



**IDBI ASSET MANAGEMENT LIMITED**  
(CIN: U65100MH2010PLC199319)

# Annual Report 2015-16

**Date of AGM:**

30<sup>th</sup> August, 2016

**Place of AGM:**

24<sup>th</sup> Floor, Small Conference Room, IDBI Tower, Cuffe Parade, Mumbai - 400 005.

**IDBI Asset Management Limited**

**CIN:** U65100MH2010PLC199319

**Registered office:** IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai - 400 005.

**Corporate office:** 5<sup>th</sup> Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021.

**IDBI ASSET MANAGEMENT LIMITED**

(CIN: U65100MH2010PLC199319)

**CORPORATE INFORMATION**
**BOARD OF DIRECTORS**

 (as on 30<sup>th</sup> August, 2016)

 Shri Kishor P. Kharat (07266945) – **Chairman**

 Shri. A L Bongirwar (00660262) – **Nominee Director**

 Shri. Jayant N. Godbole (00056830) – **Independent Director**

 Lt. Gen. Mukesh Sabharwal (retd.) (05155598) – **Independent Director**

 Ms. Geeta P. Shetti (02948958) – **Independent Director**

 Shri. A. V. Rammurty (00050455) – **Independent Director**

 Shri. Dilip K Mandal(03313130) - **MD & CEO**
**AUDIT COMMITTEE**

 (as on 30<sup>th</sup> August, 2016)

 Ms. Geeta P. Shetti (02948958) – **Independent Director (Chairperson)**

 Shri. Jayant N. Godbole (00056830) – **Independent Director**

 Lt. Gen. Mukesh Sabharwal (retd.) (05155598) – **Independent Director**

 Shri. A. V. Rammurty (00050455) – **Independent Director**
**NOMINATION AND REMUNERATION COMMITTEE**

 (as on 30<sup>th</sup> August, 2016)

 Shri. Jayant N. Godbole (00056830) – **Independent Director (Chairman)**

 Shri. A L Bongirwar (00660262) – **Nominee Director**

 Lt. Gen. Mukesh Sabharwal (retd.) (05155598) – **Independent Director**

 Ms. Geeta P. Shetti (02948958) – **Independent Director**

 Shri. A. V. Rammurty (00050455) – **Independent Director**
**EXECUTIVE DIRECTOR**

 Shri Sarath  
Sarma

**COMPANY SECRETARY**

Shri Manesh G. Jiandani (FCS 7360)

**CHIEF FINANCIAL OFFICER**

 Shri Amit Bhavsar  
(FCA108590)

**COMPLIANCE OFFICER**

Shri A. Jayadevan

**REGISTERED OFFICE:**

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

**CORPORATE OFFICE:**

 5<sup>th</sup> Floor, Mafatlal Centre,  
Nariman Point, Mumbai 400 021.  
**Tel:** (022) 66442800, **Fax:** 66442801  
**Website:** www.idbimutual.co.in  
**Email:** manesh.jiandani@idbimutual.co.in

**STATUTORY AUDITORS**

 C.R. Sagdeo & Co.  
Chartered Accountants,  
306, 3<sup>rd</sup> floor, Mayuresh Cosmos  
CBD Belapur, Sector 11, Plot 37,  
Navi Mumbai - 400 614.

**SECRETARIAL AUDITORS**

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



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

## NOTICE OF THE SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the members of M/s. IDBI Asset Management Limited will be held at short notice in the Small Conference Room of IDBI Bank Limited on the 24<sup>th</sup> floor at IDBI Tower, Cuffe Parade, Mumbai- 400005 on Tuesday, the 30<sup>th</sup> day of August 2016 at 5.30 P M, to transact the following Ordinary and Special Business:

### A. Ordinary Business

#### 1. Item no 1: Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company consisting of Balance Sheet as at 31<sup>st</sup> March, 2016, the statement of Profit and Loss, Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2016 and the reports of the Board of Directors' and the Statutory Auditors' and the comments of the Comptroller & Auditor General of India thereon.

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

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

RESOLVED THAT 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 pursuant to the provisions of Section 139(5) and other applicable provisions, if any, of the Companies Act, 2013, up to an amount as may be recommended by the Audit Committee and at the discretion of the Board, for the year 2016-17.



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

## **B. Special Business**

### **4. Item no 3: Confirmation of appointment of Shri Kishor Piraji Kharat (07266945) as Director and as Chairman of the Board.**

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

“RESOLVED THAT in accordance with Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and in terms of the Articles of Association of the Company and as per IDBI Bank Letter no 194/S&AIC/IAML dated August 24, 2015, Shri Kishor Piraji Kharat (07266945), who was appointed as an Additional Director of the Company, Nominated by IDBI Bank Limited, by the Board of Directors by passing resolution in the meeting held on October 28, 2015, effective from October 28 2015, and was elected as the Chairman of the Board consequent to amendment carried out in clause 173 of the Articles of Association on approval from Shareholders in the Extra ordinary General Meeting held on December 30, 2015 and who holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013, and Article 179 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company and Chairman of the Board, Nominated by IDBI Bank Limited, whose period of office shall not be liable to determination for retirement by rotation.”

### **5. Item no 4: Confirmation of appointment of Shri Abhay Laxman Bongirwar (DIN: 00660262) as Nominee Director, liable to retire by rotation.**

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

“RESOLVED THAT in accordance with Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and in terms of the Articles of Association of the Company and as per IDBI Bank Letter no 82/SAIC/Nominee Dated July 14, 2016, Shri Abhay Laxman Bongirwar (DIN: 00660262), who was appointed as a Nominee Director (Additional Director) of the Company, Nominated by IDBI Bank Limited, by the Board of Directors by passing resolution by circulation (received assent of all directors on 30<sup>th</sup> July 2016) and subsequently ratified at the meeting held on 30<sup>th</sup> August 2016, effective from July 30 2016, pursuant to Articles 171(b), 173 and 179 of the Articles of Association of the Company and Section 161 of the Companies Act,



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

2013, and who holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013, and Article 179 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, Nominated by IDBI Bank Limited, whose period of office shall be liable to determination by retirement by rotation.”

**Item no 5: Confirmation of appointment of Shri Dilip Kumar Mandal (03313130) as Director and also appointment as Managing Director & CEO, not liable to retire by rotation.**

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

“RESOLVED THAT in terms of Articles 175, 176 of the Articles of Association of the Company and in terms of sections 2(94), and 203, 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof), if applicable, Shri Dilip Kumar Mandal (03313130), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on August 30, 2016, effective from August 22, 2016, pursuant to Articles 171(b) and 179 of the Articles of Association of the Company and Section 161 (1) of the Companies Act, 2013, and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and Article 179 of the Articles of Association of the Company, be and is hereby appointed as Director on the Board w.e.f August 22, 2016 and as the Managing Director and Chief Executive Officer (MD & CEO) of the Company, on deputation from IDBI Bank Limited, with effect from August 30, 2016 for a period of 1 year, subject to further extension by IDBI Bank Ltd, on such terms and conditions including remuneration as contained in the Letter no HRD 4465/Nominee dated August 12, 2016 issued by IDBI Bank Ltd and as disclosed in the Explanatory Statement to this Resolution who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Shri Dilip Kumar Mandal (03313130) shall not be entitled to receive any remuneration from the Company except for the remuneration and Performance Linked Incentive specified/allowed by IDBI Bank under the Letter no HRD 4465/Nominee dated August 12, 2016 read with the Deputation Policy of IDBI Bank Limited for the services to be rendered by him in his capacity as Managing Director & Chief Executive Officer (MD & CEO) of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company is hereby authorized to extend the period of appointment of Shri Dilip Kumar Mandal (03313130), if so desired by the Board, but not more than 5 years, at the expiry of the one year period from 01st September 2017.



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

RESOLVED FURTHER THAT that the Board of Directors of the Company be and is hereby authorised to vary the terms of appointment including remuneration within the overall limits prescribed under the Companies Act, 2013 and Schedules thereto on the basis of advice given by IDBI Bank Limited from time to time and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution”

**Item no 6: Authorisation for Related Party Transactions**

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

RESOLVED THAT in terms of provisions of Section 188 and other applicable provisions of the Companies Act 2013 read with rule 15 of the Companies (Meeting of the Board and its powers) Rules 2014 and other applicable rules notified under the act, as amended from time to time, the members of the Company hereby approves the continuation of existing contracts of the Company and further hereby authorize the ACB/Board to approve and enter into fresh/ renew 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 and as per limits specified in Section 177 of the Companies Act 2013, for a value not exceeding Rs. 12 crore for each contract and/or arrangement whether entered into in ordinary course of business or not and/or whether at arm’s length price or not or at such price with the recommendation and approval of the Audit Committee to the Board of Directors of the Company for their approval, without any further reference to the shareholders.

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

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

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



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

**Item no 7: Amendment in Articles of Association**

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

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and in order to comply with the provisions of the Companies Act, 2013 read with the provisions of the SEBI (MF) Regulations 1996, the Articles of Association of IDBI Asset Management Ltd. be and are hereby altered

**by deleting the existing Article 173 and substituting with the following Article**

**“Article 173**

“The Chairman or MD & CEO of the IDBI Bank Limited, as may be nominated from time to time by IDBI Bank Limited, shall be the Chairman of the Board.”

For and on behalf of the Board of Directors

Place : Mumbai

Date :

CS Manesh Jiandani (FCS 7360)

Company Secretary

IDBI Asset Management Limited

CIN no: U65100MH2010PLC199319

**NOTES:**

- MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED & AFFIXED WITH REVENUE STAMP AND MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- The relevant explanatory statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of business under item no. 2 to 6 are attached herewith.
- Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
- Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102

**Item no 2:**

In terms of section 139(5) of the Companies Act 2013, the Company is subjected to Audit by Comptroller and Auditor General of India (C&AG). The accounts of the Company are required to be audited by Statutory Auditors appointed by the C&AG. These Auditors shall hold office till the conclusion of the AGM and as per the directions of the C&AG from time to time. The Company has approached C&AG for appointment of the Statutory Auditors for the Financial Year 2016-17. The C&AG has vide letter no CA/V/COY/Central Government, IDBIAS(1)/360 dated 13<sup>th</sup> July 2016 appointed M/s C R Sagdeo & CO. Chartered Accountants Navi Mumbai as Statutory Auditor for the FY 2016-17.

The remuneration of the Statutory Auditors are required to be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. The members are requested to authorise the Board of Directors to fix the remuneration payable to the Statutory Auditors based on recommendation of the Audit Committee of the Board. Therefore, it is proposed that by passing ordinary resolution under section 139 of the Companies Act, 2013, the ACB/Board may be authorised to negotiate and finalize the remuneration, the other terms and conditions and remuneration of the Statutory Auditors etc. The Ordinary Resolution as contained at Item No.2 of the AGM Notice is accordingly proposed to be passed by the shareholders.

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

**Item no 3:**

IDBI Bank Limited, in terms of Article 171 (b) of the Articles of Association of the Company, Vide letter no.194/S&AIC/IAML dated August 24, 2015 had advised appointment of Shri Kishor Piraji Kharat (07266945), MD & CEO, IDBI Bank Ltd, as Director and as Chairman on the Board of IDBI AML.

Accordingly, the Board of Directors, in accordance with Article 179 of the Articles of Association of the Company and Section 161 of the Companies act 2013, had in its meeting held on October 28, 2015 appointed Shri Kishor Piraji Kharat (07266945) as an Additional Director of the Company with effect from October 28, 2015. Shri Kishor Piraji Kharat (07266945) was elected as Chairman of the Board w.e.f. December 30, 2015 on approval of amendment in the Articles of Association of your Company in the EGM held on December 30, 2015

**Brief Profile of Shri Kishor Piraji Kharat (07266945):**

Shri Kishor Piraji Kharat (07266945) is the Chairman of IDBI Asset Management Ltd. and Managing Director and Chief Executive Officer of IDBI Bank Ltd. Prior to joining IDBI Bank, he served as Executive Director at Union Bank of India and held charge of Priority Sector Finance, MSME and Financial Inclusion. He has over 38 years of experience in the Banking and





IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

Financial Services sector. In a career spanning 37 years with Bank of Baroda, Shri. Kharat held several distinguished positions in the Bank's hierarchy in the areas including Credit, International business, Information Technology and general administration in India as well as overseas. Shri. Kharat established the foreign subsidiary of Bank of Baroda in Trinidad & Tobago, West Indies and was its Managing Director for more than three years. He was also a founding member of India Trinidad & Tobago Chambers of Commerce & Industry. During the period that Shri Kharat was General Manager, Financial Inclusion Vertical, he was a key driver of major Financial Inclusion initiatives where he had worked closely with RBI as well as the Government of India.

His Directorships in other Companies areas under :

Organization Name	Any association with the sponsor	Position held
IDBI Bank Limited	Sponsor	Managing Director & CEO
IDBI Capital Market Services Limited	Wholly Owned Subsidiary	Non Executive Chairman
Export Import Bank of India	No	Director and Member of Audit Committee
IDBI Trusteeship Services Limited	Wholly Owned Subsidiary	Non Executive Chairman
IDBI Intech Limited	Wholly Owned Subsidiary	Non Executive Chairman
IDBI Federal Life Insurance Company Limited	Joint Venture	Non Executive Chairman
Entrepreneurship Development Institute of India	Yes	President of Governing Council
Stressed Asset Stabilisation Fund	Yes	Chairman and Executive Trustee

Under Section 161(1) of the Companies Act, 2013 read with Article 179 of the Articles of Association of the Company, Shri Kishor Piraji Kharat (07266945) holds office only up to the date of this Annual General Meeting of the Company.



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

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

Shri Kishor Piraji Kharat (07266945) does not receive any remuneration, benefits, or commission from the Company.

Shri Kishor Piraji Kharat (07266945) does not hold by himself any shares in the Company.

The Board considers that the appointment of Shri Kishor Piraji Kharat (07266945) as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company who shall not be liable to determination for retirement by rotation.

Except Shri Kishor Kharat (DIN: 07266945) Chairperson, being MD & CEO of IDBI Bank Limited Shri Abhay Laxman Bongirwar (00660262) and Shri Dilip Kumar Mandal (03313130), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution set out at Item No. 3.

**Item no 4:**

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

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

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

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

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

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



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

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

Earlier, As MD & CEO of IDBI Capital (subsidiary of IDBI Bank), he turnaround the business & competitive position of IDBI Capital at a growth rate of more than 200% with increase in profit before tax from Rs.5 cr to Rs. 50 cr. in 3 years and handled 83 Corporate Debt Restructuring proposals of more than Rs.1,61,000 cr. capturing more than 50% market share in CDR handling. As regional head at infra group at IDBI, he handled 2/3 of IDBI's infra finance portfolio of more than 33000 cr. As zonal head of Pune region, he was also directly involved in merger of people, processes and business of 30 branches of IDBI Ltd, IDBI Bank, United Western bank and increased business at a growth rate of 125% in 2 years from Rs. 126 cr. to Rs.637 cr.(debt). Between 1997-2001, handled project appraisal and sanction of Power projects of more than 10,000 MW. During post liberalisation era, raised more than Rs. 4000 cr through 32 public issues through Merchant Banking activities.

His Directorships in other Companies areas under :

Organization Name	Any association with the sponsor	Position held
IDBI Bank Limited	Sponsor	Executive Director
Maharashtra State Board of Technical Education	No	Member of Governing Council

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

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

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



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

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

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

Except Shri Kishor Kharat (DIN: 07266945) Chairperson, being MD & CEO of IDBI Bank Limited Shri Abhay Laxman Bongirwar (00660262) and Shri Dilip Kumar Mandal (03313130), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution set out at Item No. 4.

**Item no 5:**

IDBI Bank Limited, In terms of Article 171 (b) of the Articles of Association of the Company, Vide Letter no HRD 4465/Nominee dated August 12, 2016 had advised appointment of Shri Dilip Kumar Mandal (03313130) CGM IDBI Bank Ltd, as MD & CEO on the Board of IDBI AML.

Accordingly, the Board of Directors had, in its meeting held on August 30, 2016 appointed Shri Dilip Kumar Mandal (03313130) as an Additional Director of the Company with effect from August 22, 2016 and subject to necessary approvals as the “Managing Director & CEO” of the Company for initial period of one year but not more than five years, with effect from August 30, 2016, as may be advised by IDBI Bank Limited from time to time.

Shri Dilip Kumar Mandal (03313130) is a graduate from IIT Kharagpur and a Post graduate from IIFT, New Delhi. He has over 30 years experiences in different fields of financial services viz. project finance, credit appraisal and monitoring, private equity funding, NPA resolution, loan syndications, retail banking etc. He has extensive knowledge in project financing of different industries viz. Steel & metal, oil and gas, shipping, sugar, hotel & hospitality sector, consumer electronics, tele-communications, transport and infrastructures projects like power, roads, ports etc.

Before joining IDBI AMC, he was working with IDBI Bank Ltd. as CGM & Zonal Head of Retail Banking Group, covering the states of Odisha, Chattisgarh & Jharkhand based at Bhubaneswar.



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

His Directorships in other Companies areas under :

Organization Name	Any association with the sponsor	Position held
GTL Limited	Financed by sponsor	Nominee Director of IDBI Bank Limited.

Under Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) read with Article 179 of the Articles of Association of the Company, Shri Dilip Kumar Mandal (03313130) holds office only up to the date of this Annual General Meeting of the Company.

MCA has vide circular dated 05<sup>th</sup> June 2015 notified that amongst other exemptions, Section 197 (with respect to Managerial Remuneration), Section 160 (notice of member signifying his intention to propose appointment of a candidate as Director and deposit of Rs. 1 Lakh thereof) is not applicable to Government Companies. Since your company is a Government Company within the definition of Section 2(45) of the Companies Act 2013, Section 197 and Section 160 is not applicable to your Company.

The appointment was made pursuant to intimation by IDBI Bank Limited Vide Letter no HRD 4465/Nominee dated August 12, 2016

The appointment of Shri Dilip Kumar Mandal (03313130) is appropriate and in the best interest of the Company.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Shri Dilip Kumar Mandal (03313130) as the Managing Director & CEO and the remuneration payable to him. The terms and conditions proposed (fixed by IDBI Bank Limited vide Letter no HRD 4465/Nominee dated August 12, 2016 and approved by the Nomination and Remuneration Committee on 26<sup>th</sup> August 2016 and by Board of Directors at their meeting held on 30<sup>th</sup> August, 2016) are keeping in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that of the Managing Director & CEO.

The material terms of appointment and remuneration as contained in the Deputation Order are given below: -

1. Period of Deputation

The officer will be on deputation with the IDBI Mutual Fund (IDBI MF) initially for a period of 1 year, extendable for a total period of 3 years subject to annual review. Extension beyond three



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

years would be considered depending on the merit of the case and with the approval of the Competent Authority. But in no case, the total period of deputation shall exceed five years.

## 2. Pay and Allowances while on deputation

2.01. During the period of deputation, the officer can either; a. Continue to draw the pay, allowances and other facilities as per IDBI Bank's scale b. Opt for the pay, allowances and other facilities as applicable to the post in IDBI MF

(The above option should be exercised within 6 months of the deputation)

2.02. In case, the officer opts to draw the pay and allowances as applicable in IDBI Bank, he will be entitled for deputation allowance @ 7.75% of the basic pay (subject to a maximum of Rs.2500/- p.m. in case deputation is at same location or Rs.5,000/- p.m. in case of deputation at different location) in addition to his normal pay and allowances. In addition, the officer will also be eligible for performance linked-incentive, if any, payable to the employees of the IDBI MF, as approved by the Board of IDBI MF. IDBI MF will seek approval/ confirmation of IDBI Bank Limited for payment of performance-linked incentive.

2.03. If the officer opts for drawal of pay and allowances as prevalent in IDBI MF, which has to be done within 6 months of the deputation, the officer would be required to resign/opt for voluntary retirement from IDBI Bank's service.

The option at Clause 2.01.a. as exercised would remain valid for the remaining period of deputation.

## 3. Residential Accommodation

IDBI MF shall provide the officer with housing accommodation against surrender of the entire house rent allowance admissible to the officer under the IDBI Bank's Rules. If the officer does not avail of residential accommodation, he will be eligible for house rent allowance as per IDBI Bank's Rules, if he opts for the Bank's pay and allowances. In case IDBI MF is unable to provide accommodation, and the officer continues to stay in the accommodation provided by the Bank, standard rent as per rules shall be paid by IDBI MF to IDBI Bank Ltd during the period of deputation.

## 4. Relocation Expenses

In case IDBI MF decides to transfer the officer out of his present centre of posting during the term of deputation, IDBI MF shall bear the transfer-related expenses and other allowances in respect of the officer and his family as per his entitlement under IDBI Bank's Rules. Similarly, on repatriation to IDBI Bank Ltd, IDBI MF shall bear all expenses for relocating the officer to any centre as indicated by IDBI Bank Ltd at that time. Pay and allowances during joining time while reporting to and on repatriation will be borne by IDBI MF, as per the rules of IDBI Bank Ltd.



