIAL STANDARDS**

The company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India and subsequent modifications thereof and such systems are adequate and operating effectively.

**XXII. MODEL CODE OF CONDUCT**

The Directors confirm that all Board members have affirmed compliance with the company's code of conduct for the financial year 2018-19.

**XXIII. PARTICULARS OF EMPLOYEES**

The provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your company since there are no employees in the company during the year under review.

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

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

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

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

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

**XXVI. DETAILS OF SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANIES**

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

**XXVII. DEPOSITS**

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

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

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

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

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

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

The company acts as a Trustee to IDBI Mutual Fund. The Trustees have been appointed by the Sponsor ('IDBI Bank Limited') vide Trust deed dated February 19, 2010. Further the company has appointed IDBI Asset Management Limited ('IDBI AMC') as Investment Manager to IDBI Mutual Fund vide Investment Management Agreement dated February 26, 2010. Thus the company has the function more of a supervisory on the management of operations by IDBI Asset Management Limited which are guided by the SEBI Regulations and Directives and AMFI guidelines issued from time to time. Since, the operations of the IDBI Mutual Fund are managed by IDBI AMC; the does not have any employees. and therefore the provisions of the said Act are not applicable to the Company.

**XXXI. INTERNAL CONTROL SYSTEMS**

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are certified by the Statutory Auditor.

**XXXII. ACKNOWLEDGEMENTS**

The Board takes the opportunity to explain their gratitude for the continued support and co-operation extended by the Securities and Exchange Board of India as well as Reserve Bank of India, IDBI Bank Limited, the Registrars & Transfer Agents, the Custodians, the Bankers, Market Intermediaries and Distributors, Government Agencies, Auditors, Association of Mutual Funds in India.

***For and on behalf of the Board of Directors  
of IDBI MF Trustee Company Limited***

**Sd/-**

**Avinash C. Mahajan  
DIN: 00041661**

**Place: Mumbai**

**Date: September 26, 2019**

**FORM NO. AOC 2**

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis: -

| <b>S. No.</b> | <b>Particulars</b>   | <b>Details</b>   |
|---------------|--|--|
| <b>1.</b>     | <b>Name(s) of the related party and nature of relationship.</b>                                    | IDBI Asset Management Limited – Group company  |
| <b>2.</b>     | <b>Nature of contracts/arrangements/transactions.</b>  | Management fees from IDBI Mutual Fund for managing the schemes of the Fund   |
| <b>3.</b>     | <b>Duration of the contracts/arrangements/transactions.</b>  | Has authorized IDBI Asset Management Limited to act as Investment Manager to IDBI Mutual Fund and manage affairs and operations of the Fund. The company has entered into an Investment Management agreement with IDBI Asset Management Limited.   |
| <b>4.</b>     | <b>Salient terms of the contracts or arrangements or transactions including the value, if any.</b> | Management fees: To charge with recurring expenses and such other costs as per permissible limit prescribed by SEBI. To incur expenses on behalf of Mutual Fund and take on books expenses crossing the threshold limit.   |
| <b>5.</b>     | <b>Date of approval by the Board.</b>  | February 11, 2010  |
| <b>6.</b>     | <b>Amount paid as advances, if any.</b>  | NIL  |
| <b>7.</b>     | <b>Justification for entering into the contracts/arrangements/transactions.</b>                    | Regulation 52 of SEBI (Mutual Funds) Regulations, 1996 allows IDBI Asset Management Limited to recover from the schemes, management fees for managing the schemes of IDBI Mutual Fund as per the Investment Management Agreement dated February 26, 2010 entered into with IDBI MF Trustee Company Limited (Trustees to IDBI Mutual Fund). |

**For and on behalf of the Board of Directors  
of IDBI MF Trustee Company Limited**

**Sd/-**

**Avinash C. Mahajan**

**DIN: 00041661**

**Place: Mumbai**

**Date: September 26, 2019**



**FORM NO. AOC 2**

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

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

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

| <b>S. No.</b> | <b>Particulars</b>   | <b>Details</b>   |
|---------------|--|--|
| <b>1.</b>     | <b>Name(s) of the related party and nature of relationship.</b>                                    | IDBI Mutual Fund constituted by IDBI Bank Limited – Holding company  |
| <b>2.</b>     | <b>Nature of contracts/arrangements/transactions.</b>  | To obtain Trusteeship Fees   |
| <b>3.</b>     | <b>Duration of the contracts/arrangements/transactions.</b>  | Entered into Trust Deed dated February 19, 2010 with the company. The settlor ( <i>IDBI Bank Limited</i> ) has constituted a Trust in the name of IDBI Mutual Fund. The Settlor has appointed IDBI MF Trustee Company Limited as (“Trustees”) to the Mutual Fund. The Trustees are responsible for the management of Mutual Fund, to hold Trust property, to provide information to Unit Holders, SEBI, Settlor, to ensure compliance by Mutual Fund, to protect interest of the unit holders, to frame, formulate and launch Schemes.<br><br>The Settlor had contributed Rs. 20 lakhs in the equity capital of the company. |
| <b>4.</b>     | <b>Salient terms of the contracts or arrangements or transactions including the value, if any.</b> | Trusteeship fees: The Trustee shall be entitled to receive a fee not exceeding 0.01% per annum of the daily/net assets of the Mutual Fund. The Trustee shall also be entitled for reimbursement of all costs, charges and expenses incurred in the course of the administration and execution of the Fund. Such reimbursement would always be to the extent permitted under the Regulations.   |
| <b>5.</b>     | <b>Date of approval by the Board.</b>  | February 11, 2010  |
| <b>6.</b>     | <b>Amount paid as advances, if any.</b>  | NIL  |
| <b>7.</b>     | <b>Justification for entering into the contracts/arrangements/transactions.</b>                    | Schedule III of SEBI (Mutual Funds) Regulations 1996 allows IDBI MF Trustees Company Limited to recover from the   |

|  |  |  |
|--|--|--|
|  |  | schemes Trusteeship fees for supervising the operations of the schemes of IDBI Mutual Fund as per the Trust deed dated February 19, 2010 entered into with IDBI Bank Limited (Sponsor to IDBI Mutual Fund) |
|--|--|--|