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

#### 5. Traveling and Halting Allowance

For the journeys, if any, performed by the officer while on duty with the IDBI MF, traveling and halting allowances will be paid to him by IDBI MF, as per the rules of IDBI Bank Ltd.

#### 6. Pension Fund

IDBI MF will be required to remit to IDBI Bank Ltd. the following amounts, before the 5th of every month

(a) 10% of the officer's pay in IDBI Bank Ltd. towards employee's subscription to the IDBI Bank Ltd. Employees' Provident Fund and Voluntary Subscription, if any, to the extent of 15% of Basic Pay to be recovered from the officer out of his salary; and

(b) 2.7 times of the Provident Fund contribution of the officer, being the employer's contribution towards Pension Fund on monthly basis.

(c) In case of IDBI MF is not remitting the amount as per clause (a) & (b) contribution to IDBI Bank Ltd., such period of service on deputation with IDBI MF will not be counted for computation of pension in respect of such officers.

#### 7. Leave Salary Contribution

IDBI Bank Ltd will bear the cost of leave (other than casual leave) availed of by the officer under the leave Rules of IDBI Bank Ltd. IDBI MF will make a monthly contribution of 12.5% of the officer's total emoluments (including Deputation Allowance) while on deputation towards his leave salary. The contribution will be required to be remitted to IDBI Bank Ltd on a monthly basis, before the 5th of every month.

#### 8. Leave Encashment Facility

The officer will be entitled to leave encashment facility as per IDBI Bank's Rules.

#### 9. Leave Fare Concession

The officer is eligible to avail of leave fare concession once in a financial year under IDBI Bank Ltd Rules and IDBI MF will pay at the end of the deputation period the cost of this facility in proportion to the period of deputation, to IDBI Bank Ltd.

#### 10. Gratuity

IDBI MF will pay contribution towards gratuity @ one month's pay admissible to the officer in IDBI Bank Ltd for each completed year of service and proportionately for part thereof, to IDBI Bank Ltd, at the end of the deputation period.

#### 11. Insurance Cover

The officer is covered under the Group Personal Accident Insurance Scheme for Rs.4,00,000/- taken by the Bank. The annual premium and such further premia during the period of his deputation that would be paid by IDBI Bank Ltd in his case would be reimbursable to the Bank



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

by IDBI MF. The said premium will be recovered from IDBI MF, at the end of the deputation period.

#### 12. Remittances to the Bank

BO will be required to remit to IDBI Bank Ltd all of the Officer's dues to the Bank in respect of recovery of various loans and advances availed of by him from IDBI Bank Ltd in the manner provided under the facility, during his deputation period.

#### 13. Other benefits

The officer will be entitled for all benefits as eligible to the officers in his grade in the Bank, if he opts for pay and allowances of IDBI Bank Ltd.

#### 14. Residuary matters

a) All claims made by the Officer in respect of item nos. 3, 4 & 12 above will be reimbursed by the IDBI MF, in consultation with IDBI Bank Ltd.

b) Requests for facilities at serial nos. 7 & 8 above are to be forwarded to IDBI Bank Ltd for settlement.

c) All remittances and referrals regarding facilities may be made to The Deputy General Manager, Administration & Premises Department, IDBI Bank Ltd, WTC Complex, Cuffe Parade, Mumbai – 400005.

d) Any other remittances the Officer may like to send out of his salary to the Bank may be arranged by the IDBI MF, as per the Officer's advice.

e) Any other matter/facility not covered by these terms and conditions shall be referred to IDBI Bank Ltd for a decision.

In view of the provisions of Sections 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 5 of the accompanying Notice for the approval of the Members.

Copy of the terms and conditions referred to in the Resolution would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Shri Dilip Kumar Mandal (03313130) does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Board considers that the appointment of Shri Dilip Kumar Mandal (03313130) as a Director of the Company would be of immense benefit to the Company.

Accordingly, the Board of Directors recommends his appointment as a Director of the Company who shall not be liable to determination by retirement of directors by rotation.





IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

Except Shri Kishor Kharat (DIN: 07266945) Chairperson, being MD & CEO of IDBI Bank Limited Shri Abhay Laxman Bongirwar (00660262) and Shri Dilip Kumar Mandal (03313130), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution set out at Item No. 5.

#### Item no 6

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

Thus in order to ensure smooth operations of the Company, IDBI AMC has entered into various contracts which includes contracts entered into with related parties prior to the commencement of the Companies Act 2013 as well as the contracts entered during the year with the approval of the ACB/Board as per the authorization given by the members in the last AGM which are in the ordinary course of business and to support the operations of the Company.

IDBI Asset Management Limited currently has the following contracts entered with the related parties

A	B		C	D	E
Sr. no	Name of 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 arms length price
1	IDBI Federal	Shri Kishor P Kharat – Chairman	Group Company	Group Insurance Continuing and renewed every year by paying premium  All employees of IDBI Asset Management Ltd.	In ordinary course of business and at market price



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>from their date of commencement of service until leaving service, but no later than the normal retirement age of 60 years.</p> <p>Limit is Rs. 56,56,854 for all existing and new employees of IDBI Asset Management Ltd. basic death benefit 3 times of CTC and Accidental death benefit equal to basic sum assured subject to maximum Rs. 50,00,000/- as per member schedule</p> <p>SUM Insured : Rs. 50,44,47,539</p> <p>Premium paid Rs. 3,65,047</p>	
4.	IDBI Capital Market Services Limited	Shri Kishor P Kharat – Chairman	Group Company	<p>Distribution brokerage as per board approved Compensation Structure.</p> <p>Total paid during FY 2015-16: Rs. 1,79,094</p>	In ordinary course of business and at competitive price
5	IDBI Bank Limited	Shri Kishor P Kharat – Chairman	Holding Company	<p>Distribution brokerage as per board approved Compensation Structure.</p>	In ordinary course of business and at competitive price



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				Total paid during FY 2015-16: Rs. 4,80,00,000/-	
6	IDBI Bank Limited	Shri Kishor P Kharat – Chairman	Holding Company	Rent IDBI AMC has been provided premises at 13 locations IDBI AMC on leave and Licence basis. Office Space is being provided within the office premises of IDBI Bank. Total paid during FY 2015-16: Rs. 2,07,00,000/-	In ordinary course of business and at competitive price
7	IDBI Bank Limited	Shri Kishor P Kharat – Chairman	Holding Company	Salary of deputed employees Salary of 1) Shri S N Baheti MD & CEO 2) Shri Manesh Jiandani Company Secretary The salaries are paid to employees by IDBI Bank and which is reimbursed by IDBI AMC.	In ordinary course of business and IDBI Bank salary
8	IDBI Bank Limited	Shri Kishor P Kharat – Chairman	Holding Company	Other Services such as 1) To provide cash management services CMS agreement dated 19th March 2010, duration is in perpetuity unless terminated	in ordinary course of business and at arm's length



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>Flat charges of Rs. 25,000/- + Cheque return charges of Rs. 30/- per cheque return + courier charges of Rs. 400/- per pick up point per month within city limits and at actual outside city limits</p> <p>2) Direct Debit Facility</p> <p>To collect applications of SIP from investors along with Authorization to IDBI Bank to directly debit the account of the investor for monthly/quarterly investment in Mutual Fund scheme of IDBI MF</p> <p>One time charge of Rs. 10/- per mandate</p> <p>Ongoing charges of Rs. 3/- per transactions</p> <p>Cancellation charges of Rs. 10/- per mandate/SI</p> <p>3) Line of Credit Facility of Rs. 1500 crore for IDBI MF</p>	
--	--	--	--	---	--



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>1) To provide a facility to IDBI Mutual Fund (though IDBI Asset Management Limited) of providing credit facility to meet liquidity gap on account of redemptions of debt and liquid fund schemes. Overdraft and intra day facility</p> <p>Rate of Interest: at BBR rate payable monthly Documentation and out of pocket charges at actual</p> <p>Repayment on Demand</p> <p>2) In built CMS intra day Facility</p> <p>To meet intra-day mismatches</p> <p>Rate of Interest: MIBOR + 100bps or BBR + 450 bps whichever is higher if it becomes intra day</p>	
--	--	--	--	--	--



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>3) LER – Treasury Limit</p> <p>LER Limit of Rs. 10 lacs</p> <p>Commission as decided by IDBI Treasury and Documentation and out of pocket charges at actual</p> <p>For the above facility to pay IDBI Bank Rs. 10 lacs upfront with applicable taxes</p> <p>4) Other banking services provided from time to time including NEFT, Demat etc</p>	
9	IDBI MF Trustee Company Limited		Group Company	<p>Scheme expenses 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 AMC.</p> <p><b>Scope of work</b> To manage the</p>	In ordinary course of business



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>funds, ensure compliance with regulations and accounting of transactions of schemes, formalize, float and launch new schemes with approval of Trustees, to issue sell units of Mutual fund, to invest in securities as per investment objective on behalf of Mutual Fund, to declare and pay dividend, calculation of NAV, appointment of intermediaries</p> <p>Scheme overlap expenses</p> <p>Secretarial &amp; accounting 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. Out of the above common expenses IDBI AMC charges 5% to MF Trustee Co</p>	
--	--	--	--	--	--



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>The Services of around 12 officials are being used for MF Trustee Co related work as MF Trustee Co. does not have any employee on its roles. These AMC officials take care of the work relating to secretarial matters, conducting of meetings, ROC work, accounts/tax matters, SEBI compliance etc.. IDBI AMC is charging 1% of salary expenses which would work out to Rs. 12 lakh p.a.</p>	
--	--	--	--	--	--

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

IDBI Asset Management Limited has in pipeline the following contracts to be entered with the related parties

A	B		C	D	E
Sr. no	Name of 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 arms length price
1	IDBI Bank Limited	Shri Kishor P Kharat – Chairman	Holding Company	IDBI Bank has in co-ordination with IDBI AMC has launched a Reward	No





IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>and Recognition programme for their NISM Certified Branch employees, Branch Heads and Regional Heads for FY 2016-17 titled as “Gurukul Learning Programme”. This programme has been launched on 10<sup>th</sup> June 2016 till 31<sup>st</sup> March 2017.</p> <p>1) <b><u>Qualification norms:</u></b></p> <p>a. <b>Eligible Scheme:</b> IDBI Top 100 Equity Fund, IDBI Diversified Equity Fund, IDBI Equity Advantage Fund and any other launch of actively managed Equity fund during the FY 2016-17.</p> <p>b. Identification of branch staff for eligibility, as per their employee code mentioned in sub-Agent code / Branch Code of the Application.</p>	
--	--	--	--	--	--



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>c. Branches to quote EUIN number on the form.</p> <p>d. To be eligible employee has to qualify in both the criteria's as given in Annexure –I.</p> <p>e. Only first installment of SIP will be counted in lumpsum criteria</p> <p>f. SIP mobilized should have a minimum period of 3 years, with minimum SIP amount of Rs. 1000/-</p> <p>g. All staff in this campaign to be NISM Certified</p> <p>h. For Lumpsum the fund should remain invested for at least 12 months, in the above mentioned eligible schemes.</p> <p>i. No switch-in within equity scheme will be allowed.</p>	
--	--	--	--	--	--



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				<p>j. Switch-in only from IDBI Liquid Fund, IDBI Ultra Short Term Fund and IDBI Short Term Fund is allowed into actively managed equity schemes or any other fund notified by IDBI AMC</p> <p>k. Contest is based on Net sales model. Any interim redemptions during the contest period will have negative credit towards mobilization</p> <p>Based on the qualification criteria as defined by IDBI Bank in consultation with IDBI AMC, the IDBI AMC shall be rewarding the branch staff, Branch Heads and Regional Heads by nominating for a education programme based on their qualifying criteria as per</p>	
--	--	--	--	--	--



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

				above levels. IDBI Bank shall recognize their branch staff, Branch Heads and Regional Heads based on their qualifying criteria as per above levels.	
--	--	--	--	---	--

Since the current Turnover of the Company as on 31st March 2016 is Rs. 47,16,48,731 and the net worth as on 31st March 2016 is Rs. 96,90,05,974, the value of certain existing contracts exceed the limits provided under Section 188 read with rule 15 of Companies (Meetings of the Board and its Powers) Rules 2014 as amended by MCA circular no GSR 590(E) dated 14<sup>th</sup> August 2014.

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

Hence, It is proposed to the members to authorize the ACB/Board of the Company to approve the proposals for entering into further contracts as may be required and to authorize the Board of Directors with powers to enter into contracts for a value not exceeding Rs. 10 crore for each such contract or arrangement which whether in ordinary course of business or not and/or at arm's length or not and to do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in their absolute discretion, deem necessary including sub delegating the authority to a Committee of Directors and/or to authorize MD & CEO or any other Director as it may deem fit to enter into such contracts and arrangements with prior approval of the board.

The extent of interest and concern of the Directors and Key Managerial Personnel of the Company and their relatives, financial or otherwise, in the resolution set out at Item No. 5 have been disclosed above

**Item no 6:** Shri Kishor Piraji Kharat (07266945) was appointed as Additional Director w.e.f October 28, 2015, on advise from IDBI Bank Limited, by the Board and was elected as Chairman w.e.f. December 30, 2015 on approval of amendment in the Article 173 of the Articles of Association of the Company in the EGM held on December 30, 2015.



IDBI ASSET MANAGEMENT LIMITED

CIN: U65100MH2010PLC199319

**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021

**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

The amended Articles of Association of the Company under article no 173 reads as under

“Article 173

“The Chairman of the Board shall be the Chairman/ MD & CEO of the IDBI Bank Limited as may be nominated from time to time.”

Though the intention for the above amendment was to appoint Shri Kishor Piraji Kharat (07266945) as Chairman of the Board by including MD & CEO apart from Chairman in the above clause and facilitate the Company to appoint a director as Chairman of the Board as per nominations given by IDBI Bank from time to time.

However, it was felt that the above amended clause could be interpreted otherwise, hence to provide more clarity to the actual process, the above clause is being revised and substituted with the below clause

“Article 173

“The Chairman or MD & CEO of the IDBI Bank Limited, as may be nominated from time to time by IDBI Bank Limited, shall be the Chairman of the Board.”

The Company needs to amend the above Article with the approval of the shareholders so as to include MD & CEO apart from Chairman and facilitate the Company to appoint a director as Chairman of the Board as per nominations given by IDBI Bank from time to time.

It is therefore proposed to pass the Special Resolution contained under Item No.6 of the Notice for amending the Articles of Association providing for the above in terms of Section 14 of the Companies Act, 2013.

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

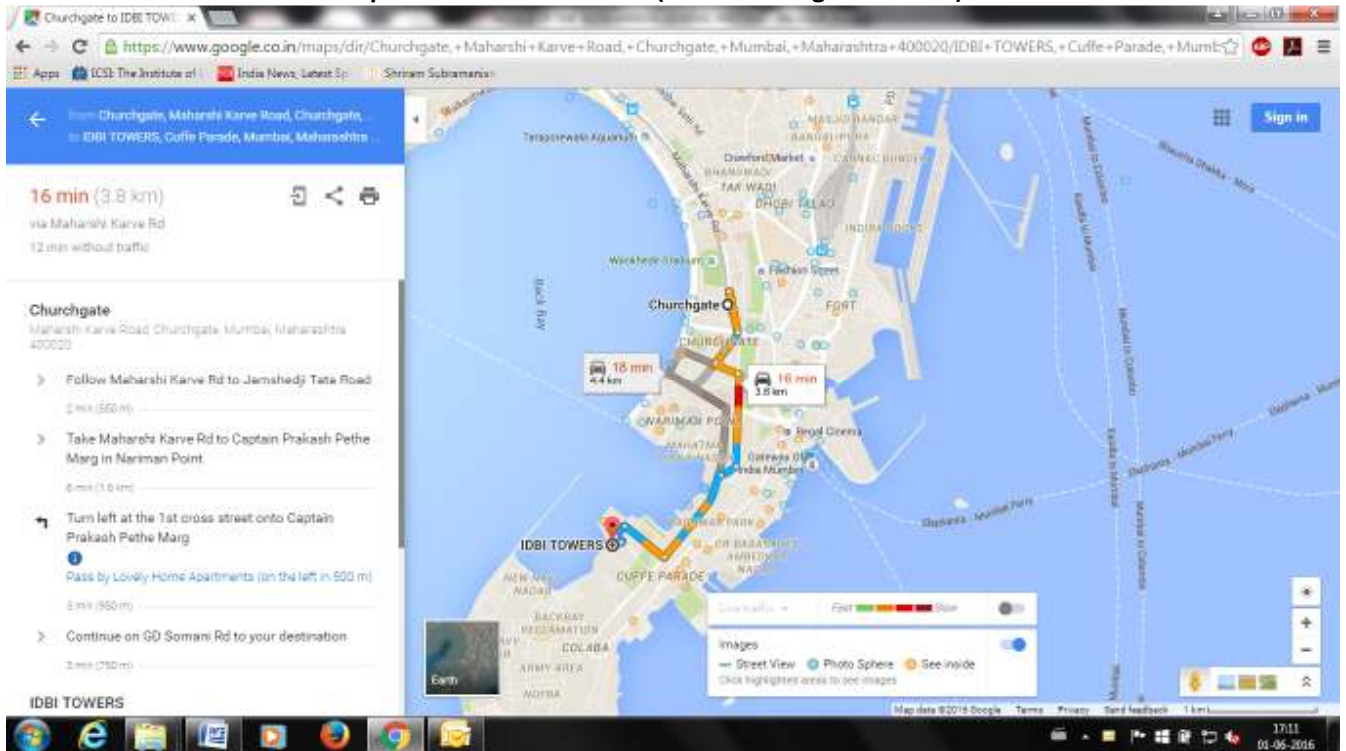


**IDBI ASSET MANAGEMENT LIMITED**  
**CIN: U65100MH2010PLC199319**

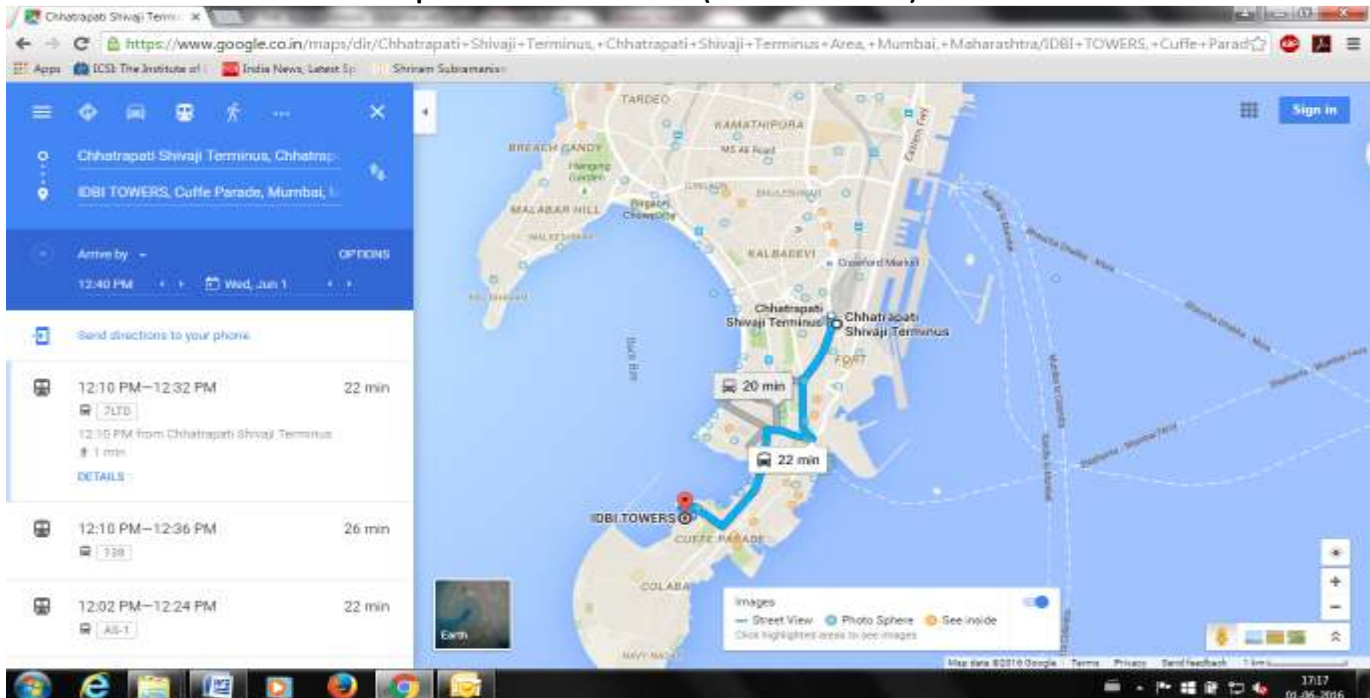
**Registered Office:** IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005  
**Corporate Office:** 05th Floor, Mafatlal Centre, Nariman point, Mumbai 400 021  
**Tel:** (022) 66442800, **Fax:** 66442801,

**Website:** [www.idbimutual.co.in](http://www.idbimutual.co.in), **Email:** [manesh.jiandani@idbimutual.co.in](mailto:manesh.jiandani@idbimutual.co.in)

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



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



## **DIRECTOR'S REPORT**

The Directors take immense pleasure in presenting the Sixth Annual Report on the business and operations of the Company together with the Audited Financial Statements along with the Report of Auditors for the Financial Year ended March 31, 2016.