***For and on behalf of the Board of Directors  
of IDBI MF Trustee Company Limited***

**Sd/-  
Avinash C. Mahajan  
DIN: 00041661**

**Place: Mumbai  
Date: September 26,2019**

**FORM NO. AOC 2**

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis: -

| <b>S. No.</b> | <b>Particulars</b>   | <b>Details</b>   |
|---------------|--|--|
| <b>1.</b>     | <b>Name(s) of the related party and nature of relationship.</b>                                    | IDBI Asset Management Limited – Group company.   |
| <b>2.</b>     | <b>Nature of contracts/arrangements/transactions.</b>  | To pay Secretarial & Accounting service expenses.  |
| <b>3.</b>     | <b>Duration of the contracts/arrangements/transactions.</b>  | The arrangement shall be in existence till the IDBI Asset Management Limited acts as investment manager to IDBI Mutual Fund in terms of Investment Management agreement entered into with the company.   |
| <b>4.</b>     | <b>Salient terms of the contracts or arrangements or transactions including the value, if any.</b> | IDBI Asset Management Limited (“IDBI AMC”) being an investment manager to IDBI Mutual Fund also provides secretarial and account services to the company. The employees of IDBI Asset Management Limited manage the above services. Further all other expenses towards utility bills etc are borne by IDBI AMC.<br><b>Secretarial &amp; accounting service expenses:</b> Certain common expenses incurred by IDBI AMC such as Rent, Electricity, Maintenance relating to Mumbai office premises and also a portion of salary expenses for the services rendered by IDBI AMC. Out of the above common expenses IDBI AMC charges 5% to MF Trustee Co. The Services of around 12 officials are being used for MF Trustee Co related work as MF Trustee Co. does not have any employee on its roles. These AMC officials take care of the work relating to secretarial matters, conducting of meetings, ROC work, accounts/tax matters, SEBI compliance etc. IDBI AMC is charging 1% of salary expenses. |
| <b>5.</b>     | <b>Date of approval by the Board.</b>  | October 22, 2013   |
| <b>6.</b>     | <b>Amount paid as advances, if any.</b>  | NIL  |
| <b>7.</b>     | <b>Justification for entering into the contracts/arrangements/transactions.</b>                    | The secretarial and account services of the company are managed by the employees of the IDBI AMC (Investment Manager to IDBI Mutual Fund), since the company has no  |

|  |  |  |
|--|--|--|
|  |  | employees on roll. Also since the company also shares premises due to above services, it is prudent to also share other expense with IDBI AMC. Thus with approval of Board a percentage share was arrived at so as to cover the expenses and services and a policy in this regard was formulated and put in place. |
|--|--|--|

***For and on behalf of the Board of Directors  
of IDBI MF Trustee Company Limited***

**Sd/-  
Avinash C. Mahajan  
DIN: 00041661**

**Place: Mumbai  
Date: September 26, 2019**



गोपनीय/शीघ्र डाक

संख्या: जीए/सीए III/आयडीबीआय एमएफ /लेखा/2018-19/155

17/09/2019

सेवा में,

निदेशक,

आयडीबीआय एमएफ ट्रस्टी कंपनी लिमिटेड,

आयडीबीआय टॉवर, डब्लुटीसी कॉम्प्लेक्स,

कफ परेड,

मुंबई -400005

विषय: 31 मार्च 2019 को समाप्त वर्ष हेतु आयडीबीआय एमएफ ट्रस्टी कंपनी लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ ।

महोदय,

31 मार्च 2019 को समाप्त वर्ष हेतु आयडीबीआय एमएफ ट्रस्टी कंपनी लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

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

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवतीया,



(रूप राशि)

महानिदेशक वाणिज्यिक लेखापरीक्षा तथा  
पदेन सदस्य, लेखापरीक्षा बोर्ड -I, मुंबई

संलग्न: यथोपरि।

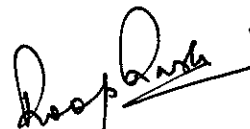
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF IDBI MF TRUSTEE COMPANY LIMITED FOR THE YEAR  
ENDED 31 MARCH 2019**

The preparation of Financial Statements of IDBI MF Trustee Company Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 April 2019.

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

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Financial Statements of IDBI MF Trustee Company Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act.

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



(Roop Rashi)

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

Place : Mumbai

Date : 17 September 2019

Statutory

Auditor's Report

&

Financial Statements

## Independent Auditor's Report

### To the Members of IDBI Mutual Fund Trustee Company Limited

#### Report on the audit of financial statements

#### 1. Opinion

We have audited the accompanying standalone financial statements of **IDBI Mutual Fund Trustee Company Limited** ('the Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss, the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profits, and its cash flows for the year ended on that date.

#### 2. Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report along with annexures, and the Secretarial Audit Report but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.





On reading the other information, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance.

#### 4. **Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### 5. **Auditor's responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in "Appendix I" of this auditor's report. This description, which is located at page number 4, forms part of our auditor's report.

#### 6. **Report on other Legal and Regulatory requirements**

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. We are enclosing report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure B" on the directions and sub directions issued by the Comptroller and Auditor General of India.



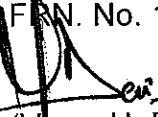
III. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
- e) On the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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 Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

For U. G. Devi & Company

Chartered Accountants

F.R.N. No. 102427-W



(Vinay U. Devi)

Partner

Membership No. 38973

Mumbai, Dated: 24<sup>th</sup> April, 2019



**Appendix I to the Audit report on the financial statements of IDBI Mutual Fund Trustee Company Limited for the year ended 31<sup>st</sup> March 2019.**

**Description of our responsibilities for the audit of the financial statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Annexure "A" to the Independent Auditors' Report of IDBI Mutual Fund Trustee Company Limited for the year ended 31<sup>st</sup> March 2019 (referred to in our report of even date).**