### **I. FINANCIAL SUMMARY AND HIGHLIGHTS**

During the year 2015-16, total income of IAML was Rs. 47.16 crores as compared to 29.92 crores during FY 2014-15.

The Company's Financial Performance for the Financial Year 2015-16 are summarized below

(Rs in crores)		
<b>PARTICULARS</b>	<b>2015 – 16</b>	<b>2014 - 15</b>
Total Income	47.16	29.92
Profit/(Loss) before Tax	(5.47)	(21.77)
Less : Deferred Tax	9.22	(1.04)
Profit/(Loss) after Taxes (PAT)	3.47	(20.73)
Balance brought forward from earlier period/Loss	(106.31)	(85.58)
Amount available for Appropriation	Nil	Nil
Balance/(Loss) to be carried forward	(102.83)	(106.31)
Net worth	96.90	91.97

### **II. STATE OF THE COMPANY'S AFFAIRS**

IDBI Asset Management Limited (IAMC) was incorporated in the year 2010 with the principal activity to act as Investment manager to IDBI Mutual Fund. The company aims to promote financial inclusion by assisting common man in making informed investment choices through mutual funds.

IAML currently manages 16 schemes including two passive equity, four active equity, six debt, one Gold ETF, one FOF (Gold), one gilt and one liquid scheme. F.Y 15-16 is the sixth year of operation. The Average Assets under Management (AAUM) for the FY 15 -16 is Rs 6,835 crores. The highest AUM managed during the year was Rs 8,402 crore.

AMC's revenue from operations has grown up from Rs 26.20 crore (FY 14-15) to Rs.39.74 crore (FY 15-16) i.e an increase of 52%. Also there is significant growth of other income from Rs 3.72 crore (FY 14-15) to Rs.7.79 crore (FY 15-16). Net management fee (gross management fee charged to the schemes less payment made to the distributors and other direct business expenses) for the FY 2015-16 was Rs. 13.54 crore as compared to a negative of Rs.52 lakhs during previous FY 2014-15. IAML had incurred net losses to the tune of Rs 20.73 crore during FY 2015 and has registered a profit after tax of Rs. 3.47 crore in FY 2016. We have pursued a policy for

aggressively increasing the actively managed equity funds AUM which turn out to be more profitable assets over a period of time and also add to the enterprise value. The Accumulated losses as at March 31, 2016 stood at Rs. 102.83 crores

IDBI AML will be focusing on AUM growth and profitability by strengthening IDBI MF presence in T-15 cities, activating of OBST channel of IDBI Bank ,activating online channels and moving to paperless transactions, having Bank & MF software integration, increasing Mutual Fund transaction through IDBI Net banking, focusing on 500 business potential branches, renewing tapping of retail customers for SIP business, deepening corporate client relationships for AUM and payroll SIP and using IDBI bank ATMs, Website and E-lounges for transaction and product brand building and visibility.

Net management fee (gross management fee charged to the schemes less payment made to the distributors and other direct business expenses) for the FY 2015-16 was Rs.1,354 lakh as compared to a negative to the extent of Rs.52 lakh during previous FY 2014-15 due to the increase in upfront payments incurred for mobilising actively managed equity funds, AUM of which has increased from Rs.142 crore average for March 2014 to Rs.672 crore for March 2015.

The AMC incurred net profit after tax of Rs. 3.47 crore during FY 2016 as compared to net loss of Rs.20.73 crore during FY 2015.

### **Business Environment**

The global economy in FY 2015-16 showed a modest recovery, primarily led by the US. This prompted the Fed to announce the first rate hike of 25bps after seven years of accommodative monetary policy. The Euro zone on the other hand continued with its monetary easing programme, in order to provide a further fillip to the weak recovery seen in the region. Japan has also intensified its monetary expansion programme in order to boost inflation and economic growth.

The Indian economy started FY2015-16 on a positive note with a better than expected GDP projection of 8.5%, based on a new series, and a much awaited rate cut of 25bps just before the start of the financial year. The positive outlook did not last, as early predictions of a weak monsoon for the second consecutive year dampened sentiments. Crop losses arising out of the unseasonal rainfall and hailstorms also added to the concerns. However, these concerns did not significantly dent growth during the year, as the country was aided by falling oil and other commodity prices, which helped the Government lower its subsidy bill, thereby achieving the fiscal deficit target, and also helped improve corporate margins.

India's GDP grew at a healthy 7.6% in FY16, up from 7.2% a year ago. The full-year growth was fuelled by a 7.9% growth rate in the fourth quarter of FY16. The fourth quarter GDP growth rate was in fact the fastest in the world for that quarter thus giving a clear indication that the economy



is slowly but surely on a recovery path. Agriculture grew by 1.2%, manufacturing by 9.3% and financial sector by 10.3% in FY16. The government has pegged growth in FY17 at 7-7.75%. The CPI for FY16 was at 5.18% down from 5.25% in FY15, while WPI for the year was at -0.91% compared to -2.33% at the end of FY15. During FY16, RBI reduced rates (both repo and reverse repo) by 75bps while the statutory liquidity ratio (SLR) was kept unchanged at 21.5%.

India also managed to meet its fiscal deficit target at 3.9% of GDP for FY16, aided primarily by lower oil and commodity prices. This was a significant improvement over 4.1% in FY15 and 4.7% in FY14. For FY17, the government has set a fiscal deficit target of 3.5% of GDP. India's current account deficit for FY16 is also expected to have shrunk to ~1% of GDP in FY16 compared to a deficit of 1.3% of GDP in fiscal 2015. India's trade deficit also narrowed to \$118.5bn for the fiscal 2016 compared to \$137.95 bn in the previous year helped mainly by lower oil prices.

The government, in its second year, continued with its goal to bring about a quick and concrete turn-around in the economy. The government launched a number of schemes like UDAY, Make in India and Start up India, among others, in order to provide a boost to manufacturing, attract investments and revive the distressed state electricity boards. The Union Budget of 2016 was also oriented towards enhancing infrastructure growth in the country.

Foreign Institutional Investors (FIIs) were net sellers in FY16 of \$2.5 billion versus being net buyers of ~\$2.7 billion in fiscal 2015. There was a net outflow of \$2 billion in equity markets and \$0.5billion in debt markets during the year. The rupee depreciated by 6% during the year, from Rs.62.49 per US dollar to Rs. 66.25 per US dollar, partly owing to a strengthening of the US dollar against major currencies

### **Mutual Fund Industry**

The mutual fund industry witnessed another year of growth with the overall Asset Under Management has grown from Rs.10,82,757 crores as at end March 2015 to Rs.12,32,824 crore as of March 31, 2016, registering a growth of around 14%. The industry witnessed a new milestone when the assets under management crossed Rs. 13,00,000 Crores during the year. The industry witnessed healthy net inflows into equity oriented and balanced schemes to the tune of more than Rs.93,700 Crores and addition of more than 47 lakh folios. Retail participation in mutual fund products saw a healthy rise during the FY with the retail AUM around 50% of total AUM of the industry at Rs. 622,000 Crores.

The year 2015-16 witnessed credit crisis in the economy. Considering the same, SEBI tightened investment norms for debt and liquid funds. It rationalised a few investments based on credit rating of issuers. In addition, SEBI increased disclosure requirements in relation to brokerages and commission.

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

Your Company was incorporated with the principal activity to act as Investment manager to IDBI Mutual Fund vide Investment Management Agreement dated 20<sup>th</sup> February 2010 entered into by IDBI MF Trustee Company Limited (Trustees to IDBI Mutual Fund). Your Company has carried on the same business activity during the Financial Year 2015 -16.

### **III. Compliance with Net worth Requirements**

SEBI had, vide its circular dated May 06, 2014, revised the minimum net worth criteria for Mutual Funds from Rs. 10 Crores to Rs. 50 Crores by amending the relevant Regulation 21 of SEBI (MF) Regulations, 1996.

Your Company complies with the minimum net worth requirements of Rs. 50 Crore as prescribed by SEBI. The net worth of your Company for the year ended March 31, 2016 was Rs. 96.90 Crores.

### **IV. TRANSFER TO RESERVE AND DIVIDEND**

During the current year, there being losses before tax, the Company has not transferred any amount to General Reserve and has decided not to declare any dividend for the year.

### **V. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the Financial Year under review, your Company has incurred expense in foreign exchange to the tune of Rs. 3,32,530/- towards overseas travelling expenses.

### **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**

The financials of your Company are audited and adopted in the month of April each year so as to facilitate IDBI Bank Limited, Holding Company (shareholding 66.67%) and IDBI Capital Market Services & Securities Limited (Formerly known as IDBI Capital Market Services Ltd) (CIN U65990MH1993GOI075578) (shareholding 33.33%) in consolidation of financials of IDBI AMC with that of their financials. While the Financials of the IDBI MF Schemes are audited and adopted in the month of June each year so as to provide the Annual report along with financials to the unit holders of the schemes latest by 31st July each year, as per SEBI mandate. IDBI AMC receives Management fees from IDBI MF Schemes at a predefined rate and frequency from IDBI MF schemes as per the SEBI Regulations and Investment Management Agreement dated 26<sup>th</sup> February 2010 entered into with IDBI MF Trustee Company Limited.

During the FY 2015-16, while finalizing the IDBI MF Scheme accounts, a difference in management fees as per the Books of AMC (IDBI Asset Management Ltd) and as per the scheme books (IDBI Mutual Fund Schemes) to the tune of Rs.1,78 879/- was identified. While the difference of Rs 1,12,616/- out of Rs.1,78 879/- was on account of past year adjustment done by the statutory auditor of the Mutual Fund Schemes after the books of AMC has been finalised and adopted by the Board of IDBI AMC and the difference of Rs 66,263/- was on account of shortfall in one of the scheme arising while rounding off difference of NAV, i.e. IDBI REGGS scheme at the time of maturity. As rectificatory measure IDBI AMC has paid less amount of Management Fees to the tune of Rs. 1,12,616/- in FY 2015-16, since, the same was paid in FY 2014-15. Since, difference of amount of Rs. 66,263/- was on account of shortfall in one of the scheme arising while rounding off difference of NAV, i.e. IDBI REGGS scheme, no amount has been paid to IDBI AMC.

As a way forward to avoid such differences to occur in future, an audit of IDBI MF Schemes would be conducted by the Statutory Auditor of IDBI MF Schemes with respect to the Management fees paid to IDBI AMC, during the said FY, before the Close of the Accounts of IDBI AMC so as to ensure reconciled figures between the two accounts.

No other material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

## **VII. BOARD OF DIRECTORS**

Your Company's Board of Directors is broad-based and its constitution is governed by the provisions of SEBI (MF) Regulations 1996 as amended from time to time, the Companies Act 2013 as amended or re-enacted and then in force and the Articles of Association of your Company. The Board functions directly as well as through various Board-level Committees constituted to provide focused governance in your Company's important functional areas.

The Ministry of Corporate Affairs, Government of India, has included various provisions under the Companies Act, 2013 relating to composition of the Board of Directors and Committees of Indian companies. Your Company complies with the composition requirements with respect to Board of Directors and Committees.

As on March 31, 2016, the Board comprised of seven Directors, comprising the Chairman of the Board, Managing Director & CEO (MD & CEO), One Nominee Director and four Independent Directors (including one women director). The present strength of seven directors on the Board, as against constitution for the maximum strength of 12 directors provided for under Article 171(a), 172, 174, 175, 177 and 179 meets the requirement of Article 170(a) of the Articles of Association. No Director, KMP or their relatives are related to any other Director/KMP on the Board.

### **Board of Directors:**

<b>S No</b>	<b>Name of the Director</b>	<b>Particulars</b>	<b>Appointed w.e.f. (date)</b>
-------------	-----------------------------	--------------------	--------------------------------

S No	Name of the Director	Particulars	Appointed w.e.f. (date)
1	Shri Kishor Piraji Kharat (DIN: 07266945)	Chairman & Director	28/10/2015
2	Shri Venkatesh Narasinganallore Srinivasan (DIN 01893686)	Associate Director	14/05/2015
3	Shri Jayant Narayan Godbole (DIN: 00056830)	Independent Director	27/06/2014*
4	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	Independent Director	27/06/2014*
5	Ms Geeta Pursappa Shetti (DIN: 02948958)	Independent Director	24/08/2015**
6	Shri Annavarapu Venkat Rammurthy (DIN: 00050455)	Independent Director	24/08/2015**
7	Shri Satya Narayan Ramdeo Baheti (DIN: 00136476)	MD & CEO	09/05/2014

\* Re-appointed for a period of 5 years as per Companies act 2013

\*\* Appointed as Independent Director for a period of 5 years in the 5<sup>th</sup> AGM held on 24/08/2015

#### Key Managerial Personnel (KMPs):

S No	Name of the Director	Particulars	Appointed w.e.f. (date)
1	CS Manesh G Jiandani (FCS 7360)	Company Secretary	30/04/2013
2	CA Amit R Bhavsar (FCA 108590)	Chief Financial Officer	24/09/2015

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

#### Board of Directors:

S No	Name of the Director	Particulars	Appointed w.e.f. (date)	Resigned w.e.f. (date)
1	Shri Raghavan Mukkur Srinivasan (DIN: 05236790)	Chairman	12/07/2013	30/06/2015*
2	Shri Srinivasan Kothandaraman Vaidyanathan	Associate Director	23/08/2013	23/04/2015**

S No	Name of the Director	Particulars	Appointed w.e.f. (date)	Resigned w.e.f. (date)
	Srinivasan (DIN: 02564527)			
3	Shri Kishor Piraji Kharat (DIN: 07266945)	Chairman & Director	28/10/2015	NA
4	Shri Venkatesh Narasinganallore Srinivasan (DIN 01893686)	Associate Director	14/05/2015	NA
5	Shri Annavarapu Venkat Rammurty (DIN: 00050455)	Independent Director	24/08/2015***	NA
6	Ms Geeta Pursappa Shetti (DIN: 02948958)	Independent Director	24/08/2015****	NA

\* Attained superannuation from IDBI Bank Limited w.e.f. 30/06/2015.

\*\* Withdrawal of Nomination by IDBI Bank Limited w.e.f. 23/04/2015.

\*\*\* Appointed as Independent Director in the 5<sup>th</sup> AGM held on 24/08/2015.

\*\*\*\* Appointed as Independent Director in the 5<sup>th</sup> AGM held on 24/08/2015

#### **Key Managerial Persons:**

S No	Name of the Director	Particulars	Appointed w.e.f. (date)	Resigned w.e.f. (date)
1	CA Anil Dhawan (FCA 096911)	Chief Financial Officer	29/09/2014	31/07/2015*
2	CA Amit R Bhavsar (FCA 108590)	Chief Financial Officer	24/09/2015**	NA

\* Resigned as KMP w.e.f. 31/07/2015 in view of repatriation to IDBI Bank Limited.

\*\* Appointed and Designated as KMP w.e.f. 24/09/2015.

#### **Changes in the Board during the year, by change of nominees, appointment of additional directors, death, resignation or any other reason-**

#### **Appointments:**

Consequent to nomination by IDBI Bank Limited, the Board of Directors approved the appointment of Shri Kishor Piraji Kharat (DIN: 07266945) as Additional Director w.e.f 28<sup>th</sup> October 2015 and was elected as Chairman of the Board w.e.f. December 30, 2015 on approval of amendment in the Articles of Association of your Company in the EGM held on December 30, 2015. The Director holds office up to the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as Director.

The Board of Directors of your Company are of the opinion that the director is eligible for being confirmed as a Director in terms of Section 161 of the Companies Act 2013. Your Directors seeks appointment of Shri Kishor Piraji Kharat (DIN: 07266945) as Director and as Chairman of the Board. Details of the proposal for appointment of Shri Kishor Piraji Kharat (DIN: 07266945) is mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 6th Annual General Meeting.

**Change of Nominees:**

Consequent to attaining superannuation from IDBI Bank Limited, Shri Raghavan Mukkur Srinivasan (DIN: 05236790) resigned as Chairman and Director from the Board of IDBI AMC w.e.f. 30th June 2015. In his place IDBI Bank Limited vide its letter no 194/S&AIC/IAML dated August 24, 2015 advised appointment of Shri Kishor Piraji Kharat (07266945) as Additional Director on the Board of IDBI AML. Shri Kishor Piraji Kharat (07266945) was elected as Chairman of the Board w.e.f. December 30, 2015 on approval of amendment in the Articles of Association of your Company in the EGM held on December 30, 2015

Consequent to change of nomination by Parent Company IDBI Bank Limited vide their Letter no 22/SAIC/Nominee Dated April 23, 2015 Shri Srinivasan Kothandaraman Vaidyanathan Srinivasan (DIN: 02564527) resigned as Director of the Company w.e.f. 23rd April 2015 and in his place IDBI Bank Limited had proposed to nominate Shri Venkatesh Narasinganallore Srinivasan (DIN 01893686). Shri Venkatesh Narasinganallore Srinivasan (DIN 01893686) was confirmed as Director in the 5th AGM of IDBI AMC held on August 24, 2015.

The Board placed on record its appreciation for the valuable services rendered by Shri Raghavan Mukkur Srinivasan (DIN: 05236790) and Shri Srinivasan Kothandaraman Vaidyanathan Srinivasan (DIN: 02564527).

**Appointment of Independent Directors at 5<sup>th</sup> AGM held on 24<sup>th</sup> August 2015**

The Board of Directors had appointed Ms Geeta Pursappa Shetti (DIN: 02948958) and Shri. Annavarapu Venkat Rammurty (DIN: 00050455) as Additional Directors w.e.f. 12th February 2015 and 20th April 2015 respectively. Ms Geeta Pursappa Shetti (DIN: 02948958) and Shri. Annavarapu Venkat Rammurty (DIN: 00050455) were appointed as Independent Directors for a period upto 11<sup>th</sup> February 2020 and 19<sup>th</sup> April 2020 respectively in the 5<sup>th</sup> AGM of the Company held on August 24, 2015.

**Woman Director-**

In terms of the provisions of Section 149 of the Companies Act, 2013, a Company shall have at least one Woman Director on the Board of the Company. Your Company has appointed Ms Geeta Pursappa Shetti (DIN: 02948958) as Additional Independent Director on the Board of the Company w.e.f. February 12, 2015 and appointed as Independent Director in the 5<sup>th</sup> AGM held on 24/08/2015 .

### **Changes in Board, by change of nominees, after the end of Financial Year-**

In view of the resignation of Shri Venkatesh Narasinganallore Srinivasan (DIN: 01893686) as Executive Director of IDBI Bank and consequent withdrawal of nomination of Shri Venkatesh Narasinganallore Srinivasan (DIN: 01893686) as nominee Director by IDBI Bank Limited vide their Letter no 82/SAIC/Nominee/IAML Dated July 14, 2016, the Board of Directors had by way of circular resolution appointed Shri Abhay Bongirwar (DIN: 00660262) as Additional Nominee Director, w.e.f. 30/07/2016, nominated by IDBI Bank vide their above referred Letter. The Director holds office up to the date of the forthcoming Annual General Meeting of the Company and is eligible for being confirmed as a Director in terms of Section 161 of the Companies Act 2013.

IDBI Bank Ltd. has vide letter no 6645/Nominee dated August 12, 2016 withdrawn nomination of Shri Satyanarayan Ramdeo Baheti (00136476) as MD & CEO by IDBI Bank Limited. The Board of Directors had in their Board meeting held on August 26, 2016 has appointed Shri Dilip Kumar Mandal (03313130) as Additional Nominee Director and also entrusted him with the powers of management by appointing him as Managing Director & CEO, w.e.f. August 22, 2016, nominated by IDBI Bank vide their above referred Letter. The Director holds office up to the date of the forthcoming Annual General Meeting of the Company and is eligible for being confirmed as a Director and as MD & CEO in terms of Section 161 of the Companies Act 2013.

### **Retirement by Rotation:**

The Board of the Company comprises of 7 directors of which 4 directors are Independent Directors as on the date of the AGM. According to the provisions of the Companies Act, 2013; out of remaining 3 (i.e Chairman, MD & CEO and the Associate Director), 1 director is liable to retire by rotation. As per the Articles of your company, the Chairman and the MD&CEO are not liable to retire by rotation. Further, Nomination of Shri Venkatesh Narasinganallore Srinivasan (DIN: 01893686) Director has been withdrawn w.e.f. 30<sup>th</sup> June 2016. Shri Abhay Bongirwar has been nominated by IDBI Bank Limited on the Board of IDBI AMC and has been appointed w.e.f. 30<sup>th</sup> July 2016. In view of the same your Company has no director who has been longest in the office and liable to retire by rotation under section 152(6)(a) of the Companies Act, 2013.

### **KEY MANAGERIAL PERSONNEL**

During the year under review, CA Anil Dhawan (FCA 096911) resigned from the post of the CFO of the Company w.e.f. 31<sup>st</sup> July 2015 in view of repatriation to IDBI Bank Limited . The Board placed on record its appreciation for the valuable services rendered by CA Anil Dhawan (FCA 096911).

The Board of Directors based on the recommendations of the Nomination & Remuneration Committee, appointed CA Amit Radheshyam Bhavsar (FCA 108590) as the new Chief Financial Officer of the Company w.e.f. 24<sup>th</sup> September 2015. CA Amit Radheshyam Bhavsar (FCA

108590)has experience of more than a decade with various Asset Management Companies (AMC), Insurance Company and Financial Institutions. Prior to joining, IDBI Asset Management Limited, he was associated with SBI Funds Management Pvt. Ltd. for 7 years. He has also been associated with LIC Nomura Mutual Fund, SBI Life Insurance Co. Ltd. and Corporation Bank. He has rich experience in the fields of Banking, Treasury Operations, and also in equity and debt market research.

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

Seven Board Meetings were held during the financial year ending 31<sup>st</sup> March 2016 under review-

<b>Dates on which Board Meetings were held</b>	<b>Total strength of the Board</b>	<b>Director's present</b>
April 20, 2015	7	7
June 27, 2015	7	5
July 30 ,2015	6*	6
August 24, 2015	6*	6
October 28, 2015	7	5
December 30, 2015	7	7
February 24, 2016	7	7

\*With the resignation of Shri Raghavan Mukkur Srinivasan (DIN: 05236790) as Chairman and Director in view of attaining superannuation from IDBI Bank Limited w.e.f. 30<sup>th</sup> June 2015, the composition of Board had fallen below to 6 members until appointment of Shri Kishor Piraji Kharat (DIN: 07266945) as Additional Director w.e.f. 28/10/2015. However your Company has complied with the provisions of Companies Act 2013 as well as SEBI (MF) Regulations 1996 during the year 2015-16 with respect to the composition of the Board.

#### **ATTENDANCE OF DIRECTORS AT BOARD MEETINGS**

Name of the Director	Attendance at the Board Meeting held on						
	April 20, 2015	June 27, 2015	July 30 ,2015	August 24, 2015	October 28, 2015	Decemb er 30, 2015	February 24, 2016
Shri Raghavan Mukkur Srinivasan , Chairman (DIN: 05236790)	✓	NA	NA	NA	NA	NA	NA
Shri Kishor P Kharat	NA	NA	NA	NA	✓	✓	✓



(DIN: 07266945)							
Shri Srinivasan Kothandara man Vaidyanath an Srinivasan , Associate Director (DIN: 02564527)	✓	NA	NA	NA	NA	NA	NA
Shri Venkatesh Narasingan allore Srinivasan (DIN 01893686)	NA	✓	✓	✓	✓	✓	✓
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) , Independent Director (Retd.) (DIN: 05155598)	✓	Leave of Absenc e	✓	✓	Leave of Absence	✓	✓
Shri Jayant Narayan Godbole , Independent Director (DIN: 00056830)	✓	✓	✓	✓	Leave of Absence	✓	✓
Shri Satya Narayan Ramdeo Baheti , MD & CEO (DIN: 00136476)	✓	✓	✓	✓	✓	✓	✓
Ms Geeta Pursappa Shetti , Independent	✓	✓	✓	✓	✓	✓	✓

Director (DIN: 02948958)							
Shri Annava rapu Venkat Rammurty (DIN: 00050455)	✓	✓	✓	✓	✓	✓	✓

**IX. AUDIT COMMITTEE OF THE BOARD:**

The Audit Committee acts as a link between the Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for Internal Financial Controls, governance and reviewing the Company's statutory and internal audit activities, review and approval of all Related Party Transactions and performs its functions as per Section 177 of the Companies Act 2013. An Independent Director chairs the Audit Committee and the Committee comprises of Independent Directors only.

The Composition of the Audit Committee of your Company as on 31<sup>st</sup> March 2016 was

S No	Name of the Director	Particulars	Appointed w.e.f. (date)
1	Ms Geeta Pursappa Shetti (DIN: 02948958)	Independent Director (Chairperson)	12/02/2015**
2	Shri Jayant Narayan Godbole (DIN: 00056830)	Independent Director	27/06/2014*
3	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	Independent Director	27/06/2014*
4	Shri Annava rapu Venkat Rammurty (DIN: 00050455)	Independent Director	20/04/2015**

\*Appointed afresh for a period of five years at the 4<sup>th</sup> AGM held on 27/06/2014 in compliance with section 149 of the Companies Act 2013.

\*\* Appointed for a period of five years from their respective date of appointment at the 5<sup>th</sup> AGM held on 24/08/2015 in compliance with section 149 of the Companies Act 2013.

During the year under review, the following changes took place in the Audit Committee:

S No	Name of the Director	Particulars	Appointed w.e.f. (date)	Resigned w.e.f. (date)
1	Shri Annavarapu Venkat Rammurty (DIN: 00050455)	Independent Director	20/04/2015	NA

The Committee met seven times during the financial year ending 31<sup>st</sup> March 2016 under review-

Dates on which Audit Committee Meetings were held	Total strength of the Committee	Director's present
April 20, 2015	3	3
June 27, 2015	4	3
July 30, 2015	4	4
August 24, 2015	4	4
October 28, 2015	4	4
December 30, 2015	4	4
February 24, 2016	4	4

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

Name of the Director	Attendance at the Audit Committee Meeting held on						
	April 20, 2015	June 27, 2015	July 30, 2015	August 24, 2015	October 28, 2015	December 30, 2015	February 24, 2016
Ms Geeta Pursappa Shetti (DIN: 02948958)	✓	✓	✓	✓	✓	✓	✓
Shri Jayant Narayan Godbole (DIN: 00056830)	✓	✓	✓	✓	✓	✓	✓
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	✓	Leave of Absence	✓	✓	✓	✓	✓
Shri Annavarapu Venkat Rammurty (DIN: 00050455)	NA	✓	✓	✓	✓	✓	✓

(appointed w.e.f April 20, 2015)							
----------------------------------	--	--	--	--	--	--	--

### **Vigil Mechanism**

The Vigil Mechanism of the Company, which also incorporates the whistle blower policy, was adopted by the Board of IDBI AMC in its meeting held on June 27, 2014 and was last reviewed in the meeting held on April 21, 2016. A Vigilance Officer at the senior level has been appointed who shall oversee the Vigil Mechanism of the Company and report any Protected Disclosure made to him to the Audit Committee. Protected disclosures can be made by a whistle blower through an e-mail [vigilance@idbimutual.co.in](mailto:vigilance@idbimutual.co.in) or a letter to the Vigilance Officer or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link:

[http://www.idbimutual.co.in/pdf/WHISTLE%20BLOWER%20POLICY%20AMC\\_4may20162016May413557.pdf](http://www.idbimutual.co.in/pdf/WHISTLE%20BLOWER%20POLICY%20AMC_4may20162016May413557.pdf)

### **X. OTHER COMMITTEES**

#### **a. Nomination & Remuneration Committee:**

In terms of the provisions of Companies Act, 2013, it is mandatory for your Company to constitute a Nomination & Remuneration Committee (N&RC) to cater to the requirements of the nomination of Directors, KMP, etc. and remuneration related matters of the Directors, KMPs and Employees, etc. Therefore, the Board at its meeting held on April 9, 2014 has constituted the Nomination & Remuneration Committee (N&RC). The Company has devised and adopted policies for Appointment and Remuneration being, (a) Director's Appointment and Evaluation Policy and (b) Nomination and Remuneration Policy with the approval of the N&RC and Board. The said policies were approved by the Board in its meeting held on August 25, 2014 and were last reviewed on December 30, 2015 and August 24, 2015 respectively

As on March 31, 2016, the Nomination & Remuneration Committee comprised five members as under-

<b>S No</b>	<b>Name of the Director</b>	<b>Particulars</b>	<b>Appointed w.e.f. (date)</b>
1	Shri Jayant Narayan Godbole (DIN: 00056830)	Chairperson and Independent Director	27/06/2014
2	Shri Venkatesh Narasinganallore Srinivasan (DIN 01893686)	Nominee Director	14/05/2015
3	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN:	Independent Director	27/06/2014

S No	Name of the Director	Particulars	Appointed w.e.f. (date)
1	Shri Jayant Narayan Godbole (DIN: 00056830)	Chairperson and Independent Director	27/06/2014
	05155598)		
4	Ms Geeta Pursappa Shetti (DIN: 02948958)	Independent Director	12/02/2015
5	Shri Annavarapu Venkat Rammurty (DIN: 00050455)	Independent Director	20/04/2015

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

S No	Name of the Director	Particulars	Appointed w.e.f. (date)	Resigned w.e.f. (date)
1	Shri Annavarapu Venkat Rammurty (DIN: 00050455)	Independent Director	20/04/2015	NA
2	Shri Srinivasan Kothandaraman Vaidyanathan Srinivasan, Associate Director (DIN: 02564527)	Associate Director	23/08/2013	23/04/2015
3	Shri Venkatesh Narasinganallore Srinivasan (DIN 01893686)	Nominee Director	14/05/2015	NA

The Nomination & Remuneration Committee met five times during the financial year ending 31<sup>st</sup> March 2016 under review-

Dates on which Nomination and Remuneration Committee Meetings were held	Total strength of the Committee	Director's present
April 20, 2015	4	4
June 27, 2015	5	4
August 24, 2015	5	5
October 27, 2015	5	5
February 24, 2016	5	4

**ATTENDANCE OF DIRECTORS AT NOMINATION AND REMUNERATION COMMITTEE MEETINGS**

Name of the Director	Attendance at the Nomination and Remuneration Committee Meetings held on				
	April 20, 2015	June 27, 2015	August 24, 2015	October 27, 2015	February 24, 2016
Shri Jayant Narayan Godbole (DIN: 00056830)	✓	✓	✓	✓	✓
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	✓	Leave of Absence	✓	✓	✓
Ms Geeta Pursappa Shetti (DIN: 02948958)	✓	✓	✓	✓	✓
Shri Srinivasan Kothandaraman Vaidyanathan Srinivasan, Associate Director (DIN: 02564527) (upto 23 <sup>rd</sup> April 2015)	✓	NA	NA	NA	NA
Shri Venkatesh Narasinganallore Srinivasan (DIN 01893686) (appointed w.e.f. 14 <sup>th</sup> May 2015)	NA	✓	✓	✓	Leave of Absence
Shri Annavarapu Venkat Rammurty (DIN: 00050455) (appointed w.e.f. 20 <sup>th</sup> April 2015)	NA	✓	✓	✓	✓

## **b. Committee of Independent Directors**

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors at its Meeting held on June 27, 2014 had formally constituted the Committee of Independent Directors.

Terms of Reference: The terms of reference of the Committee includes review of the performance of non-independent directors and the Board as a whole; to review the performance of the Chairperson of the Company taking into account the views of Executive directors and Non-Executive directors; to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties; to perform such other roles as may be prescribed by the Companies Act, 2013,

Composition: The Committee shall comprise of all the Independent Directors of the Company as on the date of the meeting of the said committee.

As on March 31, 2016, the Committee of Independent Directors comprised four members as under-

<b>S No</b>	<b>Name of the Director</b>	<b>Particulars</b>	<b>Appointed w.e.f. (date)</b>
1	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	Chairperson and Independent Director	27/06/2014
2	Shri Jayant Narayan Godbole (DIN: 00056830)	Independent Director	27/06/2014
3	Ms Geeta Pursappa Shetti (DIN: 02948958)	Independent Director	12/02/2015
4	Shri Annavarapu Venkat Rammurthy (DIN: 00050455)	Independent Director	20/04/2015

The Committee met twice during the financial year 2015-2016 namely on October 27, 2015 and February 24, 2016.

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

The Directors hereby confirm:

- ❖ In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ❖ The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.

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

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

The extract of the annual return as required to be furnished in the format prescribed pursuant to the applicable provisions of the Companies Act, 2013 has been annexed to the report vide Annexure - 'A'.

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

The declarations given by Independent Directors has been annexed to the report vide Annexure – 'B'.

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

The Company has devised and adopted separate policies for Appointment and Remuneration being, (a) Director's Appointment and Evaluation Policy and (b) Nomination and Remuneration Policy. The policies have been annexed to the report vide Annexure –'C'. The said policies were approved by the Board in its meeting held on August 25, 2014 and were last reviewed on December 30, 2015 and August 24, 2015 respectively.

## **XV. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

Your Company is an Investment Manager to IDBI Mutual Fund. Thus the operations of the Company are guided by the SEBI Regulations and Directives and AMFI guidelines issued from time to time. In compliance with the SEBI circular, the Company has in place a policy manual on managing risks related to the business being managing the operations of IDBI Mutual Fund as per the Investment Management Agreement and is duly implemented. The same was last reviewed by the Board of IDBI AMC in its meeting held on June 27, 2015.

## **XVI. CORPORATE SOCIAL RESPONSIBILITY POLICY**

The Provisions of CSR are not applicable to your Company.



**XVII. OTHER POLICIES OF THE COMPANY**

Your Company being an Investment Manager to IDBI Mutual Fund, for its business and operations purposes, are guided by the SEBI (MF) Regulations 1996 as amended from time to time which also includes circulars, orders etc. In accordance with various applicable regulations, the Company has in place, amongst others as mentioned in the report, an Investment Policy, Employee Trading Policy, IT Policy, Policy for Dealing with losses on account of Trading Errors, Valuation Policy, IDBI AMC Employee's (Conduct) Rules, 2015, IDBI AMC Employee's (Disciplinary) Rules, 2015, Credit Evaluation Policy, Voting Policy, BCP and DR Manual, HR policies, Documents Retention, Disposal and Archival Policy etc.

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

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

The Company has during the year made investments in Fixed Deposits of Banks and Schemes of Mutual Fund.

Your Directors draw attention of the members to Note 9 to the financial statement which sets out Non Current Investments made by the Company.

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

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

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

Your Directors draw attention of the members to Note 21 Point no. 3.6 to the financial statement which sets out related party disclosures.

**XX. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

**(A) Conservation of energy-**

(i) The steps taken or impact on conservation of energy; N.A.

(ii) The steps taken by the company for utilising alternate sources of energy; N.A.

(iii) The capital investment on energy conservation equipments; N.A.

**(B) Technology absorption-**

(i) The efforts made towards technology absorption;

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution; N.A.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) The details of technology imported; N.A.

(b) The year of import; N.A.

(c) Whether the technology been fully absorbed; N.A.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A.

and

(iv) The expenditure incurred on Research and Development: N.A.

However, your Company has been increasingly using Information Technology systems in its operations.

**XXI. AUDITORS**

Your Company is a Government Company within the meaning of Government Company defined under the Companies Act 2013. As per section 139(5) of the Companies Act 2013, the Auditor of a Government Company shall be appointed or re-appointed by the Comptroller and Auditor-General of India. Comptroller and Auditor-General of India has vide its letter no CA/V/COY/CENTRAL GOVERNMENT, IDBIAS (1)/268 dated 9<sup>th</sup> July, 2015 appointed M/s C R Sagdeo & Co. (ICAI Firm Registration Number FRN 108959W) Chartered Accountants, Navi Mumbai as the Statutory Auditors of the Company. The Statutory Auditors of your Company hold office until the conclusion of the ensuing Annual General Meeting subject to extension by C&AG.

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

Under Section 139 of the Companies Act, 2013, the remuneration of Auditors appointed by the Comptroller and Auditor General of India, shall be fixed by the Company in the General Meeting. Accordingly, Notice of the Annual General Meeting includes an item pertaining to remuneration of the Auditors for the year 2016-17.

**XXII. AUDITOR'S REPORT**

The observations of the Statutory Auditors in their report, read with the relevant notes to the financial statement in Note no.21 are self explanatory.

**XXIII. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, M/s G S R and Co, Practicing Company Secretary (FCS 5691; C P No. 4966), Chennai, has been appointed to conduct a Secretarial Audit of the Company's Secretarial and related records for the year ended 31 March, 2016. The Practicing Company Secretary has submitted his Report on the Secretarial Audit conducted by him which is annexed to this Board's Report as Annexure E

**XXIV. MODEL CODE OF CONDUCT**

The Directors confirm that all Board members and Senior Management have affirmed compliance with the Company's code of conduct for the financial year 2015-16.

**XXV. PARTICULARS OF EMPLOYEES**

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

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

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

**1) STATUTORY AUDITORS:**

M/s C R Sagdeo & Co, Chartered Accountants, Statutory Auditors of IDBI AMC have not made any qualification, reservation or adverse remark in their report dated April 21, 2016.

**2) C & AG:**

The Comptroller and Auditor General of India (C&AG) has decided not to conduct supplementary audit of the financial statements of IDBI Asset Management Limited for the year ended 31<sup>st</sup> March 2016 under section 143(6)(a) of the Companies Act, 2013.

**3) SECRETARIAL AUDITOR:**

M/s G S R & CO, Practising Company Secretaries, Secretarial Auditors of IDBI AMC have not made any qualification, reservation or adverse remark in their report dated 05<sup>th</sup> August 2016.

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

The Nomination and Remuneration Committee and the Board of Directors at its respective meeting held on August 25, 2014, had laid down criteria for performance evaluation of Directors, Chairperson, MD & CEO, Board Level Committees and Board as a whole.

The performances of the members of the Board, the Board level Committees and the Board as a whole were evaluated at the meeting of the Committee of Independent Directors held on April 20, 2016 and the Board of the Directors held on April 21, 2016.

The process for performance evaluation as approved by the N&RC, Committee of Independent Directors is as under:

- Committee of Independent Directors evaluates the performance of Non-Independent Directors including Chairperson of the Company taking into account the views of Executive Director and Non-Executive Director, if any and also of the Board as a whole.
- The Committee of Independent Directors shall report to the Board of such evaluation. The Board may evaluate the performance of the Non-Independent Directors, excluding the director being evaluated, either independently or considering the evaluation of the Committee of Independent Directors.
- The Board shall evaluate the performance of the Independent Directors excluding the director being evaluated and of the Board as a whole as well as the committees of the Board.
- The evaluation will be carried out by means of assigning rating, within the effectiveness rating band scale of 1 to 5, to each of the key attributes/parameters of the Directors, quality of interactions among them and its effectiveness etc. The ratings allotted shall be calculated as average of the total parameters.
- The Nomination and Remuneration Committee shall oversee the performance evaluation of Board, its Committees and Individual Directors conducted by the Committee of Independent Directors and the Board as per their respective terms of reference. The Nomination and Remuneration Committee shall on completion of the evaluation process by the Board as well as the Committee of Independent Directors, in its next meeting and report to the Board.

- The NRC to consider the said evaluations of the directors at the time of expiry of the term of the Independent Directors for a decision on their renewal and suitably recommend to the Board. The minimum average score for recommendation to the Board to take a view shall be 3.

The Board conducted the Performance evaluation of every individual director of the Board without the presence of the respective individual Director being evaluated. The concerned Directors did not participate during their respective evaluation process.

The Board also conducted the evaluation of the Performance of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Committee of Independent Directors.

#### **XXVIII. SUBSIDIARIES**

Your Company does not have any subsidiary / subsidiaries/ Joint Ventures within the meaning of the Companies Act, 2013. IDBI Capital Market Services & Securities Limited (Formerly known as IDBI Capital Market Services Ltd) (CIN U65990MH1993GOI075578) being a shareholder holding 33.33% of the paid up capital of the Company is an Associate of your Company.

#### **XXIX. DEPOSITS**

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

(a) accepted during the year: NIL

(b) remained unpaid or unclaimed as at the end of the year: NIL

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

(i) at the beginning of the year: NIL

(ii) maximum during the year: NIL

(iii) at the end of the year: NIL

(d) the details of deposits which are not in compliance with the requirements of Chapter V of the Act: NIL

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

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

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

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

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

Your Company has zero tolerance towards sexual harassment at the workplace. Your Company firmly believes in providing a safe, supportive, secured and friendly workplace environment – a workplace where our Values come to life through the underlying behaviours. Positive workplace environment and a great employee experience are integral parts of our culture. Your Company believe in providing and ensuring a workplace free from discrimination and harassment based on gender. Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment your Company provide the mechanism to seek recourse and redressal to the concerned individual subjected to sexual harassment.

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

There were no complaints pending for more than 90 days.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16.