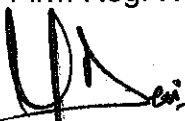
**We report that**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As per information and explanations given to us, the fixed assets have been physically verified by the management at regular intervals in accordance with the programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. According to the information & explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the company does not own any immovable property included under the head fixed assets. Accordingly, provisions of clause 3(i)(c) of the order is not applicable to the company.
- (ii) The company's business does not involve inventories and accordingly provisions of clause 3 (ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given/made loans, investments, guarantees, and security. The issue of compliance with the provisions of section 185 and 186 of the Companies Act, 2013, therefore does not arise.
- (v) The Company has not accepted any deposits from the public to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under apply.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, the company has been regular in depositing undisputed statutory dues including income-tax, sales-tax, goods & service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues applicable to it, with the appropriate authorities. The provisions relating to provident fund, employees' state insurance, are not applicable to the Company. We are informed that there are no undisputed amounts payable in respect of income-tax, sales-tax, goods & service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues outstanding as at 31<sup>st</sup> March, 2019 for period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us there are no dues in respect of income tax, sales tax, goods & service tax, customs duty, excise duty, value added tax which have not been deposited on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not borrowed any amounts from financial institutions, banks, government or by issue of debentures.
- (ix) The Company has neither raised money by way of initial public offer or further public offer (including debt instruments) nor taken any term loans.
- (x) To the best of our knowledge and according to the information and explanations given to us no fraud by the Company and no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) No managerial remuneration has been paid or provided for .
- (xii) The company is not a Nidhi Company accordingly clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For U. G. Devi & Company  
Chartered Accountants  
Firm Reg. No. 102427-W

  
(Vinay U. Devi)  
Partner  
M. No. 038973



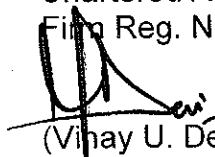
**Mumbai: Dated: 24<sup>th</sup> April, 2019.**

**Annexure "B" to the Independent Auditors' Report of IDBI Mutual Fund Trustee Company Limited for the year ended 31<sup>st</sup> March 2019 (referred to in our report of even date).**

**Report in terms of Section 143(5) of the Act on the directions and sub directions issued by the Comptroller and Auditor General of India. We further report as under.**

| <b>Sr. No.</b> | <b>Directions</b>   | <b>Observations of Auditor</b>   | <b>Financial Implications/Impact</b> |
|----------------|---|--|--------------------------------------|
| 1              | Whether the company has system in place to process all the accounting transactions through IT systems? If yes, the implications of processing of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated. | Yes, the company has a system in place to process all the accounting transactions through IT Systems.<br>In our opinion and as per the records examined by us there are no accounting transactions processed outside the IT System which may affect the integrity of the accounts. | NIL                                  |
| 2              | Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may stated.   | Not Applicable, as the Company has no borrowings.  | NIL                                  |
| 3              | Whether funds received / receivable for specific schemes from central /state agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.  | Not Applicable, as the company has not received any funds for specific schemes from central/ state agencies.   | NIL                                  |

For U. G. Devi & Company  
Chartered Accountants  
Firm Reg. No. 102427-W

  
(Vinay U. Devi)  
Partner  
M. No. 038973



**Mumbai: Dated: 24<sup>th</sup> April, 2019.**

**ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE  
ON THE FINANCIAL STATEMENTS OF IDBI Mutual Fund Trustee Company  
Limited**

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

We have audited the internal financial controls over financial reporting of IDBI Mutual Fund Trustee Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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



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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

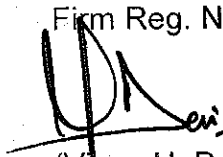
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **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, 2019, 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 U. G. Devi & Company  
Chartered Accountants  
Firm Reg. No. 102427-W

  
(Vinay U. Devi)  
Partner



Membership No. 038973  
Mumbai: Dated: 24<sup>th</sup> April, 2019.



**IDBI MF TRUSTEE COMPANY LIMITED**  
(CIN:U65991MH2010PLC199326)  
Balance Sheet as at 31st March 2019

| Particulars  | Note No. | As at 31st March 2019 | As at 31st March 2018 |
|--|----------|-----------------------|-----------------------|
| <b>I. EQUITY AND LIABILITIES</b>                   |          |                       |                       |
| <b>1 Shareholders' funds</b>                       |          |                       |                       |
| (a) Share capital                                  | 3        | 20,00,000             | 20,00,000             |
| (b) Reserves and surplus                           | 4        | 1,26,60,248           | 1,22,10,982           |
| (c) Money received against share warrants          |          | -                     | -                     |
|  |          | <b>1,46,60,248</b>    | <b>1,42,10,982</b>    |
| <b>2 Share application money pending allotment</b> |          | -                     | -                     |
| <b>3 Non-current liabilities</b>                   |          |                       |                       |
| (a) Long-term borrowings                           |          | -                     | -                     |
| (b) Deferred tax liabilities (Net)                 |          | 612                   | -                     |
| (c) Other Long term liabilities                    |          | -                     | -                     |
| (d) Long-term provisions                           |          | -                     | -                     |
|  |          | <b>612</b>            | <b>-</b>              |
| <b>4 Current liabilities</b>                       |          |                       |                       |
| (a) Short-term borrowings                          |          | -                     | -                     |
| (b) Trade payables                                 |          | -                     | -                     |
| (c) Other current liabilities                      | 5        | 20,57,732             | 14,04,635             |
| (d) Short-term provisions                          |          | -                     | -                     |
|  |          | <b>20,57,732</b>      | <b>14,04,635</b>      |
| <b>TOTAL</b>                                       |          | <b>1,67,18,592</b>    | <b>1,56,15,617</b>    |
| <b>II. ASSETS</b>                                  |          |                       |                       |
| <b>Non-current assets</b>                          |          |                       |                       |
| <b>1 (a) Fixed assets</b>                          |          |                       |                       |
| (i) Property, Plant and Equipment                  | 6        | 2,26,005              | -                     |
| (ii) Intangible assets                             |          | -                     | -                     |
| (iii) Capital work-in-progress                     |          | -                     | -                     |
| (iv) Intangible assets under development           |          | -                     | -                     |
| (b) Non-current investments                        | 7        | 1,40,51,552           | 1,40,51,552           |
| (c) Long term loans and advances                   | 8        | 8,86,256              | 1,67,270              |
|  |          | <b>1,51,63,813</b>    | <b>1,42,18,822</b>    |
| <b>2 Current assets</b>                            |          |                       |                       |
| (a) Current investments                            |          | -                     | -                     |
| (b) Trade receivables                              | 9        | 6,97,683              | 8,43,744              |
| (c) Cash and cash equivalents                      | 10       | 1,47,981              | 3,06,176              |
| (d) Other current assets                           | 11       | 7,09,115              | 2,46,875              |
|  |          | <b>15,54,779</b>      | <b>13,96,795</b>      |
| <b>TOTAL</b>                                       |          | <b>1,67,18,592</b>    | <b>1,56,15,617</b>    |
| Significant accounting policies                    | 1-2      |                       |                       |
| Notes forming part of the financial statements     | 15-27    |                       |                       |

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In terms of our report attached  
For U. G Devi & Company  
Chartered Accountants  
Firm Regn No 102427 W



For IDBI MF Trustee Company Limited

V. U. Devi  
Partner



G M Yadwadkar  
Chairman

DIN: 01432796

A C Mahajan  
Director

DIN: 00041661

M.No.38973

Place: Mumbai

Date: 24 April 2019

| Particulars  | Refer Note No. | For the period ended 31st March 2019 | For the period ended 31st March 2018 |
|--|----------------|--------------------------------------|--------------------------------------|
| I. Revenue From Operations   | 12             | 81,56,166                            | 81,58,666                            |
| II. Other income   |                | -                                    | 21,477                               |
| III. Total Revenue (I + II)  |                | 81,56,166                            | 81,80,143                            |
| IV. Expenses:  |                |                                      |                                      |
| Employee benefits expense  |                | -                                    | -                                    |
| Finance Cost   | 13             | -                                    | 450                                  |
| Other Expenses   | 14             | 74,86,919                            | 52,16,645                            |
| Depreciation & Amortisation  |                | 15,780                               | -                                    |
| V. Profit before exceptional and extraordinary items and tax (III-IV)  |                | 6,53,467                             | 29,63,048                            |
| VI. Exceptional Items  |                | -                                    | -                                    |
| VII. Profit before extraordinary items and tax (V - VI)                |                | 6,53,467                             | 29,63,048                            |
| VIII. Extraordinary Items  |                | -                                    | -                                    |
| IX. Profit before tax (VII- VIII)                                      |                | 6,53,467                             | 29,63,048                            |
| X Tax expense:   |                |                                      |                                      |
| (1) Current tax  |                | 2,03,589                             | 7,79,016                             |
| (2) Deferred tax   |                | 612                                  | -                                    |
| (3) Tax adjustment in respect of earlier years                         |                | -                                    | (13,716)                             |
| XI Profit (Loss) for the period from continuing operations (IX-X)      |                | 4,49,266                             | 21,97,748                            |
| XII Profit/(loss) from discontinuing operations                        |                | -                                    | -                                    |
| XIII Tax expense of discontinuing operations                           |                | -                                    | -                                    |
| XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) |                | -                                    | -                                    |
| XV Profit (Loss) for the period (XI + XIV)                             |                | 4,49,266                             | 21,97,748                            |
| Earnings per equity share: Basic and diluted                           | 17             | 2.25                                 | 10.99                                |
| Nominal value per share  |                | 10                                   | 10                                   |
| Significant accounting policies  | 1-2            |                                      |                                      |
| Notes forming part of the financial statements                         | 15-27          |                                      |                                      |

For U. G Devi & Company  
Chartered Accountants  
Firm Regn No 102427 W

V. U. Devi  
Partner  
M.No.38973  
Place: Mumbai  
Date: 24 April 2019



For IDBI MF Trustee Company Limited

G M Yadwadkar  
Chairman  
DIN: 01432796

A C Mahajan  
Director  
DIN: 00041661

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**IDBI MF Trustee Company Limited**  
(CIN:U65991MH2010PLC199326)

| <b>Cash Flow Statement for the year ended 31.03.2019</b> |   |                |                |
|--|---|----------------|----------------|
| Ref No   | Particulars   | 31 March' 2019 | 31 March' 2018 |
| (A)  | <b>Cash Flow from Operating Activities :</b>                        |                |                |
|  | Profit/(Loss) before Tax  | 6,53,467       | 29,63,048      |
|  | <b>Adjustments-</b>   |                |                |
|  | Deferred tax  | -              | -              |
|  | Depreciation  | 15,780         | -              |
|  | Profit on sale of investments                                       | -              | -              |
|  | Dividend Income   | -              | -              |
|  | Other Income  | -              | 21,477         |
|  | Operating Profit/(Loss) before Working Capital changes              | 6,69,247       | 29,41,571      |
|  | <b>Adjustments for (increase)/decrease in operating assets</b>      |                |                |
|  | (Increase)/Decrease in Trade Receivables                            | 1,46,060       | (3,13,968)     |
|  | (Increase)/Decrease in Other Assets                                 | (4,62,239)     | (1,92,883)     |
|  | <b>Adjustments for (increase)/decrease in operating liabilities</b> |                |                |
|  | Increase/(Decrease) in Current Liabilities                          | 6,53,097       | 9,48,535       |
|  | Increase/(Decrease) in Short Term Provisions                        | -              | (2,733)        |
|  | <b>Cash generated from operating activities</b>                     | 10,06,165      | 33,80,522      |
|  | Net Income tax (paid)/refunds                                       | (9,22,576)     | (5,38,733)     |
|  | <b>Net Cash from Operating activities (A)</b>                       | 83,589         | 28,41,789      |
| (B)  | <b>Cash Flow from Investing activities</b>                          |                |                |
|  | Purchase of Fixed Assets  | (2,41,785)     | -              |
|  | (Increase)/Decrease in Investments                                  | -              | (32,00,000)    |
|  | Investment in Mutual Fund   | -              | -              |
|  | Profit on sale of investments                                       | -              | -              |
|  | Sale of Fixed Assets  | -              | -              |
|  | Dividend Income   | -              | -              |
|  | Interest Income   | -              | 21,477         |
|  | Other Income  | -              | -              |
|  | <b>Net Cash used in Investing Activities (B)</b>                    | (2,41,785)     | (31,78,523)    |
| (C)  | <b>Cash Flow from Financing activities</b>                          |                |                |
|  | Increase in Share Capital   | -              | -              |
|  | <b>Net Cash from Financing Activities (C)</b>                       |                |                |
|  | <b>Cash &amp; Cash Equivalents for the year</b>                     | (1,58,196)     | (3,36,734)     |
|  | <b>Cash &amp; Cash Equivalents at the Beginning of the year</b>     | 3,06,176       | 6,42,910       |
|  | <b>Cash &amp; Cash Equivalents at the End of the year</b>           | 1,47,981       | 3,06,176       |
|  | <b>Cash &amp; Cash Equivalents Comprise of :</b>                    |                |                |
|  | Cash on hand  | -              | -              |
|  | Bank Accounts   | 1,47,981       | 3,06,176       |