No. of Complaints received: 1

No of Complaints disposed off: 1

**XXXIII. INTERNAL CONTROL SYSTEMS**

**Management approach to Internal Control Systems:**

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

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

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

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

### **Internal Audit Function**

The Internal Auditors continuously monitors the efficacy and adequacy of the internal controls/compliance with the objective of providing to Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's operating systems, adherence to Company's policies, applicable laws and processes and manner of safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, the timely preparation of reliable financial information, risk management, control and governance processes.

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

### **Views of the Statutory Auditors of the Company:**

The Statutory Auditor of IDBI AMC has in their report dated 21<sup>st</sup> April 2016 opined that 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, 2016, 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

### **Board oversight on the Internal Financial Controls.**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the Audit Committee,

the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year ended March 31, 2016.

**XXXIV. ACKNOWLEDGEMENTS**

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN



**Annexure – ‘A’**

**FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2016**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- U65100MH2010PLC199319  
ii) Registration Date: 25<sup>th</sup> January, 2010  
iii) Name of the Company: IDBI ASSET MANAGEMENT LIMITED  
iv) Category / Sub-Category of the Company: PUBLIC COMPANY  
v) Address of the registered office and contact details: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005  
Tel: (022) 66442800  
Fax: 66442801  
Website: [www.idbimutual.co.in](http://www.idbimutual.co.in)  
Email: manesh.jiandani@idbimutual.co.in  
vi) Whether listed company Yes / No: NO  
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Asset Management Services	66301	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. N O	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	IDBI BANK LTD	L65190MH2004GOI148838	Holding	66.67	2(46)
2	IDBI Capital Market Services & Securities Limited (Formerly known as IDBI Capital Market Services Ltd)	U65990MH1993GOI075578	Associate	33.33	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters (1) Indian g) Individual/ HUF h) Central Govt i) State Govt (s) j) Bodies Corp. k) Banks/FI l) Any Other..		6,66,60,000 13,33,40,000	6,66,60,000 13,33,40,000	100		6,66,60,000 13,33,40,000	6,66,60,000 13,33,40,000	100	
<b>Sub-total (A) (1):-</b>		20,00,00,000	20,00,00,000	100		20,00,00,000	20,00,00,000	100	
(2) Foreign a) NRIs - Individuals b) Other - Individuals c) Bodies Corp. d) Banks / FI e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (2):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>		20,00,00,000	20,00,00,000	100		20,00,00,000	20,00,00,000	100	
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks/FI c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify)									
<b>Sub-total (B)(1):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh c) Others (specify)									
<b>Sub-total (B)(2):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B) = (B)(1) + (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Grand Total (A+B+C)	NIL	20,00,00,00	20,00,00,00	100	NIL	20,00,00,000	20,00,00,000	100	NIL

(ii) Shareholding of Promoters

SIN o.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	IDBI Bank Ltd L65190MH2004GOI148838 along with 6 other individual nominees on behalf of IDBI Bank Limited	13,33,40,000	66.67	0	13,33,40,000	66.67	0	0
2	IDBI Capital Market Services & Securities Limited (Formerly known as IDBI Capital Market Services Ltd)	6,66,60,000	33.33	0	6,66,60,000	33.33	0	0
	Total	20,00,00,000	100.00	0	20,00,00,000	100.00	0	0

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year IDBI Bank Limited (L65190MH2004GOI148838)  IDBI Capital Market Services & Securities Limited (Formerly known as IDBI Capital Market Services Ltd) (U65990MH1993GOI075578)	20,00,00,000	100%	20,00,00,000	100%
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year IDBI Bank Limited (L65190MH2004GOI148838)  IDBI Capital Market Services & Securities Limited (Formerly known as IDBI Capital Market Services Ltd) (U65990MH1993GOI075578)	20,00,00,000	100%	20,00,00,000	100%

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Share holding during the year	NIL	NIL	NIL	NIL

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri S N Baheti (00136476)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,86,774	36,86,774
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,26,555	19,26,555
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit	-	-

	- others, specify...		
5.	Others, please specify	-	-
	Total (A)	56,13,329	56,13,329
	Ceiling as per the Act	<p>Since the Company has not profits the Limit prescribed is as per Schedule V, which comes to not more than Rs. 84 Lakhs since the resolution is passed as a Special Resolution</p> <p>Further, MCA has vide circular dated 05th June 2015 notified that amongst other exemptions, Section 197 is not applicable to Government Companies . Since your company is a Government Company within the definition of Section 2(45) of the Companies Act 2013, Section 197 is not applicable to the Company and hence the Company has not disclosed the particular of employees as desired under Section 197(12) of the Companies Act 2013.</p>	

\* Shri S N Baheti, (00136476) MD &CEO is on deputation from IDBI Bank Limited. The Remuneration is paid to Shri S N Baheti, (00136476) MD &CEO by IDBI Bank Limited which is reimbursed by IDBI AMC to the IDBI Bank.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Jayant Narayan Godbole	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Shri A V Rammurty	Ms Geeta Pursappa Shetti	
	3. Independent Directors					
	• Fee for attending board committee meetings	2,80,000	2,55,000	2,85,000	3,00,000	11,20,000
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	2,80,000	2,55,000	2,85,000	3,00,000	11,20,000
	4. Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-



Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	2,80,000	2,55,000	2,85,000	3,00,000	11,20,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	Not more than Rs. 1 Lakh per meeting of Board or Committee thereof				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary*	CFO CA Anil Dhawan (upto 31 <sup>st</sup> July 2015)	CFO CA Amit Bhavsar (w.e.f. 24 September 2015)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	13,75,517	3,34,216	17,62,224	34,71,957
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		6,926	27,800	0	34,726
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-			-
2.	Stock Option	-	-	-		-
3.	Sweat Equity	-	-	-		-
4.	Commission - as % of profit - others, specify...	-	-	-		-
5.	Others, please specify	-	-	-		-
	Total	-	13,82,443	3,62,016	17,62,224	35,06,683

\* CS Manesh G Jiandani, (FCS 7360) Company Secretary is on deputation from IDBI Bank Limited. The Remuneration is paid to CS Manesh G Jiandani, (FCS 7360) Company Secretary by IDBI Bank Limited which is reimbursed by IDBI AMC to the IDBI Bank.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN

**Annexure 'B'**

**Declaration of Independence  
[Pursuant to Section 149(6) of the Companies Act, 2013]**

Registration No. of Company	: U65100MH2010PLC199319
Nominal Capital Rs.	: Rs 2,50,00,00,000/-
Paid-up Capital Rs.	: Rs 2,00,00,00,000/-
Name of Company	: IDBI Asset Management Limited
Address of its Registered Office	: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

To  
The Members  
IDBI Asset Management Limited  
IDBI Tower, WTC Complex, Cuffe Parade,  
Mumbai- 400 005

All the directors, declare that pursuant to the provisions of Section 149(6) of the Companies Act, 2013, they meet the criteria of Independence and in the opinion of the Board, are persons of integrity, possess the relevant expertise, experience and that:

- 1) They are not or were not a promoter of the Company or its holding, subsidiary or associate company;
- 2) They are not related to promoters or directors in the company, its holding, subsidiary or associate company;
- 3) They have or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- 4) Neither of their relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- 5) The directors, neither themselves nor on behalf of any of their relatives:
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which I am proposed to be appointed, of—

- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- (iii) holds together with their relatives two per cent or more of the total voting power of the company; or
- (iii) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (iv) who possesses such other qualifications as may be prescribed.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN

## DIRECTORS APPOINTMENT AND EVALUATION POLICY

### IDBI Asset Management Limited

Change Matrix	
Title:	Director's Appointment and Evaluation Policy
DOC ID:	IDBIAM-NRP-2.0
Policy Owner:	Secretarial Department
Policy Administrator:	Secretarial Department
Policy Adherence by:	Secretarial Department
Release Date:	December 2015
Last Date of Update:	December 2015
Version Number:	2.0
Reviewed By:	Secretarial Department
Approved By:	Board of Directors
Propriety:	This document is the sole property of IDBI Asset Management Limited. Any use or duplication of this document without express permission of IDBI Asset Management is strictly forbidden and illegal.
Note:	This Policy is prepared keeping in mind the industry practices and as per Companies act 2013. The manual will be reviewed and updated every financial year.

## **IDBI ASSET MANAGEMENT LTD.**

### **DIRECTORS' APPOINTMENT AND EVALUATION POLICY**

IDBI Asset Management Limited (IDBI AMC), Investment Manager to IDBI Mutual Fund ("the Mutual Fund") is a subsidiary of IDBI Bank Limited.

The provisions of Companies Act 2013 have been made effective from 01st April 2014. In terms of Section 178 (e), Section 134(3)(p) and Schedule IV of the Companies Act 2013, the Company is required to formulate a Director's appointment and Evaluation policy.

The policy broadly covers the relevant extracts of Articles of Association with respect to the Constitution of Board, appointment of Directors. It also covers the manner of performance evaluation of the Directors and Board as a whole and relevant formats for evaluation.

#### **Constitution of the Board**

As per Article 170(a) of the Articles of Association of the Company, the Board of Directors of IDBI Asset Management Limited shall have not less than 3 Directors and not more than 12 Directors. The Constitution of the Board as provided under Article 170(b) read with Article 171(b) shall be as follows :

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

(ii) Notwithstanding anything to the contrary contained in these Articles of Association, one Woman Director shall be appointed on the Board in terms of Section 149(1)(b) of the Companies Act, 2013.

(iii) Notwithstanding anything to the contrary contained in these Articles of Association, IDBI AMC shall ensure that at least one Director on the Board has stayed in India for a total period of not less than one hundred and eighty two days in the previous calendar year, in terms of Section 149(3) of the Companies Act, 2013.

171(b) IDBI Bank Ltd shall be entitled to appoint/nominate or cause to be elected two Directors out of the total number of Directors on the Board. The Directors so appointed/nominated by IDBI Bank Ltd shall be liable to be removed by IDBI Bank Ltd at its discretion and IDBI Bank Ltd shall also be entitled to nominate/appoint, substitute in his or their place, and upon such removal, the person so nominated/appointed shall cease to be the Director of the Company with effect from the date on which IDBI Bank Ltd shall advise the Company about the withdrawal of the nomination/appointment. The Directors shall conform to such criterion as may be prescribed by Mutual Fund Regulations or as may be laid down by SEBI.

c All the remaining Directors shall be appointed by the Company in the General Meeting.

172 Notwithstanding anything contained herein, the composition of the Board of Directors shall be such as specified from time to time by SEBI.

173 The Chairman of the Board shall be the Chairman/MD & CEO of the IDBI Bank Ltd as may be nominated from time to time

174 Except for the first Directors of the Company, at least fifty percent of the Directors of the Company or such other number or percentage as may be prescribed by SEBI from time to time, shall be Independent Directors in accordance with the SEBI Regulations.

175 (a) Subject to the provisions of the Act, the Directors may from time to time appoint or re-appoint one or more of them to be the Managing Director(s) or

the Whole Time Director(s) of the Company for such terms not exceeding five years and subject to such remuneration, terms and conditions as they may think fit. The Directors except the Chairman, MD & CEO and Independent Directors, shall be liable to retire by rotation

(b) Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon the Managing Director or the Whole Time Director, for the time being, such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they may think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Subject to the provisions of the Act, the Managing Director/the Whole Time Director shall not, while he continues to hold the office be subject to retirement by rotation. If he ceases to hold office of a Director for any cause whatsoever, he shall, ipso facto and immediately ceases to be the Managing/Whole Time Director.

### **Mode of Appointment of Directors**

- (1) As per the Board constitution provided under Article 171(b), the appointment / nomination of Directors prescribed therein, shall be made by IDBI Bank Limited. Suitable orders will be issued by IDBI Bank to appoint (i) Chairman; (ii) nomination of Associate Director; In terms of the provisions of the Companies Act, 2013, all appointments/nominations made by IDBI Bank shall be submitted to and noted & approved by the shareholders at the General Meeting.
- (2)(a) In terms of Article 170(b) read with Article 174, 50% of the Directors shall be identified as non rotational Independent Directors by the Board of Directors and shall be appointed by the shareholders at the General Meeting. While identifying the persons to be appointed as



Independent Directors, the Board will ensure that such persons possess the qualifications prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (MF) Regulations 1996 including any statutory modification or amendment thereto and are also not disqualified to be a Director under the relevant provisions of, Section 164 of the Companies Act, 2013 and SEBI (MF) Regulations 1996, etc.

- (b) After Board's identification as above, unless the Independent Director is appointed initially as an Additional Director, the candidature of such person shall be submitted to the next General Meeting for approval of the appointment by following the procedure contained under Section 160 of the Companies Act, 2013. All shareholders will be eligible to elect the Independent Directors. The initial term of Independent Directors will be 5 consecutive years extendable to one more term of 5 consecutive years by passing a Special Resolution at the General Meeting. In any case, the total term shall not exceed 10 years in terms of Companies Act 2013.
- (c) After approval of Independent Directors' appointment, a formal appointment letter with contents prescribed under Schedule IV of the Companies Act, 2013 will be issued to the Independent Directors so appointed.
- (d) In terms of Article 170(b)(iii), the Bank will ensure that atleast one of the Directors on the Board has stayed in India for total period of not less than 182 days during the previous calendar year.
- (f) The intermittent vacancy of an Independent Director shall be filled up by the Board at the earliest but not later than immediate next Board Meeting or 3 months from the date of such vacancy, whichever is later.

### **Performance Evaluation of Individual Directors by the Board**

- (i) In terms of the provisions of Schedule IV (Para VIII) and Section 134(1)(p) of the Companies Act, 2013, performance evaluation of the directors individually shall be done annually by the Board of Directors in the first meeting after the end of the Financial Year or at any meeting in the Financial Year at the discretion of the Chairman.
- (ii) The performance evaluation of individual Directors by the Board shall be done on the evaluation sheet as per the format given at Annexure I to this Policy.
- (iii) On the basis of the report of performance evaluation, the Board/Chairman will determine whether to extend or dis-continue the term of appointment of Independent Directors.

### **Performance Review of Non Independent Directors , Executive Directors, the Chairperson by Independent Directors and the Board as a whole.**

- (i) In terms of the provisions of Schedule IV (Para VII) of the Companies Act, 2013, Independent Directors shall hold an Annual Meeting once in every Financial year without the attendance of Non Independent Directors and members of the Management and review the performance of Non Independent Directors.
- (ii) The Independent Directors shall also review the performance of Chairperson of the Company taking into account the views of Executive Director and Non Executive Directors. The Performance of the Executive Director shall be reviewed after taking into account the views of the other Directors.
- (iii) The performance review of Non Independent Directors including Executive Director by Independent Directors shall be done on the review sheet as per the format given at Annexure II and that of

Chairperson of the Company will be done on the format given at Annexure III. The Performance Review of the Board as a whole shall be as per format given at Annexure IV.

**Rating process and criteria**

- (i) The forms shall be handed over to the Chairman at the meeting wherein the performance of the Director or Board is proposed to be evaluated.
- (ii) The Director whose performance is being evaluated shall excuse himself from the room at that time.
- (iii) The effectiveness rating band shall be of scale 1 to 5 with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2).
- (iv) The effectiveness rating shall be provided on each parameter with respect to the Director based on the above scale.
- (v) The ratings allotted shall be calculated as average of the total parameters.
- (vi) The average marking scheme with respect to the performance of Directors shall be as under

Rating band	Performance criteria
Upto 1	Very Poor
Above 1 and upto 2	Poor
Above 2 and upto 3	Satisfactory
Above 3 and upto 4	Good
Above 4 and upto 5	Excellent

The minimum average score for being considered for continuation as director shall be 3

- (vii) The average marking scheme with respect to the attendance of Directors shall be as under

Criteria	Marks
If the Director has attended the maximum	5

number of Board meetings as required under Companies Act 2013	
If the Director has not has attended the minimum number of Board meetings as required under Companies Act 2013	0

**Process for Performance evaluation of Directors:**

**The process for performance evaluation is as under:**

- Committee of Independent Directors evaluates the performance of Non-Independent Directors including Chairperson of the Company taking into account the views of Executive Director and Non-Executive Director, if any and also of the Board as a whole.
- The Committee of Independent Directors shall report to the Board of such evaluation. The Board may evaluate the performance of the Non-Independent Directors, excluding the director being evaluated, either independently or considering the evaluation of the Committee of Independent Directors.
- The Board shall evaluate the performance of the Independent Directors excluding the director being evaluated and of the Board as a whole as well as the committees of the Board.
- The evaluation will be carried out by means of assigning rating, within the effectiveness rating band scale of 1 to 5, to each of the key attributes/parameters of the Directors, quality of interactions among them and its effectiveness etc. The ratings allotted shall be calculated as average of the total parameters.
- The Nomination and Remuneration Committee shall oversee the performance evaluation of Board, its Committees and Individual Directors conducted by the Committee of Independent Directors and the Board as per their respective terms of reference. The Nomination and Remuneration Committee shall on completion of

the evaluation process by the Board as well as the Committee of Independent Directors, in its next meeting and report to the Board.

- The NRC to consider the said evaluations of the directors at the time of expiry of the term of the Independent Directors for a decision on their renewal and suitably recommend to the Board. The minimum average score for recommendation to the Board to take a view shall be 3.

**Review:**

The Policy shall reviewed by the Board at least on a yearly basis or at such intervals as may be required at the discretion of the Chairman of the Board.

**Record keeping:** The AMC shall maintain records of evaluation sheets perpetually and shall minute the results of the evaluation

The policy shall be effective from 31<sup>st</sup> December 2015.

## NOMINATION AND REMUNERATION POLICY

IDBI Asset Management Limited

Change Matrix	
Title:	Nomination and Remuneration Policy
DOC ID:	IDBIAM-NRP-2.0
Policy Owner:	Secretarial Department
Policy Administrator:	Secretarial Department
Policy Adherence by:	Secretarial Department
Release Date:	December 2015
Last Date of Update:	December 2015
Version Number:	2.0
Reviewed By:	Secretarial Department
Approved By:	

<b>Propriety:</b>	This document is the sole property of IDBI Asset Management Limited. Any use or duplication of this document without express permission of IDBI Asset Management is strictly forbidden and illegal.
<b>Note:</b>	This Policy is prepared keeping in mind the industry practices and as per Companies act 2013. The manual will be reviewed and updated every financial year.

**IDBI ASSET MANAGEMENT LTD.**  
**NOMINATION & REMUNERATION POLICY**

**I. Background**

In terms of Section 178(3) of the Companies Act 2013, the Nomination & Remuneration Committee will formulate and recommend to the Board a policy relating to the Remuneration for Directors, Key Managerial Personnel and other employees of IDBI AMC.

In terms of Section 178 (4) of the Companies Act, 2013, while formulating the policy under Sub Section (3), the Nomination & Remuneration Committee shall ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals:

**Provided** that such policy shall be disclosed in the Board's Report.

**II Objective and purpose of the Policy:**

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To recommend to the Board their appointment and removal.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Mutual Fund industry.
- To carry out evaluation of the performance of Directors.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on August 25, 2014.

**III Effective Date:**



This policy shall be effective from 2014-15.

#### **IV Constitution of the Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Company was constituted in the Board meeting held on April 9 2014 and has been reconstituted from time to time.

The Nomination and Remuneration Committee comprises of following Directors:

1. Shri J N Godbole	Chairman	Non executive Independent Director
2. Shri N S Venkatesh	Member	Non executive Director
3. Ms. Geeta P Shetti	Member	Non executive Independent Director
4. Lt. Gen. Mukesh Sabharwal	Member	Non executive Independent Director
5. Shri A V Rammurty	Member	Non executive Independent Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

#### **V Definitions**

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means IDBI Asset Management Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
  - (i) the Chief Executive Officer or the managing director
  - (ii) Chief Financial Officer;
  - (iii) Company Secretary;
  - (iv) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads

#### **Applicability**

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

## **VI Policy for appointment and removal, Remuneration of Directors**

- Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- In terms of Article 171(b) of the Articles of Association of IDBI AMC, two Directors of IDBI AMC are appointed by IDBI Bank. The Directors so appointed, shall not be paid any remuneration or sitting fees by IDBI AMC.

- Further IDBI Bank shall also nominate one of its officials to act as MD & CEO of IDBI AMC. The remuneration and compensation structure, are paid by the Company, on reimbursement basis to IDBI Bank, as per advice issued by IDBI Bank from time to time and for such period as may be specified in this regard. These Pay Scales and Remuneration structure are fixed by IDBI Bank Limited based on negotiations with respective employee associations and after obtaining Board of Directors' and Government of India's approval in this regard. However, as per Companies Act 2013, the term of appointment shall not exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term

- Apart from the above, no other Remuneration shall be payable to any other Director on the Board of IDBI AMC except the payment of sitting fees to Independent Directors of the Company @Rs.20,000/- per meeting of the Board and Audit Committee of the Board and @Rs. 10,000/- per meeting for other Board Committee Meetings and Annual General Meetings. These rates of sitting fees are prescribed by IDBI Bank, the Holding Company and would also be approved by AMC's Board of Directors. The rates of sitting fees would be accordingly revised with the revision in fees by IDBI Bank Ltd. as may be notified from time to time. Apart from the sitting fees, the expenses on Travel, Transport and Stay of outstation Directors attending the Board and Board Committee Meetings would also be borne by IDBI AMC. An Independent Director shall not be entitled to any stock option of the Company.