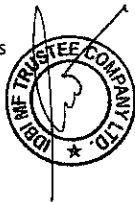
The cash flow statement is prepared using the indirect method  
See accompanying Notes forming part of the Financial Statements

In terms of our report attached  
For U. G Devi & Company  
Chartered Accountants  
Firm Regn No 102427 W

V. U. Devi  
Partner



M.No.38973  
Place: Mumbai  
Date: 24 April 2019



For IDBI MF Trustee Company Limited

G M Yadwadkar  
Chairman  
DIN: 01432796

A C Mahajan  
Director  
DIN: 00041661

## IDBI MF TRUSTEE COMPANY LIMITED

(CIN: U65991MH2010PLC199326)

### Notes forming part of the financial statements:

For the year ended 31<sup>st</sup> March 2019

(Currency: Indian rupees)

#### 1 Background

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

#### 2 Significant Accounting Policies

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

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

##### 2.2 Use of estimates

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

##### 2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### 2.4 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



## 2.5 Revenue Recognition

### Trusteeship fees:

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

### Other income:

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

## 2.6 Scheme/other Expenses

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

## 2.7 Property, plant and equipment

### Owned Asset:

Assets held for own use are stated at original cost less accumulated depreciation and impairment loss, if any. Cost of Property, plant and equipment comprises purchase price, duties, levies and any directly attributable costs of bringing the assets to its working condition of the intended use.

Depreciable amount for asset is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The estimated useful life of Property, plant and equipment which is in line with schedule II to the Companies Act 2013 and the method of depreciation is set out herein below:

| <u>Assets</u>          | <u>Useful Life</u> | <u>Method of Depreciation</u> |
|------------------------|--------------------|-------------------------------|
| Plant & Equipment's    | 15 Years           | Straight Line Method          |
| Furniture and Fittings | 10 Years           | Straight Line Method          |
| Electrical Equipment's | 10 Years           | Straight Line Method          |
| Vehicles               | 8 Years            | Straight Line Method          |
| Office Equipment's     | 5 Years            | Straight Line Method          |
| Computers              | 3 Years            | Straight Line Method          |
| Mobile Phones          | 3 Years            | Straight Line Method          |

### Intangible Assets

Intangible Assets are stated at cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The amortizable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.



## 2.8 Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## 2.9 Earnings per share

The company reports Basic Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

## 2.10 Foreign currency transactions

Transactions in foreign currencies are accounted for at the prevailing rates of exchange on the date of transaction. Foreign currency monetary items are restated at the prevailing rates of exchange as at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

## 2.11 Investments:

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

## 2.12 Employee benefits

Compensation to employees for services rendered is accounted for in accordance with Accounting Standard 15 on Employee Benefits.

## 2.13 Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on Borrowing Costs, are capitalized as part of the cost of the asset upto the date when the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## 2.14 Segment Reporting

The Company is primarily in a single segment i.e. in the business of Trusteeship. The Company identifies primary segments based on the dominant source, nature and returns, the internal organization and management structure.



## 2.15 Taxation

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

### Current taxes

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

### Deferred taxes

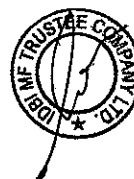
Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax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

## 2.16 Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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



Note 3:

| Share Capital   | As at 31st March 2019 |           | As at 31st March 2018 |           |
|---|-----------------------|-----------|-----------------------|-----------|
|   | No                    | Amount    | No                    | Amount    |
| <b>Authorised</b>   |                       |           |                       |           |
| 5,00,000 Equity shares of Rs. 10/- each   |                       | 50,00,000 |                       | 50,00,000 |
| <b>Issued</b>   |                       |           |                       |           |
| 2,00,000 Equity shares of Rs. 10/- each are held by IDBI Bank Limited, Holding Company, and no Fresh allotment has been made in the year. |                       | 20,00,000 |                       | 20,00,000 |
| <b>Subscribed &amp; fully Paid up</b>   |                       |           |                       |           |
| 2,00,000 Equity shares of Rs. 10/- each are held by IDBI Bank Limited, Holding Company, and no Fresh allotment has been made in the year. |                       | 20,00,000 |                       | 20,00,000 |
| <b>Subscribed but not fully Paid up</b>   |                       |           |                       |           |
|   |                       | -         |                       | -         |
| <b>Total</b>  |                       | 20,00,000 |                       | 20,00,000 |

**Terms/rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The company has not declared any dividends during the year. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The reconciliation of the number of shares outstanding is set out below

| Particulars                        | As at 31.03.2019 |                  | As at 31.03.2018 |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | No               | Amount           | No               | Amount           |
| Number of shares at the beginning  | 2,00,000         | 20,00,000        | 2,00,000         | 20,00,000        |
| Add: Shares issued                 | -                | -                | -                | -                |
| <b>Number of Shares at the end</b> | <b>2,00,000</b>  | <b>20,00,000</b> | <b>2,00,000</b>  | <b>20,00,000</b> |

Details of shares held by holding company and shareholders holding more than 5% shares is set out below:

| Name of Shareholder             | As at 31.03.2019 |        | As at 31.03.2018 |        |
|---------------------------------|------------------|--------|------------------|--------|
|                                 | No               | % held | No               | % held |
| IDBI Bank (the holding company) | 2,00,000         | 100%   | 2,00,000         | 100%   |





Note 4 :

| Reserves & Surplus                                 | As at 31st March<br>2019 | As at 31st March<br>2018 |
|--|--------------------------|--------------------------|
| <b>a. Capital Reserves</b>                         |                          |                          |
| Opening Balance                                    |                          |                          |
| (+) Current Year Transfer                          | -                        | -                        |
| (-) Written Back in Current Year                   | -                        | -                        |
| Closing Balance                                    | -                        | -                        |
| <b>b. Capital Redemption Reserve</b>               |                          |                          |
| Opening Balance                                    | -                        | -                        |
| (+) Current Year Transfer                          | -                        | -                        |
| (-) Written Back in Current Year                   | -                        | -                        |
| Closing Balance                                    | -                        | -                        |
| <b>c. Securities Premium Account</b>               |                          |                          |
| Opening Balance                                    | -                        | -                        |
| Add : Securities premium credited on Share issue   | -                        | -                        |
| <u>Less : Premium Utilised for various reasons</u> | -                        | -                        |
| Premium on Redemption of Debentures                | -                        | -                        |
| For Issuing Bonus Shares                           | -                        | -                        |
| Closing Balance                                    | -                        | -                        |
| <b>d. Debenture Redemption Reserve</b>             |                          |                          |
| Opening Balance                                    | -                        | -                        |
| (+) Current Year Transfer                          | -                        | -                        |
| (-) Written Back in Current Year                   | -                        | -                        |
| Closing Balance                                    | -                        | -                        |
| <b>e. Revaluation Reserve</b>                      |                          |                          |
| Opening Balance                                    | -                        | -                        |
| (+) Current Year Transfer                          | -                        | -                        |
| (-) Written Back in Current Year                   | -                        | -                        |
| Closing Balance                                    | -                        | -                        |
| <b>f. Share Options Outstanding Account</b>        |                          |                          |
| Opening Balance                                    | -                        | -                        |
| (+) Current Year Transfer                          | -                        | -                        |
| (-) Written Back in Current Year                   | -                        | -                        |
| Closing Balance                                    | -                        | -                        |
| <b>g. Profit &amp; Loss</b>                        |                          |                          |
| Opening balance                                    | 1,22,10,982              | 1,00,13,234              |
| (+) Net Profit/(Net Loss) For the current year     | 4,49,266                 | 21,97,748                |
| (+) Transfer from Reserves                         | -                        | -                        |
| (-) Proposed Dividends                             | -                        | -                        |
| (-) Income Tax Provision of Last Year Transfer     | -                        | -                        |
| (-) Deferred Tax Provision of Last Year Transfer   | -                        | -                        |
| Closing Balance                                    | 1,26,60,248              | 1,22,10,982              |
| <b>Total</b>                                       | <b>1,26,60,248</b>       | <b>1,22,10,982</b>       |

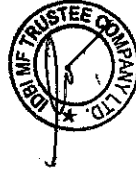


Note 5 :

| Other Current Liabilities                           | As at 31st March<br>2019 | As at 31st March<br>2018 |
|---|--------------------------|--------------------------|
| (a) Current maturities of long-term debt            | -                        | -                        |
| (b) Current maturities of finance lease obligations | -                        | -                        |
| (c) Interest accrued but not due on borrowings      | -                        | -                        |
| (d) Interest accrued and due on borrowings          | -                        | -                        |
| (e) Income received in advance                      | -                        | -                        |
| (f) Unpaid dividends                                | -                        | -                        |
| (g) Application money received for allotment of     | -                        | -                        |
| (h) Unpaid matured deposits and interest accrued    | -                        | -                        |
| (i) Unpaid matured debentures and interest accrued  | -                        | -                        |
| (j) Other payables (specify nature)                 | -                        | -                        |
| Creditors for Expenses                              | 18,22,014                | 10,60,172                |
| CGST Payable  | 21,093                   | -                        |
| SGST Payable  | 21,094                   | -                        |
| TDS Payable   | 84,631                   | 2,40,963                 |
| Audit Fees Payable                                  | 1,08,900                 | 1,03,500                 |
| <b>Total</b>  | <b>20,57,732</b>         | <b>14,04,635</b>         |

Note 8 :

| Long term loans and advances                         | As at 31st March<br>2019 | As at 31st March<br>2018 |
|--|--------------------------|--------------------------|
| (Unsecured, considered good except otherwise stated) |                          |                          |
| Advance Income Tax less provision                    |                          |                          |
| FY 2018-19 (Net of Provision Rs. 2,03,589)           | 7,18,986                 | -                        |
| FY 2017-18 (Net of Provision Rs. 7,79,016)           | 1,67,270                 | 1,67,270                 |
| <b>Total</b>   | <b>8,86,256</b>          | <b>1,67,270</b>          |



Schedule -6  
Property, Plant and Equipment

Fixed Asset Schedule as per Schedule II of Companies Act, 2013.

|                                   | Gross Block                      |          |          |                                  | Accumulated Depreciation         |          |          | Net Block                   |                             |
|-----------------------------------|----------------------------------|----------|----------|----------------------------------|----------------------------------|----------|----------|-----------------------------|-----------------------------|
|                                   | Opening Balance as on 01.04.2018 | Addition | Deletion | Closing Balance as on 31.03.2019 | Opening Balance as on 01.04.2018 | Addition | Deletion | Net Amount as on 31.03.2019 | Net Amount as on 01.04.2018 |
| Tangible assets<br>Mobile Handset |                                  | 2,41,785 |          | 2,41,785                         | -                                | 15,780   | -        | 2,26,005                    | -                           |
| Grand total                       | -                                | 2,41,785 | -        | 2,41,785                         | -                                | 15,780   | -        | 2,26,005                    | -                           |