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to 20 companies of which 10 public Companies as an Independent Director.

• **Evaluation:**

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

• **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

• **Retirement:**

The Directors shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company.

**VII Remuneration of Key Managerial Personnel**

In terms of section 2(51) of the companies Act, 2013, Key Managerial Personnel, in relation to a company means:

- (i) The CEO or Managing Director;
- (ii) The Whole Time Director;
- (iii) The Company Secretary;
- (iv) The Chief Financial Officer (CFO); and

(v) Such other officer as may be prescribed

The Remuneration Policy for MD is as covered under Para II of this Policy. As regards CFO and the Company Secretary, the positions and Remuneration structure would be as per the compensation structure of IDBI AMC and as per IDBI Bank's remuneration and compensation structure, if on deputation from IDBI Bank Limited.

The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.

## **II. Remuneration of Officers and Employees**

The Pay Scales and Remuneration structure of IDBI AMC's Officers and Employees would be as per the compensation structure of IDBI AMC.

## **III. Attendance of Chairperson of Remuneration Committee at General Meetings**

In compliance of the requirements of Section 178(7) of the Companies Act, 2013, the Chairperson or in his / her absence, any other member of the Remuneration Committee (who will be deemed to be authorized by the Chairperson) shall attend IDBI AMC's General Meetings including Annual General Meetings.

## Annexure 'D'

FORM NO. AOC.2

**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 arms length transactions under third proviso thereto**

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) **Name(s) of the related party and nature of relationship:**
  - (b) **Nature of contracts/arrangements/transactions:**
  - (c) **Duration of the contracts/arrangements/transactions:**
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**
  - (e) **Justification for entering into such contracts or arrangements or transactions:**
  - (f) **Date(s) of approval by the Board:**
  - (g) **Amount paid as advances, if any: Premium paid in advance yearly.**
  - (h) **Date on which the special resolution was passed in general meeting as required under first proviso to section 188:**
  
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) **Name(s) of the related party and nature of relationship:** IDBI Federal Life Insurance Company Limited- Group Company
  - (b) **Nature of contracts/arrangements/transactions:** Group Insurance Policy continuing and renewed every year by paying premium.
  - (c) **Duration of the contracts/arrangements/transactions:** Yearly Contract which is renewable each year
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Limit is Rs. 56,56,854 for all existing and new employees of IDBI Asset Management Ltd. basic death benefit 3 times of CTC and Accidental death benefit equal to basic sum assured subject to maximum Rs. 50,00,000/- as per member schedule. SUM Insured : Rs. 50,44,47,539
  - (e) **Date(s) of approval by the Board, if any:** 20<sup>th</sup> April, 2015
  - (f) **Amount paid as advances, if any:** NIL
  - (g) **Justification for entering into the contracts/arrangements/transactions:** The Company as part of its social security measure had taken this policy. Further the same was selected on a quotation basis and was found competitive compared to quotes offered by other Insurance Companies

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN

## FORM NO. AOC.2

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 arms length transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis
    - (a) **Name(s) of the related party and nature of relationship:**
    - (b) **Nature of contracts/arrangements/transactions:**
    - (c) **Duration of the contracts/arrangements/transactions:**
    - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any**
    - (e) **Justification for entering into such contracts or arrangements or transactions**
    - (f) **Date(s) of approval by the Board**
    - (g) **Amount paid as advances, if any:**
    - (h) **Date on which the special resolution was passed in general meeting as required under first proviso to section 188**
  
  2. Details of material contracts or arrangement or transactions at arm's length basis
    - (a) **Name(s) of the related party and nature of relationship:** IDBI Capital Market Services & Securities Limited (Formerly known as IDBI Capital Market Services Ltd) (U65990MH1993GOI075578) – Group Company
    - (b) **Nature of contracts/arrangements/transactions:** To distribute Mutual Funds of IDBI Mutual Fund. To market the products of IDBI Mutual Fund through their distribution network.
    - (c) **Duration of the contracts/arrangements/transactions:** The transactions are done on a regular basis based on the applications received, commissions are paid on upfront as well as trail basis at the rates which are determined on a quarterly basis.
    - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**

It is not possible to ascribe a monetary value to the transactions that may be undertaken by the Company under the said Contract in future, since the same would depend on various factors such as the industry scenario, volume of transactions, regulatory limits and the term of the said Contract.
- TERMS & CONDITIONS
- The rate defined in the structure would be applicable for lump sum as well as SIP, STP investments. For Systematic Transactions, respective scheme commission structure will be applicable.
  - All Brokerages/Incentives are gross & inclusive of all statutory levies including service tax & education cess. Net Amount after deducting the statutory levies will be paid to the distributor. The service tax will be deducted from the brokerage payout at the time of payment.
  - Trail brokerage is payable monthly.
  - Recovery of Distribution incentive Paid: Upfront incentive (inclusive of any promotional incentive) paid to the Distributor is being recovered in the following manner:
    - o The upfront incentive paid to a Distributor will be recovered from the Distributor, if the money (for which such distribution incentive was paid) is redeemed (change in the broker code shall be considered as redemption) before the completion of one year from the date of allotment of units (specified period) for such scheme/ investment.
    - o The Recovery will be made on a pro-rata basis, depending upon the number of days for which the investment has stayed invested in the fund before being redeemed within the specified period.

o No. of days will be considered for the computation of the recoveries wherever the specified period are mentioned in 1 year as 365 days respectively.

o For redemptions within the specified period, the recovery of the brokerage will be equal to distribution incentive paid x (No. of days for the specified period - No. of days the monies have stayed in the funds) / (No. of days for the specified period).

**o RECOVERY OF THE DISTRIBUTION INCENTIVE OR ADDITIONAL INCENTIVE WILL BE AT THE ARN LEVEL AND NOT THE SCHEME LEVEL**

- On triggered SIPs/STPs, rate existing at the time of SIP/STP registration will be applicable.
- This attached brokerage structure is applicable for the period 1st July, 2015 to 30th September 2015. IDBI Asset Management Ltd. reserves the rights to change /modify/discontinues/ withhold the rates and slabs mentioned at its sole discretion without any prior intimation or notification or in case of Regulatory Changes / Change in Industry practices in respect to payment of Brokerages. The AMC, its employees or Trustees shall not be responsible for any losses incurred by anyone due to change or errors in the brokerage structure.

- The brokerage structure mentioned herein is solely payable to AMFI certified & KYD complied distributors empanelled with us.

- Trail rate mentioned may change in case of any change in SEBI/AMFI regulations or cost structure.

- No upfront brokerage will be payable for intra-scheme switches.

- The rules and regulations of SEBI / AMFI pertaining to brokerage payment to distributors will also be applicable for payment of the contest incentive. The distributor shall adhere to SEBI circular dated 26th June, 2002 on code of conduct and ensure that no rebate is given to investors in any form.

- All distributors should abide by the code of conduct and rules/regulations laid down by SEBI & AMFI.

- Mutual Funds investments are subject to market risks. Please read the scheme documents carefully. Please read the Statement of Additional Information (SAI) and Scheme Information Document (SID) to confirm the scheme details and refer to our website [www.idbimutual.co.in](http://www.idbimutual.co.in), for any further details.

- The brokerage/commission/remuneration structure is subject to the terms and conditions mentioned in the distributor agreement and or/Empanelment Form, as may be amended from time to time.

- Please note that commission will be withheld if the total commission payable is less than Rs 100/-. Such commission will be paid in the subsequent payment cycle provided if the commission amount exceeds Rs 100/-.

- Kindly ensure to mention the EUIN along with ARN code in all the Application Forms/ Transaction slip in the designated space. If the transaction is execution only, please arrange for the investor's signature in the designated space for EUIN declaration.

- As per AMFI circular ref. CIR/ ARN-13/11-12 dated October 14, 2011, the payment of commission (upfront/trail) accrued after the expiry of ARN is to be suspended till renewal of ARN. No commission shall be paid for new business procured during the suspended period of ARN. In case ARN is not renewed within 6 months of expiry, the entire commission accrued will be written off. Also commissions will be suspended if distributors do not furnish self declaration certificate within 3 months of the end of the financial year. Kindly refer the circular for more details.

**Additional Terms & Conditions for B15 cities**

- B15 incentive is payable upfront for single applications less than or equal to Rs. 2 Crores. For single applications exceeding Rs. 2 Crores, B15 incentive will be paid in 12 monthly equal installments.

- The AMC reserves the right not to pay Commission/Incentive on assets mobilized through multiple / split applications from the same investor where such arrangement is made with an intention to benefit from incentive structure.

- Top 15 cities refers to Top 15 Cities provided by AMFI & Beyond 15 cities refers to all the cities beyond the Top 15 cities. The list of Top 15 cities are:

Ahmedabad, Bangalore, Baroda, Chandigarh, Chennai, Hyderabad, Jaipur, Kanpur, Kolkata, Lucknow, Mumbai (Including Thane & Navi Mumbai), New Delhi (including NCR), Panjim, Pune and Surat

- B15 incentive will be payable on the applications procured from residents of all the cities beyond the Top 15 cities as per Pincode Master circulated by AMFI from time to time.
  - Identifying and tagging of a transaction as B15 transaction will be at the sole discretion of AMC and as per the guidelines and list of Pin codes issued by SEBI and/or AMFI from time to time.
  - Applications procured from eligible Foreign Institutional Investors business will not be eligible for B15 incentive.
  - Recovery of Additional incentive Paid: Recovery of additional incentive paid to the distributor is being introduced in the following manner:
    - o The additional incentive paid to a distributor will be recovered in full from the distributor, if the investment (for which such additional incentive was paid) is redeemed before the completion of one year (365 days) of such investment.
    - o The Recovery will be made from the brokerage payable to the distributor for the month in which redemption has been made. E.g. If the redemption has been made in the month of July '15, the recovery will be made from the Brokerage payable for the month of Aug '15.
    - o In case the Brokerage payable to the distributor is insufficient to cover the recovery amount, the recovery will be tried for three consecutive months.
- In case the recovery is still not possible, a demand notice will be sent to the distributor asking him to refund the money to the AMC. In case the distributor does not pay the money within 1 month from the date of the receipt of the notice, the AMC will approach AMFI for the resolution of the same or initiate the required corrective action including legal proceedings as it may deem fit.
- o **RECOVERY OF THE DISTRIBUTION INCENTIVE OR ADDITIONAL INCENTIVE WILL BE AT THE ARN LEVEL AND NOT THE SCHEME LEVEL**
- (e) **Date(s) of approval by the Board, if any:** 20<sup>th</sup> April, 2015, June 27, 2015, October 28, 2015 and December 30, 2015.
- (f) **Amount paid as advances, if any:** NIL
- (g) **Justification for entering into the contracts/arrangements/transactions:** IDBI Capital Market Services Limited is a AMFI registered Mutual Fund Distributor. Further, IDBI Capital Market Services Limited has presence in major cities of India. In order to tap the clients of IDBI Capital Market Services Limited and to have a wider publicity for the schemes of IDBI Mutual Fund, IDBI Capital Market Services Limited was empanelled amongst other Distributors. The company has empanelled more than 6000 distributors as on March 31, 2016.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN



FORM NO. AOC.2

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 arms length transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) **Name(s) of the related party and nature of relationship:**
  - (b) **Nature of contracts/arrangements/transactions:**
  - (c) **Duration of the contracts/arrangements/transactions:**
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any**
  - (e) **Justification for entering into such contracts or arrangements or transactions**
  - (f) **Date(s) of approval by the Board**
  - (g) **Amount paid as advances, if any:**
  - (h) **Date on which the special resolution was passed in general meeting as required under first proviso to section 188**
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) **Name(s) of the related party and nature of relationship:** IDBI Mutual Fund – MF Trust constituted under Indian Trust Act 1882
  - (b) **Nature of contracts/arrangements/transactions:** To obtain Management fees from IDBI Mutual Fund for managing the schemes of the Fund
  - (c) **Duration of the contracts/arrangements/transactions:** Has authorized IDBI AMC to act as Investment Manager to IDBI Mutual Fund and manage affairs and operations of the Fund. The Company has entered into an Investment Management agreement with IDBI Asset Management Limited.
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Management fees .To charge with recurring expenses and such other costs as per permissible limit prescribed by SEBI. To incur expenses on behalf of Mutual Fund and take on books expenses crossing the threshold limit.
  - (e) **Date(s) of approval by the Board, if any:** 13<sup>th</sup> February, 2010.
  - (f) **Amount paid as advances, if any:** NIL
  - (g) **Justification for entering into the contracts/arrangements/transactions:** Regulation 52 of SEBI (Mutual Fund) 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 26<sup>th</sup> February 2010 entered into with IDBI MF Trustee Company Limited (Trustees to IDBI Mutual Fund).

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai

Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN

**FORM NO. AOC.2**

**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 arms length transactions under third proviso thereto**

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) **Name(s) of the related party and nature of relationship:**
  - (b) **Nature of contracts/arrangements/transactions:**
  - (c) **Duration of the contracts/arrangements/transactions:**
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any**
  - (e) **Justification for entering into such contracts or arrangements or transactions**
  - (f) **Date(s) of approval by the Board**
  - (g) **Amount paid as advances, if any:**
  - (h) **Date on which the special resolution was passed in general meeting as required under first proviso to section 188**
  
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) **Name(s) of the related party and nature of relationship:** IDBI Bank Limited (L65190MH2004GOI148838) – Holding Company
  - (b) **Nature of contracts/arrangements/transactions:** To distribute Mutual Funds of IDBI Mutual Fund. To market the products of IDBI Mutual Fund through their distribution network.
  - (c) **Duration of the contracts/arrangements/transactions:** The transactions are done on a regular basis based on the applications received, commissions are paid on upfront as well as trail basis at the rates which are determined on a quarterly basis.
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Trail Commission/Brokerage: It is not possible to ascribe a monetary value to the transactions that may be undertaken by the Company under the said Contract in future, since the same would depend on various factors such as the industry scenario, volume of transactions, regulatory limits and the term of the said Contract.

**TERMS & CONDITIONS**

- The rate defined in the structure would be applicable for lump sum as well as SIP, STP investments. For Systematic Transactions, respective scheme commission structure will be applicable.
- All Brokerages/Incentives are gross & inclusive of all statutory levies including service tax & education cess. Net Amount after deducting the statutory levies will be paid to the distributor. The service tax will be deducted from the brokerage payout at the time of payment.
- Trail brokerage is payable monthly.
- Recovery of Distribution incentive Paid: Upfront incentive (inclusive of any promotional incentive) paid to the Distributor is being recovered in the following manner:
  - o The upfront incentive paid to a Distributor will be recovered from the Distributor, if the money (for which such distribution incentive was paid) is redeemed (change in the broker code shall be considered as redemption) before the completion of one year from the date of allotment of units (specified period) for such scheme/ investment.
  - o The Recovery will be made on a pro-rata basis, depending upon the number of days for which the investment has stayed invested in the fund before being redeemed within the specified period.

o No. of days will be considered for the computation of the recoveries wherever the specified period are mentioned in 1 year as 365 days respectively.

o For redemptions within the specified period, the recovery of the brokerage will be equal to distribution incentive paid x (No. of days for the specified period - No. of days the monies have stayed in the funds) / (No. of days for the specified period).

**o RECOVERY OF THE DISTRIBUTION INCENTIVE OR ADDITIONAL INCENTIVE WILL BE AT THE ARN LEVEL AND NOT THE SCHEME LEVEL**

- On triggered SIPs/STPs, rate existing at the time of SIP/STP registration will be applicable.
- This attached brokerage structure is applicable for the period 1st July, 2015 to 30th September 2015. IDBI Asset Management Ltd. reserves the rights to change /modify/discontinues/ withhold the rates and slabs mentioned at its sole discretion without any prior intimation or notification or in case of Regulatory Changes / Change in Industry practices in respect to payment of Brokerages. The AMC, its employees or Trustees shall not be responsible for any losses incurred by anyone due to change or errors in the brokerage structure.

- The brokerage structure mentioned herein is solely payable to AMFI certified & KYD complied distributors empanelled with us.

- Trail rate mentioned may change in case of any change in SEBI/AMFI regulations or cost structure.

- No upfront brokerage will be payable for intra-scheme switches.

- The rules and regulations of SEBI / AMFI pertaining to brokerage payment to distributors will also be applicable for payment of the contest incentive. The distributor shall adhere to SEBI circular dated 26th June, 2002 on code of conduct and ensure that no rebate is given to investors in any form.

- All distributors should abide by the code of conduct and rules/regulations laid down by SEBI & AMFI.

- Mutual Funds investments are subject to market risks. Please read the scheme documents carefully. Please read the Statement of Additional Information (SAI) and Scheme Information Document (SID) to confirm the scheme details and refer to our website [www.idbimutual.co.in](http://www.idbimutual.co.in), for any further details.

- The brokerage/commission/remuneration structure is subject to the terms and conditions mentioned in the distributor agreement and or/Empanelment Form, as may be amended from time to time.

- Please note that commission will be withheld if the total commission payable is less than Rs 100/-. Such commission will be paid in the subsequent payment cycle provided if the commission amount exceeds Rs 100/-.

- Kindly ensure to mention the EUIN along with ARN code in all the Application Forms/ Transaction slip in the designated space. If the transaction is execution only, please arrange for the investor's signature in the designated space for EUIN declaration.

- As per AMFI circular ref. CIR/ ARN-13/11-12 dated October 14, 2011, the payment of commission (upfront/trail) accrued after the expiry of ARN is to be suspended till renewal of ARN. No commission shall be paid for new business procured during the suspended period of ARN. In case ARN is not renewed within 6 months of expiry, the entire commission accrued will be written off. Also commissions will be suspended if distributors do not furnish self declaration certificate within 3 months of the end of the financial year. Kindly refer the circular for more details.

**Additional Terms & Conditions for B15 cities**

- B15 incentive is payable upfront for single applications less than or equal to Rs. 2 Crores. For single applications exceeding Rs. 2 Crores, B15 incentive will be paid in 12 monthly equal installments.

- The AMC reserves the right not to pay Commission/Incentive on assets mobilized through multiple / split applications from the same investor where such arrangement is made with an intention to benefit from incentive structure.