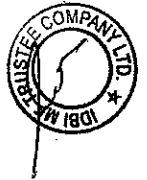


Note 7 : Investments

| Particulars   | As at 31st March 2019 | As at 31st March 2018 |
|---|-----------------------|-----------------------|
| (a) Investment in Equity instruments                        | -                     | -                     |
| (b) Investments in preference shares                        | -                     | -                     |
| (c) Investments in Government or Trust securities           | -                     | -                     |
| (d) Investments in Debentures or Bonds                      | -                     | -                     |
| (e) Investments in Mutual Funds (Liquid Fund-Growth)        | 1,40,51,552           | 1,40,51,552           |
| (f) Investments in partnership firms                        | -                     | -                     |
| (g) Other non-current Investments (specify nature)          | -                     | -                     |
| Total (A)   | -                     | -                     |
| Less : Provision for diminution in the value of investments | -                     | -                     |
| <b>Total</b>  | <b>1,40,51,552</b>    | <b>1,40,51,552</b>    |

| Particulars   | As at 31st March 2019 | As at 31st March 2018 |
|---|-----------------------|-----------------------|
| Aggregate amount of quoted investments<br>(Market Value Rs. 1,69,34,870.06) | 1,40,51,552           | 1,40,51,552           |
| Aggregate amount of unquoted investments                                    | -                     | -                     |

| Sr. No. | Name of the Body Corporate  | Subsidiary / JV/ Associate / Controlled Special Purpose Entity | No. of Shares / Units |           | Quoted / Unquoted | Extent of Holding (%) |      | Amount (₹)         |                    | Basis of Valuation |
|---------|---|--|-----------------------|-----------|-------------------|-----------------------|------|--------------------|--------------------|--------------------|
|         |   |  | 2019                  | 2018      |                   | 2019                  | 2018 | 2019               | 2018               |                    |
| (a)     | Investments in Mutual Funds   |  |                       |           |                   |                       |      |                    |                    |                    |
|         | IDBI Liquid Fund - Direct Plan - Growth (Market Value Rs. 1,69,34,870.06) |  | 8,454,793             | 8,454,793 | Quoted            |                       |      | 1,40,51,552        | 1,40,51,552        |                    |
|         | <b>Total</b>  |  |                       |           |                   |                       |      | <b>1,40,51,552</b> | <b>1,40,51,552</b> |                    |





Note 9 :

| Trade Receivables                                 | As at 31st March<br>2019 | As at 31st March<br>2018 |
|---|--------------------------|--------------------------|
| six months from the date they are due for payment |                          |                          |
| Secured, considered good                          | -                        | -                        |
| Unsecured, considered good                        | 6,97,683                 | 8,43,744                 |
| Unsecured, considered doubtful                    | -                        | -                        |
|   | 6,97,683                 | 8,43,744                 |
| Less: Provision for doubtful debts                | -                        | -                        |
|   | 6,97,683                 | 8,43,744                 |
| six months from the date they are due for payment |                          |                          |
| Secured, considered good                          | -                        | -                        |
| Unsecured, considered good                        | -                        | -                        |
| Unsecured, considered doubtful                    | -                        | -                        |
| Less: Provision for doubtful debts                | -                        | -                        |
|   | -                        | -                        |
|   | -                        | -                        |
| <b>Total</b>                                      | <b>6,97,683</b>          | <b>8,43,744</b>          |

Note 10 :

| Cash and cash equivalents                          | As at 31st March<br>2019 | As at 31st March<br>2018 |
|--|--------------------------|--------------------------|
| a. Balances with banks in current account          | 1,47,981                 | 3,06,176                 |
| This includes:                                     |                          |                          |
| Earmarked Balances (eg/- unpaid dividend accounts) | -                        | -                        |
| Margin money                                       | -                        | -                        |
| Security against borrowings                        | -                        | -                        |
| Guarantees   | -                        | -                        |
| Other Commitments                                  | -                        | -                        |
| Bank deposits with more than 12 months maturity    | -                        | -                        |
| b. Cheques, drafts on hand                         | -                        | -                        |
| c. Cash on hand                                    | -                        | -                        |
| d. Others (specify nature)                         | -                        | -                        |
| <b>Total</b>                                       | <b>1,47,981</b>          | <b>3,06,176</b>          |

Note 11 :

| Other Current Assets   | As at 31st March<br>2019 | As at 31st March<br>2018 |
|------------------------|--------------------------|--------------------------|
| a. GST Receivable      | 7,09,114                 | 2,46,875                 |
| b. Advance Tax & TDS   | -                        | -                        |
| c. Deferred Tax Asset  | -                        | -                        |
| d. Interest Receivable | -                        | -                        |
| <b>Total</b>           | <b>7,09,114</b>          | <b>2,46,875</b>          |



## Notes to Profit & Loss Account

|  | For the period ended<br>31st March 2019 | For the period ended<br>31st March 2018 |
|--|---|---|
| <b>Note 12 : Revenue From Operations</b>       |   |   |
| <b>Rendering of Services</b>                   |   |   |
| Trusteeship Fees                               | 81,56,166                               | 81,58,666                               |
| Profit on Sale of Investments                  | -                                       | -                                       |
| Dividend Income                                | -                                       | -                                       |
|  | <b>81,56,166</b>                        | <b>81,58,666</b>                        |
| <b>Other Income</b>                            |   |   |
| Interest Income                                | -                                       | 21,477                                  |
|  | -                                       | <b>21,477</b>                           |
| <b>Note 13 : Finance Cost</b>                  |   |   |
| <b>Interest</b>                                |   |   |
| Service tax                                    | -                                       | 450                                     |
|  | -                                       | <b>450</b>                              |
| <b>Note 14 : Other Expenses</b>                |   |   |
| Secretarial and Accounts Services Fees         | 32,62,692                               | 28,76,292                               |
| Travel & Halting Expenses                      | 11,39,581                               | 4,83,184                                |
| Statutory Levies and Interest                  | 928                                     | 3,979                                   |
| Bank Charges, Commission & Fee                 | -                                       | 115                                     |
| Audit Fees                                     | 1,21,000                                | 1,15,000                                |
| Printing and stationery                        | 14,213                                  | 5,46,027                                |
| Postage and Courier Charges                    | -                                       | 6,50,025                                |
| Professional Charges                           | 3,38,505                                | 64,500                                  |
| Other Expenses                                 | -                                       | 7,023                                   |
| Director Sitting Fees*<br>(* Refer Note no 15) | 26,10,000                               | 4,70,500                                |
|  | <b>74,86,919</b>                        | <b>52,16,645</b>                        |
| <b>Prior Period Expenses (included above)</b>  |   |   |
| Travel & Halting Expenses                      | 59,310                                  | -                                       |



**Additional information to the financial statements and disclosures under Accounting Standards**

15. The Board of Directors at the 46<sup>th</sup> Board meeting dated 25<sup>th</sup> April, 2017 proposed an amendment to Clause 21(b) of the Deed of Trust dated February 2010 wherein it was resolved to pay sitting fees at Rs.20,000/- per meeting for attending Board Meetings and Audit Committee Meetings and at Rs.10,000/- for Other Meetings attended /to be attended after September 01, 2015, subject to approval of the Unit Holders and SEBI. On receipt of NOC from SEBI and approval of Unit holders a deed of Variation approving amendment to the Trust Deed to give effect to the Board Resolution was executed on 7<sup>th</sup> July, 2018 between IDBI Bank Limited the Settlor and IDBI Mutual Fund Trustee Company Limited, consequent to which sitting fees became due and payable during the current financial year. Sitting fees at the revised rates has been paid w.e.f. from 28<sup>th</sup> October, 2015.

16. Investments are classified as Long-Term Investments and Current investments. Long term Investments are those which are held for a fairly long period to earn Income by way of Dividend and Gain. Long term Investments are stated at cost and provision for diminution in value is made if the fall in market value is permanent. As the investments of company are in growth fund there is no accrual of the income during the year.

Investments other than Long Term are Current and are carried at lower of cost or net realizable value.

17. Earnings per share has been computed as under:

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

| Earnings per share  | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2018 |
|---|-----------------------------|-----------------------------|
| Net (Loss)/ Profit after tax attributable to equity shareholders(A) Rs.                 | 4,49,266                    | 21,97,748                   |
| Calculation of weighted average number of equity shares(B) :                            | 2,00,000                    | 2,00,000                    |
| - No. of shares at the beginning of the period  | 2,00,000                    | 2,00,000                    |
| - No. of shares issued during the period  | NIL                         | NIL                         |
| - Total No. of shares outstanding at the period   | 2,00,000                    | 2,00,000                    |
| - Nominal Value of the equity share - Rs. per share                                     | 10/-                        | 10/-                        |
| - Paid up value of the equity share - Rs. Per share                                     | 10/-                        | 10/-                        |
| Basic (loss)/ earnings per share of the face value of Rs.10/- for the period(A)/(B)-Rs. | 2.25                        | 10.99                       |

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

19. Related party disclosures:

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





List of related parties and relationship:

|   |  |  |
|---|--|--|
| I | Individuals having control with relatives & associates |  |
|   | NIL  |  |

|    |                                |                                     |
|----|--------------------------------|-------------------------------------|
| II | Key Management Personnel       |                                     |
|    | Shri Gurudeo Madukar Yadwadkar | Chairman / Deputy Managing Director |

|     |                                       |                   |
|-----|---------------------------------------|-------------------|
| III | Holding Company and Fellow subsidiary |                   |
|     | IDBI Bank Limited                     | Holding Company   |
|     | IDBI Asset Management Limited         | Fellow Subsidiary |

Transactions with related parties:

|  | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2018 |
|--|-----------------------------|-----------------------------|
| <b>IDBI Bank Limited</b>               |                             |                             |
| Deposits Placed with IDBI Bank         | NIL                         | NIL                         |
| Deposits matured with IDBI Bank        | NIL                         | NIL                         |
| Contribution to capital of the Company | NIL                         | NIL                         |
| Transactions with IDBI Bank            | NIL                         | NIL                         |
| Amount outstanding                     | NIL                         | NIL                         |
| <b>IDBI Asset Management Limited</b>   |                             |                             |
| Expenses Debited                       | 32,62,692                   | 28,76,292                   |
| Trustee Fee Received                   | 81,56,166                   | 81,58,666                   |
| <b>Shri Gurudeo Madukar Yadwadkar</b>  |                             |                             |
| Sitting Fees paid                      | NIL                         | NIL                         |
| Reimbursement of Expenses              | NIL                         | NIL                         |

Balance with related parties:

| Particulars                                     | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2018 |
|---|-----------------------------|-----------------------------|
| 1. IDBI Bank Limited (Holding Company)          | 20,00,000                   | 20,00,000                   |
| 2. IDBI Asset Management Company (Payable)      | 16,54,423                   | 10,55,172                   |
| 3. IDBI Asset Management Company (Receivable)   | 6,97,683                    | 8,43,744                    |
| 4. IDBI Bank Limited (Holding Company)-Bank Bal | 1,47,981                    | 3,06,176                    |

Note:

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



20. Earnings in foreign exchange: NIL

21. Expenditure in foreign exchange: NIL

22. Dues to Micro, Small and Medium Enterprises:

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

23. Income Tax:

In accordance with Notified Accounting Standard 22 (AS-22), Accounting for taxes on Income, the major components of deferred tax as at 31<sup>st</sup> March 2019 are as follows:

| Deferred Tax asset / (Liability)                          | 31 <sup>st</sup> March 2019<br>(Rs) | 31 <sup>st</sup> March 2018<br>(Rs) |
|---|-------------------------------------|-------------------------------------|
| Temporary Difference                                      | NIL                                 | NIL                                 |
| Timing Difference on account of depreciation              | (612)                               | NIL                                 |
| Closing Balance of DTA/(DTL) as at 31 <sup>st</sup> March | (612)                               | NIL                                 |

24. Details of Audit Fees Paid (excluding GST)

| Particulars            | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2018 |
|------------------------|-----------------------------|-----------------------------|
| Statutory Audit        | Rs. 1,21,000                | Rs. 1,15,000                |
| Other Services         | NIL                         | NIL                         |
| Out of pocket expenses | NIL                         | NIL                         |

25. Balance of Sundry creditors, loans and advances and payables are subject to confirmation and reconciliation/consequential adjustments if any.

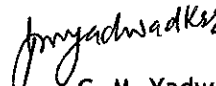
26. Figures have been rounded off to the nearest rupee.

27. Figures have been regrouped wherever necessary to correspond with those of the current year.

For U. G. Devi & Company  
Chartered Accountants  
FRN: 102427 W

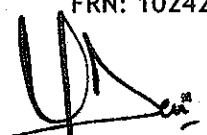


For IDBI MF Trustee Company Limited

  
G. M. Yadwadkar  
Chairman  
DIN: 01432796

  
A. C. Mahajan  
Director  
DIN: 00041661

SIGN HERE

  
(U. G. Devi)  
Partner  
M.No.038973



Place: Mumbai;

Date: 24 April, 2019.