- Top 15 cities refers to Top 15 Cities provided by AMFI & Beyond 15 cities refers to all the cities beyond the Top 15 cities. The list of Top 15 cities are: Ahmedabad, Bangalore, Baroda, Chandigarh, Chennai, Hyderabad, Jaipur, Kanpur, Kolkata, Lucknow, Mumbai (Including Thane & Navi Mumbai), New Delhi

(including NCR), Panjim, Pune and Surat

- B15 incentive will be payable on the applications procured from residents of all the cities beyond the Top 15 cities as per Pincode Master circulated by AMFI from time to time.
  - Identifying and tagging of a transaction as B15 transaction will be at the sole discretion of AMC and as per the guidelines and list of Pin codes issued by SEBI and/or AMFI from time to time.
  - Applications procured from eligible Foreign Institutional Investors business will not be eligible for B15 incentive.
  - Recovery of Additional incentive Paid: Recovery of additional incentive paid to the distributor is being introduced in the following manner:
    - o The additional incentive paid to a distributor will be recovered in full from the distributor, if the investment (for which such additional incentive was paid) is redeemed before the completion of one year (365 days) of such investment.
    - o The Recovery will be made from the brokerage payable to the distributor for the month in which redemption has been made. E.g. If the redemption has been made in the month of July '15, the recovery will be made from the Brokerage payable for the month of Aug '15.
    - o In case the Brokerage payable to the distributor is insufficient to cover the recovery amount, the recovery will be tried for three consecutive months.
- In case the recovery is still not possible, a demand notice will be sent to the distributor asking him to refund the money to the AMC. In case the distributor does not pay the money within 1 month from the date of the receipt of the notice, the AMC will approach AMFI for the resolution of the same or initiate the required corrective action including legal proceedings as it may deem fit.
- o RECOVERY OF THE DISTRIBUTION INCENTIVE OR ADDITIONAL INCENTIVE WILL BE AT THE ARN LEVEL AND NOT THE SCHEME LEVEL

- (e) **Date(s) of approval by the Board, if any:** 20<sup>th</sup> April, 2015, June 27, 2015, October 28, 2015 and December 30, 2015..
- (f) **Amount paid as advances, if any:** NIL
- (g) **Justification for entering into the contracts/arrangements/transactions:** IDBI Bank Limited is a AMFI registered Mutual Fund Distributor. Further, IDBI Bank Limited has more than 1800 branches in India. In order to tap the clients of IDBI Bank Limited, to provide an additional bouquet of investment as part of financial inclusion and to have a wider publicity for the schemes of IDBI Mutual Fund, IDBI Bank Limited was empanelled amongst other Distributors. The company has empanelled more than 6000 distributors as on March 31, 2016.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN

**FORM NO. AOC.2**

**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 arms length transactions under third proviso thereto**

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) **Name(s) of the related party and nature of relationship:**
  - (b) **Nature of contracts/arrangements/transactions:**
  - (c) **Duration of the contracts/arrangements/transactions:**
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any**
  - (e) **Justification for entering into such contracts or arrangements or transactions**
  - (f) **Date(s) of approval by the Board**
  - (g) **Amount paid as advances, if any:**
  - (h) **Date on which the special resolution was passed in general meeting as required under first proviso to section 188**
  
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) **Name(s) of the related party and nature of relationship:** IDBI Bank Limited (L65190MH2004GOI148838) - Holding Company
  - (b) **Nature of contracts/arrangements/transactions:** Office space at 13 locations to employees of IDBI AMC on leave and License basis. Office Space is being provided to employees within the office premises of IDBI Bank.
  - (c) **Duration of the contracts/arrangements/transactions:** the contracts are entered on a perpetual basis subject to termination by either party
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Rent payable on monthly basis or as and when raised by IDBI Bank Limited. The rent amount per sq ft. is as follows for different locations:

Sr. No.	Branch Location	Address of the Branches	Area Sq. ft.	Rate per sq. ft. Rs.	Total Rs.
1	Mumbai	5th Floor, Mafatlal Centre Nariman Point, Mumbai 400021	8866.5	135.00	1196977.5
2	Delhi	4th Floor, Indian Red Cross Society Building 1, Red Cross Road, New Delhi 110001	588.00	315.88	185737.44
3	Chandigarh	Sco-72-73, 3rd Floor. Sector 17 B, Chandigarh 160017	175.00	75.00	13125.00
4	Hyderabad	IDBI House 3rd Floor, 5-9-89/1 Chapel Road Hyderabad 500001	500.00	25.00	12500.00

5	Bangalore	IDBI House No. 58, 1st Floor, Mission Road Bangalore 560027	684.00	100.00	68400.00
6	Ahmedabad	IDBI Complex, 1st Floor Near Lall Bungalows, off C G Road Ahmedabad 380006	100.00	30.00	3000.00
7	Mumbai - Belapur		134.00	60	8040.00
8	Lucknow	Kisan Sehakari Bhavan, 2 M G Marg, Hajratganj Lucknow 226001	100.00	74.30	7430.00
9	Indore	IDBI Bank, Mezzanine Floor Ratlam Kothi, Alankar Chambers Geeta Bhavan, A B Road Inore 452001	100.00	70.00	7000.00
10	Pune	IDBI House 4th Floor, Dyaneshwar Paduka Chawk, F C Road Shivaji Nagar Pune 411004	252.00	110.00	27720.00
11	Kolkata	IDBI House, 6th Floor 44 Shakespeare Sarani, Kolkata 700017	1000.00	50.00	50000.00
12	Cohin	Panampilly branch, Cochin.	200.00	90.00	18000.00
13	Chennai	6/11, Balfour Road, Kilpauk, Chennai 600010	760.00	86. 36579	65638.00

(e) **Date(s) of approval by the Board, if any:** 20<sup>th</sup> April, 2015. (in existence prior to commencement of Companies act 2013)

(f) **Amount paid as advances, if any:** NIL

- (g) **Justification for entering into the contracts/arrangements/transactions:** IDBI Bank Limited has more than 1800 branches in India. In order to create synergy between the business of two Companies The Mission of the Company is to promote Financial inclusion by assisting the common man in making informed investment choices, through mutual funds and thus bring to them, the prosperity of the capital markets. Thus it was felt that operating from the IDBI Bank premises would yield better results and help the Company in increasing its business reach to niche clients of the bank at Arm's length basis. The rent charged by IDBI Bank is as per market valuation done by the Bank.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN

FORM NO. AOC.2

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 arms length transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts/arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: IDBI MF Trustee Company Limited (CIN:U65991MH2010PLC199326) - Group Company
  - (b) Nature of contracts/arrangements/transactions: To recover Secretarial accounts and Administration fees from IDBI MF Trustee Company Limited for providing the Secretarial, Accounting and Administration fees to IDBI MF Trustee Company Limited.
  - (c) Duration of the contracts/arrangements/transactions: the Board of IDBI MFT has approved the said policy in its meeting specifying the percentage and manner of recovering the said service charges.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: 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. Out of the above common expenses we charge 5% to MF Trustee Co  
The 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
  - (e) Date(s) of approval by the Board, if any: 22<sup>nd</sup> October, 2013.
  - (f) Amount paid as advances, if any: NIL
  - (g) Justification for entering into the contracts/arrangements/transactions: IDBI MF Trustee Company Limited is a group Company within the 3 tier Structure of IDBI Mutual Fund and is a wholly owned subsidiary of IDBI Bank Limited. The Company does not have employees on its rolls and hence the day to day operations of the said Company is managed by the employees of IDBI AMC from their office located at 5<sup>th</sup> Floor Mafatlal Centre, Nariman Point, Mumbai 400021. Thus in order to maintain arm's length relationship with the Company, it was felt to recover a certain percentage of expenses as fees for main areas of services.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai  
Date:

Dilip Kumar Mandal (03313130)  
MD&CEO

Kishor Piraji Kharat (07266945)  
CHAIRMAN



ANNEXURE E

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the Financial Year Ended 31<sup>st</sup> March, 2016

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. IDBI Asset Management Limited for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 as amended from time to time.;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (iv) Other Laws like labour laws, taxation and other laws applicable to the Company was as per representation given by the Company.

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

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws specifically applicable to the Company.

- (a) SEBI (Mutual Fund) Regulations, 1996

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

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

- (a) Delegation of authorization for related party transactions to Board under section 188 of the Companies Act, 2013 vide special resolution passed at the Annual General Meeting held on 24.08.2015.
- (b) For amendment to Articles of Association under section 14 of the Companies Act, 2013 vide special resolution passed at the Extra-ordinary General Meeting held on 30.12.2015.

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

- (c) Policy on related party transactions to formalize the reporting process and the same has been placed on the website of the Company.
- (d) Revised Employee Trading Policy in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

Place: Mumbai  
Date : 5<sup>th</sup> August, 2016

S/d-  
**G. SREENIVASA RAO**  
(C.P. No: 4966)

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

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

ANNEXURE 'A'

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

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

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

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

Place: Mumbai  
Date : 5<sup>th</sup> August, 2016

S/d-  
**G. SREENIVASA RAO**  
(C.P. No: 4966)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the Financial Year Ended 31<sup>st</sup> March, 2016

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. IDBI Asset Management Limited for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

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



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

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

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws specifically applicable to the Company.

- (a) SEBI (Mutual Fund) Regulations, 1996

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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



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

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

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

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

- (a) Delegation of authorization for related party transactions to Board under section 188 of the Companies Act, 2013 vide special resolution passed at the Annual General Meeting held on 24.08.2015.
- (b) For amendment to Articles of Association under section 14 of the Companies Act, 2013 vide special resolution passed at the Extra-ordinary General Meeting held on 30.12.2015.


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

- (c) Policy on related party transactions to formalize the reporting process and the same has been placed on the website of the Company.
- (d) Revised Employee Trading Policy in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Place: Mumbai  
Date : 5<sup>th</sup> August, 2016



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

  
G. SREENIVASA RAO  
(C.P. No. 4936)

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

ANNEXURE 'A'

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


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

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

Place: Mumbai  
Date : 5<sup>th</sup> August, 2016



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

  
G. SREENIVASA RAO  
(C.P. No. 4986)



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF IDBI ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED  
31 MARCH 2016**

The preparation of financial statements of IDBI Asset Management Limited for the year ended 31 March 2016 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 21 April 2016.

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

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IDBI Asset Management Limited for the year ended 31 March 2016 under section 143(6)(a) of the Act.

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



(Roop Rashi)

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

Place : Mumbai

Date : 20 July 2016



**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of **IDBI Asset Management Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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





**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order 2016 issued by the Central Government vide its order dated 29<sup>th</sup> March 2016, we give in the annexure attached herewith a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) In our opinion, there are no major matters which could be considered to have an adverse effect on the functioning of the Company.






**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

- (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3.12 to the financial statements;
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts and the Company did not have any derivative contracts during the year.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sr.	Directions	Observations of Auditor
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The company does not own any freehold or leasehold land, hence not applicable.
2	Please report whether there are any cases of waiver / write off of debts/loans/interest etc., if yes, the reason there for and the amount involved.	There are no cases of waiver / write off of debts/loans/interest etc.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift from government or other authorities.	The company does not own any inventory hence not applicable.

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

  
(Suman Bose)  
(Partner)  
(Membership No. 45239)  
Place of Signature: Mumbai  
Date: 21<sup>st</sup> April 2016





**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

**ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF  
IDBI ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

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

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, the management has at reasonable intervals physically verified the fixed assets and no material discrepancies were noticed on such verification.  
(c) There are no immovable properties held by the Company in its books.
- ii) Being a service company, it does not hold any physical inventory. Therefore para 3(ii) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- iii) The Company has not granted any secured/unsecured loans to companies, firms and/or other parties listed in the Register maintained under section 189 of the Companies Act 2013.
- iv) In respect of loans, investments, guarantees, and security, the Company has complied with the requirements of section 185 and 186 of the Companies Act 2013. As explained to us, Investments have been made in the form of Term Deposit with IDBI Bank and in the form of mutual fund with IDBI Mutual Fund Trust, however both these do not qualify to be covered under section 185 and 186 as securities and as body corporate.
- v) The Company has not accepted any deposits from the public. Accordingly, para 3(v) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- vi) As per The Cost Audit Rules 2014, the Company does not qualify as a class of company requiring the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of any of the activities of the company. Accordingly para 3(vi) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- vii) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Value Added Tax, Service Tax, and other material statutory dues applicable to it and no undisputed amount is outstanding as on 31<sup>st</sup> March 2016 for a period of more than six months from the date they became payable.





**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

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

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

- viii) According to the information and explanations given to us, the Company has not borrowed from any financial institution, banks, debenture holders or government during the year. Accordingly, para 3(viii) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- ix) According to the information and explanations given to us, the company has not raised any money by public issues or borrowings in the form of loans during the year. Accordingly, para 3(ix) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- x) According to the information and explanations given to us, no frauds by the Company or on the Company by its officers and employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us the provisions of section 197 read with Schedule V of the Companies Act 2013 regarding managerial remuneration are not applicable to the Company being a government company as defined under section 2 (45) of the Companies Act 2013 as per MCA Circular No G. S. R. 463(E) dated 5<sup>th</sup> June 2015 under serial no 28. Accordingly, para 3(xi) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.
- xii) The Company is not a Nidhi company. Accordingly, para 3(xii) of the Companies (Auditors' Report) Order 2016 does not apply to the Company.





**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

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

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

(Suman Bose)  
(Partner)  
(Membership No. 45239)  
Place: Mumbai  
Date: 21<sup>st</sup> April 2016





**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

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

We have audited the internal financial controls over financial reporting of IDBI Asset Management Company Limited ("the Company") as of March 31, 2016 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.







**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

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

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

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

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

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

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





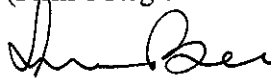
**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

---

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C. R. Sagdeo & Company  
Chartered Accountants  
(Firm's Registration No. 108050W)



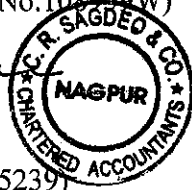
(Suman Bose)

(Partner)

(Membership No. 045239)

Place: Mumbai

Date: 21<sup>st</sup> April 2016



# IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

## BALANCE SHEET as at 31st March 2016

Amount in Rupees

	Particulars	Note	31 March' 2016	31 March' 2015
I.	<b><u>EQUITY AND LIABILITIES</u></b>			
1	Shareholders' funds			
	(a) Share capital	1	2,000,000,000	2,000,000,000
	(b) Reserves and surplus	2	(1,028,341,109)	(1,063,132,720)
	(C) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Deferred tax liabilities (Net)		-	408,323
	(b) Long-term provisions	3	4,527,924	4,410,122
4	Current liabilities			
	(a) Trade payables	4	72,137,407	45,913,477
	(b) Other current liabilities	5	2,191,503	1,739,505
	(c) Short-term provisions	6	5,997,604	1,544,450
	<b>Total</b>		<b>1,056,513,329</b>	<b>990,883,157</b>
II.	<b><u>ASSETS</u></b>			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	7	5,605,332	7,960,212
	(ii) Intangible assets	8	1,625,844	3,004,717
	(b) Non-current investments	9	629,000,569	726,626,534
	(c) Deferred tax Asset (Net)		91,858,390	-
	(d) Long-term loans and advances		-	-
	(e) Other non-current assets	10	-	4,730,244
2	Current assets			
	(a) Current investments		193,290,557	167,901,784
	(b) Trade receivables	11	20,716,908	2,125,632
	(c) Cash and Bank Balances	12	2,515,995	1,509,609
	(d) Short-term loans and advances	13	6,213,601	6,937,347
	(e) Other current assets	14	105,686,133	70,087,078
	<b>Total</b>		<b>1,056,513,329</b>	<b>990,883,157</b>
	Significant accounting policies and other notes	21		

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

Suman Bose  
Partner  
M.No.045239

Place : Mumbai  
Date : 21 April 2016



For IDBI Asset Management Limited

*Kishor Kharat*  
Kishor Kharat  
Chairman  
DIN: 07266945

*Manesh Jiandani*  
Manesh Jiandani  
Company Secretary  
FCS 7360

*Satya Narayan Baheti*  
Satya Narayan Baheti  
Managing Director & CEO  
DIN: 00136476

*Amit Bhavsar*  
Amit Bhavsar  
CFO  
FCA 105890

# IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

## Profit and Loss Statement for the period ended 31st March 2016

Amount in Rupees

Particulars		Note	31 March' 2016	31 March' 2015
<b>I</b>	<b>Income</b>			
	(a) Revenue from operations	15	393,741,800	261,987,291
	(b) Other income	16	77,906,931	37,197,328
	<b>Total Revenue (a + b)</b>		<b>471,648,731</b>	<b>299,184,619</b>
<b>II</b>	<b>Expenses</b>			
	(a) Employee benefits expense	17	170,749,821	158,405,535
	(b) Scheme and Distribution Expenses	18	275,775,812	279,325,707
	(b) Other expenses	19	78,272,690	71,318,306
	(c) Depreciation and amortization expense	20	4,325,510	7,839,573
	<b>Total expenses(a+b+c)</b>		<b>529,123,833</b>	<b>516,889,120</b>
<b>III</b>	<b>Loss before exceptional and extraordinary items and tax (I-II)</b>		(57,475,102)	(217,704,501)
<b>IV</b>	<b>Exceptional items</b>		-	-
<b>V</b>	<b>Extraordinary items</b>		-	-
<b>VI</b>	<b>Loss before tax (III-IV-V)</b>		(57,475,102)	(217,704,501)
<b>VII</b>	<b>Tax expense:</b>			
	(1) Current tax		-	-
	(2) Deferred tax		92,266,713	(10,417,923)
<b>VIII</b>	<b>Profit for the year (III-IV)</b>		<b>34,791,611</b>	<b>(207,286,578)</b>
<b>IX</b>	<b>Earnings per equity share:</b>			
	(1) Basic		0.17	(2.03)
	(2) Diluted		0.17	(2.03)
	<b>Significant accounting policies and other notes</b>	<b>21</b>		

vide our report of even date

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

*Suman Bose*

Suman Bose  
Partner  
M.No.045239



Place : Mumbai  
Date : 21 April 2016

For IDBI Asset Management Limited

*Kishor Kharat*

Kishor Kharat  
Chairman  
DIN: 07266945

*Manesh Jiandani*

Manesh Jiandani  
Company Secretary  
FCS 7360

*Satya Narayan Baheti*

Satya Narayan Baheti  
Managing Director & CEO  
DIN: 00136476

*Amit Bhavsar*  
Amit Bhavsar  
CEO  
FCA 105890

# IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

## Cash Flow Statement for the period ended 31st March 2016

Amount in Rupees

Particulars	31 March' 2016	31 March' 2015
<b>(A) Cash Flow from Operating Activities :</b>		
Loss for the year	(57,475,102)	(217,704,501)
Add: Adjustments		
Loss on sale of Assets	27,102	10,876
Depreciation & amortisation	4,325,510	7,839,573
Provision for depreciation no longer required written back	-	-
Interest on Income Tax refund/ Bank FD	(48,936,249)	(13,824,392)
Dividend Income	(336,083)	(1,264,205)
Other Income	(3,489,309)	(3,254,425)
Net gain on sale of investments	(25,145,290)	(18,854,305)
Operating Loss before Working Capital changes	<b>(131,029,421)</b>	<b>(247,051,380)</b>
(Increase)/ Decrease Trade receivables	(18,591,276)	7,771,076
(Increase)/ Decrease Short-term loans and advances	723,746	(4,841,744)
(Increase) / Decrease in other non current asset	4,730,244	12,371,875
(Increase)/ Decrease in Other current assets	(35,599,055)	(4,460,451)
Increase/ (Decrease) Long-term provisions	117,802	429,832
Increase/ (Decrease) Trade payables	26,223,930	(17,830,281)
Increase/ (Decrease) Other current liabilities	451,998	(985,978)
Increase/ (Decrease) Short-term provisions	4,453,154	(1,614,488)
Net change in working capital	<b>(17,489,457)</b>	<b>(9,160,160)</b>
Taxes refund and interest thereon	48,936,249	-
<b>Net Cash used in Operating activities (A)</b>	<b>(99,582,629)</b>	<b>(256,211,539)</b>
<b>(B) Cash Flow from Investing activities</b>		
Purchase of Fixed Assets	(668,760)	(3,841,935)
(Increase) / Decrease in investment	72,237,192	(626,568,172)
Sale of Fixed Assets	49,900	132,875
Net gain on sale of investments	25,145,290	18,854,305
Other Income	3,489,309	3,254,425
Dividend Income	336,083	1,264,205
Interest Income	-	13,824,392
<b>Net Cash (used) / Received in Investing Activities (B)</b>	<b>100,589,014</b>	<b>(593,079,904)</b>
<b>(C) Cash Flow from Financial activities</b>		
Increase in Share Capital	-	850,000,000
<b>Net Cash (used) / Received in Financial Activities (C)</b>	<b>-</b>	<b>850,000,000</b>
<b>Net increase in Cash &amp; Cash Equivalents for the year (A+B+C)</b>	<b>1,006,385</b>	<b>708,556</b>
<b>Cash &amp; Cash Equivalents at the beginning of the period</b>	<b>1,509,609</b>	<b>801,053</b>
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>2,515,995</b>	<b>1,509,609</b>

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

*Suman Bose*  
Suman Bose  
Partner  
M.No.045239



Place : Mumbai  
Date : 21 April 2016

For IDBI Asset Management Limited

*Kishor Kharat*  
Kishor Kharat  
Chairman

DIN: 07266945

*Satya Narayan Baheti*

Satya Narayan Baheti  
Managing Director & CEO

DIN: 00136476

*Manesh Jiandani*  
Manesh Jiandani  
Company Secretary  
FCS 7360

*Amit Bhavsar*  
Amit Bhavsar  
CFO  
FCA 105890

# IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

## NOTES FORMING PART OF THE BALANCE SHEET

	Amount in Rupees	
	31 March' 2016	31 March' 2015
<b>Authorised</b>		
250,000,000 Equity Shares of Rs. 10 each(250,000,000 Equity shares of Rs.10 each)	2,500,000,000	2,500,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
200,000,000 Equity Shares of Rs. 10 each(200,000,000 Equity shares of Rs.10 each)	2,000,000,000	2,000,000,000
<b>Total</b>	<b>2,000,000,000</b>	<b>2,000,000,000</b>

### Reconciliation of number of shares outstanding

	Nos. of Shares	
	31 March' 2016	31 March' 2015
Shares outstanding at the beginning of the year	200,000,000	115,000,000
Shares issued during the year	-	85,000,000
Shares brought back during the year	-	-
Shares outstanding at the end of the year	<b>200,000,000</b>	<b>200,000,000</b>

### Details of Shareholdings

Name of Shareholder	31 March' 2016		31 March' 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IDBI Bank Limited ( Holding Company) and its Nominees	133,340,000	66.67	133,340,000	66.67
IDBI Capital Market Services Limited	66,660,000	33.33	66,660,000	33.33
<b>Total</b>	<b>200,000,000</b>	<b>100.00</b>	<b>200,000,000</b>	<b>100.00</b>

### Note 2: Reserves and surplus

	Amount in Rupees	
	31 March' 2016	31 March' 2015
<b>Surplus</b>		
Opening balance	(1,063,132,720)	(855,846,143)
(+) Loss For the current year	34,791,611	(207,286,578)
Closing Balance	<b>(1,028,341,109)</b>	<b>(1,063,132,720)</b>

### Note 3: Long-term provisions

	Amount in Rupees	
	31 March' 2016	31 March' 2015
<b>Provision for employee benefits</b>		
(a) Leave Encashment (Unfunded)	6,590,997	5,999,480
Less: Amount treated as Current liability	(2,063,073)	(1,589,358)
<b>Total (a)+(b)</b>	<b>4,527,924</b>	<b>4,410,122</b>

### Note 4: Trade payables

	Amount in Rupees	
	31 March' 2016	31 March' 2015
<b>(a) Brokerage Payable</b>		
Brokerage Payable F.Y.2010-11		95
Brokerage Payable F.Y.2011-12	5,907	6,702
Brokerage Payable F.Y.2012-13	7,275	11,567
Brokerage Payable F.Y.2013-14	258,789	348,522
Brokerage Payable F.Y.2014-15	1,402,629	14,241,144
Brokerage Payable F.Y.2015-16	22,786,326	-
(b) Provision for Expenses	32,108,990	19,517,368
(c) Creditors for Expenses	15,567,492	11,788,079
<b>Total</b>	<b>72,137,407</b>	<b>45,913,477</b>

### Note 5: Other current liabilities

	Amount in Rupees	
	31 March' 2016	31 March' 2015
(a) TDS payable	2,176,696	1,737,033
(b) Service Tax Payable	270	2,472
(c) Professional Tax Payable	14,536	-
<b>Total</b>	<b>2,191,503</b>	<b>1,739,505</b>

### Note 6: Short-term provisions

	Amount in Rupees	
	31 March' 2016	31 March' 2015
<b>Provision for employee benefits</b>		
Salary & Reimbursements	702,225	-
Contribution to PF	1,184,656	-
Gratuity (Funded)	2,047,650	(44,908)
Leave Encashment	2,063,073	1,589,358
<b>Total</b>	<b>5,997,604</b>	<b>1,544,450</b>



Note 7: Tangible assets - Attached Separately

Note 8: Intangible assets - Attached Separately

Note 9: Investments

Non-current investments	Amount in Rupees			
	31 March' 2016		31 March' 2015	
	Units	Amount	Units	Amount
<b>Investment in IDBI Mutual Fund</b>				
(i) IDBI Liquid Fund - Growth	3,427	5,000,000	3,427	5,131,012
(ii) IDBI Dynamic Bond Fund - Growth	407,282	5,000,000	407,282	5,000,000
(iii) IDBI Diversified Equity Fund - Growth	315,856	5,000,000	315,856	5,000,000
(iv) IDBI Gold Fund FOF-Growth	591,835	5,000,000	591,835	5,000,000
(v) IDBI Gilt Fund - Growth	415,832	5,000,000	415,832	25,000,000
(vi) IDBI India Top 100 Equity Fund - Growth	265,252	5,000,000	265,252	5,000,000
(vii) IDBI Monthly Income Plan -Growth	362,337	5,000,000	362,337	5,000,000
(viii) IDBI Nifty Index Fund -Growth	307,418	5,000,000	307,418	5,000,000
(ix) IDBI Nifty Junior Index Fund - Growth	337,881	5,000,000	337,881	5,000,000
(x) IDBI Debt Opportunities Fund- Growth	458,552	5,000,000	458,552	5,000,000
(xi) IDBI Short Term Bond Fund - Growth	358,865	5,000,000	358,865	130,000,000
(xii) IDBI Equity Advantage Fund - Growth	256,674	5,000,000	256,674	5,000,000
(xiii) IDBI Ultra Short Term Fund - Growth	3,442	5,000,000	3,442	5,000,000
(xiv) IDBI Gold Fund ETF	2,000	5,058,022		5,058,022
Investment in Equity Share Capital MF Utility India Pvt Ltd of Rs. 1/- each	500,000	500,000	500,000	500,000
Fixed Deposit - IDBI Bank		558,442,547		510,937,500
<b>Aggregate amount of quoted investments</b>	<b>4,586,653</b>	<b>629,000,569</b>	<b>4,584,653</b>	<b>726,626,534</b>
Market value /NAV of quoted investments		629,950,431		732,341,456
Aggregate provision made for diminution in value of Investments				
<b>Current Investments</b>				
<b>Investment in IDBI Mutual Fund - Quoted (Valued at</b>				
(i) IDBI Liquid Fund - Growth	23,718	32,910,402		
(ii) IDBI Liquid Fund - Daily Dividend			147,751	147,901,784
(iii) IDBI FMP-Series IV-387 Days(March 2014)-G Direct Plan-Growth			2,000,000	20,000,000
(iv) IDBI Gilt Fund - Growth	2,072,275	21,357,347		
(v) IDBI Short Term Bond Fund-Direct Plan-Growth	9,320,851	139,022,807		
<b>Aggregate amount of quoted investments</b>		<b>193,290,557</b>		<b>167,901,784</b>
Market value /NAV of quoted investments		202,799,270		169,882,737
Aggregate provision made for diminution in value of Investments				

Note 10: Other non-current assets

	Amount in Rupees	
	31 March' 2016	31 March' 2015
Deferred Revenue Expenditure	1,027,073	17,187,510
Less: Amount treated in other current assets	(1,027,073)	(12,457,266)
<b>Total</b>		<b>4,730,244</b>

Note 11: Trade receivables

	Amount in Rupees	
	31 March' 2016	31 March' 2015
<b>Unsecured, considered good</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment	20,716,908	2,125,632
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
<b>Total</b>	<b>20,716,908</b>	<b>2,125,632</b>

Note 12: Cash and Bank Balances

	Amount in Rupees	
	31 March' 2016	31 March' 2015
<b>Cash and cash equivalents</b>		
(a) Balances with banks	2,511,804	1,508,430
(b) Cash on hand	4,191	1,179
<b>Total</b>	<b>2,515,995</b>	<b>1,509,609</b>



**Note 13: Short-term loans and advances**

	Amount in Rupees	
	31 March' 2016	31 March' 2015
Unsecured, considered good		
Staff advance	1,404,138	1,361,776
Advance to vendors	4,809,463	5,575,571
<b>Total</b>	<b>6,213,601</b>	<b>6,937,347</b>

**Note 14: Other current assets**

	Amount in Rupees	
	31 March' 2016	31 March' 2015
Investor Education & Awareness Initiatives Expenses Receivable	987,794	-
Deposits - Others	321,066	217,895
Vat Paid under Dispute	1,500,000	-
Service Tax-Input Credit	9,484,984	2,409,388
Interest receivable - Income Tax F.Y. 2012-13	2,816,442	-
Tax deducted at source F.Y. 2015-16	45,156,031	-
Tax deducted at source F.Y. 2014-15	12,952,948	12,952,948
Tax deducted at source F.Y. 2013-14	-	21,391,623
Tax deducted at source F.Y. 2012-13	15,642,293	15,642,293
Prepaid expense	15,689,421	2,131,342
Current Asset portion of Deferred Revenue Expenditure	1,027,073	12,457,266
Interest Accrued but not due on Fixed Deposit	108,080	2,884,322
<b>Total</b>	<b>105,686,133</b>	<b>70,087,078</b>





**IDBI ASSET MANAGEMENT LIMITED**  
(CIN: U65100MH2010PLC199319)  
**NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

**Note 15: Revenue from operations**

	Amount in Rupees	
	31 March' 2016	31 March' 2015
Management Fees (Gross)	448,813,904	294,368,920
Less : Service Tax	55,072,103	32,381,629
<b>Management Fees (Net)</b>	<b>393,741,800</b>	<b>261,987,291</b>

**Note 16: Other income**

	Amount in Rupees	
	31 March' 2016	31 March' 2015
Interest Income	48,936,249	13,824,392
Dividend Income	336,083	1,264,205
Net gain/loss on sale of investments	25,145,290	18,854,305
Other non-operating income (net of expenses directly attributable to such income)	658,030	617,936
Secretarial and Accounts Services Fees (Gross)	3,235,229	2,962,360
Less : Service Tax	403,950	325,870
Secretarial and Accounts Services Fees (Net)	2,831,279	2,636,490
<b>Total</b>	<b>77,906,931</b>	<b>37,197,328</b>

**Note 17: Employee benefits expense**

	Amount in Rupees	
	31 March' 2016	31 March' 2015
(a) Salaries and incentives	152,832,875	141,372,318
(b) Contributions to -		
(i) Provident fund	7,246,365	7,314,389
(ii) Gratuity fund	2,115,580	2,666,538
(c) Staff welfare expenses	6,994,330	5,629,966
(d) Staff Training Expenses	173,757	111,450
(e) Leave Encashment	1,386,914	1,310,874
<b>Total</b>	<b>170,749,821</b>	<b>158,405,535</b>

**Note 18: Scheme and Distribution Expenses**

	Amount in Rupees	
	31 March' 2016	31 March' 2015
(a) Scheme Expenses		
Upfront Brokerage	21,374,308	100,503,424
Annualised / Trail Brokerage	148,190,224	89,678,556
Distributors' Incentives/Fees	18,947,390	22,521,520
Register & Transfer agent and other expenses	19,958,145	16,495,489
Custodian Fees	6,672,041	8,014,404
VAT Payment to Sales Tax Department	-	3,007,467
Statutory, Internal & Concurrent Audit Fees	2,620,621	3,734,601
Finance Charges	1,808,172	1,641,487
Other scheme Related expenses	23,555,122	8,614,147
<b>Total (a)</b>	<b>243,126,022</b>	<b>254,211,095</b>

(cont.)



(b) Other Sales & Distribution Expenses		
Advertisement Expenses	2,076,388	4,212,796
Printing Material	6,786,086	4,367,351
Courier & Postage	3,227,299	2,680,813
Conference & Seminars	979,947	549,410
Other Sales & Distribution Costs	1,783,584	689,695
Business Promotion expenses	312,871	291,516
Entertainment Expenses	2,203,699	1,590,736
Out Bound Sales Expenses	15,279,915	10,732,295
Total (b)	32,649,790	25,114,612
<b>Total (a)+(b)</b>	<b>275,775,812</b>	<b>279,325,707</b>

**Note 19: Other expenses**

	Amount in Rupees	
	31 March' 2016	31 March' 2015
Office Rent	19,807,082	18,229,467
House-keeping, Maintenance & Others	8,228,873	7,631,493
Electricity & Water	3,491,561	2,847,152
Telephone expenses	3,086,674	3,811,390
IT & Networking Expenses	17,668,854	17,523,758
Professional & Consultancy Fees	3,238,184	3,219,351
Printing & Stationery	2,054,724	1,767,030
Local Conveyance	3,008,601	4,181,777
Bank Charges	10,755	3,470
Rates & Taxes	383,063	10,813,316
Travel & Halting Expenses	5,229,964	4,014,182
Subscriptions	11,624,965	9,782,026
Membership & Subscriptions to AMFI/SEBI	1,560,476	900,000
Director Sitting Fees	1,121,390	540,000
Repairs & Maintenance	611,614	678,222
Loss on Sale of Assets	27,102	10,876
Audit fees	400,000	350,000
Miscellaneous expenses	355,139	542,976
Excess provision write (back) off	(3,767,344)	(15,528,180)
Prior Period Items	131,012	-
<b>Total</b>	<b>78,272,690</b>	<b>71,318,306</b>

**Note 20: Depreciation and amortization expense**

	Amount in Rupees	
	31 March' 2016	31 March' 2015
(a) Tangible assets	2,925,847	3,455,262
(b) Intangible assets	1,399,663	4,384,310
<b>Total</b>	<b>4,325,510</b>	<b>7,839,573</b>



# IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

## NOTES FORMING PART OF THE BALANCE SHEET

**Note 7 : Tangible assets**

	Gross Block						Accumulated Depreciation				Net Block			
	1 April 2015		31 March' 2016		1 April 2015		31 March' 2016		On disposals		31 March' 2016		31 March' 2015	
	Additions	Disposals	Additions	Disposals	Depreciation charge for the year	On disposals	Depreciation charge for the year	On disposals	Depreciation charge for the year	On disposals	Depreciation charge for the year	On disposals	Depreciation charge for the year	On disposals
<b>Tangible Assets</b>														
(a) Furniture and Fixtures	4,835,741	-	171,875	-	5,007,616	1,675,804	-	447,433	-	2,123,237	-	2,884,379	3,159,937	
(b) Communication Equipment	1,941,334	132,100	323,995	132,100	2,133,229	1,134,775	65,578	604,029	65,578	1,673,226	1,509	460,003	806,559	
(c) Office equipment	5,028,786	21,989	144,000	21,989	5,150,797	2,737,637	11,509	947,162	11,509	3,673,290	-	1,477,507	2,291,149	
(d) Computer Hardware	28,430,738	-	8,100	-	28,438,838	26,728,183	-	927,224	-	27,655,406	-	783,432	1,702,556	
<b>Total</b>	<b>40,236,600</b>	<b>154,089</b>	<b>647,970</b>	<b>154,089</b>	<b>40,730,480</b>	<b>32,276,400</b>	<b>77,087</b>	<b>2,925,847</b>	<b>77,087</b>	<b>35,125,160</b>	<b>5,605,319</b>	<b>5,605,319</b>	<b>7,960,201</b>	

**Note 8 : Intangible assets**

	Gross Block			Accumulated Depreciation			Net Block						
	1 April 2015		31 March' 2016		1 April 2015		31 March' 2016		31 March' 2015				
	Additions	Disposals	Additions	Disposals	Depreciation charge for the year	On disposals	Depreciation charge for the year	On disposals	Depreciation charge for the year	On disposals			
<b>Intangible Assets</b>													
(a) Computer software	24,761,730	-	20,790	-	24,782,520	21,757,014	1,399,663	-	1,399,663	23,156,677	-	1,625,844	3,004,717
<b>Total</b>	<b>24,761,730</b>	<b>-</b>	<b>20,790</b>	<b>-</b>	<b>24,782,520</b>	<b>21,757,014</b>	<b>1,399,663</b>	<b>-</b>	<b>1,399,663</b>	<b>23,156,677</b>	<b>-</b>	<b>1,625,844</b>	<b>3,004,717</b>



# **IDBI Asset Management Limited**

(CIN: U65100MH2010PLC199319)

## **Note 21: Significant accounting policies and other notes**

### **1. Background**

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

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

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

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ("the Act") and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006, to the extent applicable.

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

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

#### **2.3 Current-Non Current Classification**

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

##### **Assets**

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

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

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

All other assets are classified as non-current.



## Liabilities

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

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

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

All other liabilities are classified as non-current.

## 2.4 Revenue Recognition

### Investment Management fees:

Investment Management fees are recognized net-off service tax on an accrual basis as a percentage of the average daily net assets of the schemes of IDBI Mutual funds, such that it does not exceed the rates prescribed by the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations, 1996 (the 'Regulations') as amended.

### Other income:

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

## 2.5 Fixed assets and depreciation:

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



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

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

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

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

## 2.6 Investments

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

## 2.7 Employee benefits

### Gratuity:

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

### Provident fund:

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



### **Short term employee benefits:**

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

### **Compensated absences:**

The company provides for Privilege Leave Encashment subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment as well as avilment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year.

## **2.8 Operating Leases**

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

## **2.9 Earnings per share**

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

## **2.10 Taxation**

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

### **Current taxes**

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

### **Deferred taxes**

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

## **2.11 Provisions and Contingencies**

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



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

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

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

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

#### **2.12 Cash Flow Statement:**

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

#### **2.13 Cash & Cash Equivalents:**

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

#### **2.14 Transactions in foreign currency:**

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

#### **2.15 Brokerage & New Fund Offer expenses :**

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

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

#### **2.16 Scheme related expenses:**

All recurring expenses of the schemes of the IDBI Mutual Fund including the amounts in excess of the limits prescribed by the Securities and Exchange Board of India (Mutual Fund) Regulations Act 1996, as amended, or in excess of limits and as given in the Scheme





Information Document that are required to be borne by the Company as per the said regulations, are charged to the Statement of Profit and Loss as Scheme related expenses.

### 3. Other Notes to Accounts

#### 3.1 Change in Accounting Policy

During the year the Company has changed its accounting policy for upfront brokerage and new fund offer expenses.

##### Previous year accounting Policy

##### i) Amortization of New Fund Offer expenses:

Expenses incurred towards marketing and distribution of New Fund offers are amortized over a period of 36 months in case of open ended funds and over the tenure of the close ended funds.

##### ii) Upfront Brokerage paid

All Upfront Brokerage paid were debited to the Profit & Loss statement for the year.

##### Change in accounting policy from current year F.Y. 2015-16 and its impact

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

Had the company continued to use the earlier policy method of amortizing the NFO expenses in case in case of open ended funds over a period of 36 month the profit of the current year F.Y. 2015-16 would have been higher by Rs 37,03,172/-.

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

Had the company continued to use the earlier policy method of charging the upfront brokerage in the year in which it is incurred the profit of the current year would have been lower by Rs. 1,20,16,204/-.

#### 3.2 Change in depreciation rate of Consumer durables

In case of mobile handset which is consumer durable with employees the company in the previous year was charging the depreciation rate as per the Companies Act i.e 20.00%. However since the life of the same has been considered as three years, the management has decided to charge the same at the higher rate i.e 33.33%.

Had the company continued to use the earlier rate of depreciation the profit of the current year would have been higher by Rs. 3,19,370/-.

#### 3.3 Scheme Related Expenses

Scheme related expenses include an amount of Rs.1.16 crore relating to excess payment of dividend to the investors (including dividend tax with interest). The Board of Directors of IDBI



AML have decided to compensate the Fund for the excess payout along with interest on delayed payment of dividend tax and book the same as an expenditure in the accounts of AMC.

### 3.4 Employee benefits:

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

#### Defined Contribution Plan

##### Provident Fund

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

Particulars	Amount in Rupees	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Employer's contribution to Provident Fund	66,64,342	66,33,104

#### a) Defined Benefit Plan

##### Contribution to Gratuity Fund (Funded Scheme)

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

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

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

##### Change in funded benefit obligations:

	Amount in Rupees	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Present value of funded benefit obligations as at 1st April	1,15,90,625	87,83,127
Service cost	15,79,413	16,44,690
Interest cost	9,24,932	7,96,630
Benefit Paid from the Fund	(9,99,867)	(3,17,613)
Actuarial (Gains)/ Losses on obligation-due to change in Demographic Assumption	-	(1,15,094)
Actuarial (Gains)/ Losses on obligation-due to change in Financial Assumptions	1,51,797	(3,06,710)



Actuarial (gain)/loss on obligations-due to experience	3,29,131	11,05,595
<b>Present value of funded benefit obligations as at 31st March</b>	<b>1,35,76,031</b>	<b>1,15,90,625</b>

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

Amount in Rupees

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Fair value of plan assets as at beginning of the year	1,16,35,533	77,86,695
Expected return on plan assets	9,28,516	6,77,442
Actuarial gain/(loss)-due to experience	(58,823)	(2,18,869)
Employer contribution	23,022	37,07,878
Benefits paid	(9,99,867)	(3,17,,613)
<b>Fair value of plan assets at the year end</b>	<b>1,15,28,381</b>	<b>1,16,35,533</b>

**Reconciliation of Fair Value of Assets and Obligations:**

Amount in Rupees

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Present Value of Benefit Obligation as at the end of the period	(1,35,76,031)	(115,90,625)
Fair Value of Plan Assets at the end of period	1,15,28,381	116,35,533
<b>Net ( Liability) / Asset recognized in the Balance Sheet</b>	<b>(20,47,650)</b>	<b>44,908</b>

**Expense recognized during the year:**

Amount in Rupees

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Current Service Cost	15,79,413	16,44,690
Interest Cost	9,24,932	7,96,630
Expected return on plan assets	(9,28,516)	(6,77,442)
Actuarial (gain) / loss	5,39,751	9,02,660
<b>Expenses recognized in Profit and Loss A/C</b>	<b>21,15,580</b>	<b>26,66,538</b>



**Experience Adjustments:**

Amount in Rupees

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
(Gains) / Losses on Plan Obligations	3,29,131	6,83,791
Gains / (Losses) on Plan Assets	(58,823)	2,18,869
Estimated Contribution for next year	43,60,319	15,34,505

**Actuarial assumptions used are:-**

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Discount rate	7.80%	9.07%
Salary escalation rate	10.00%	11.90%
Attrition rate	10.00%	8.60%
Expected return on plan assets	7.80%	8.70%

**b) Accumulated Compensated Absences:**

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

Amount in Rupees

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Present value of obligation as at end of the year	65,90,997	59,99,480
Fair value of plan assets	-	-
Actuarial assumption used	-	-
Discount rate	7.80%	7.98%
Salary escalation rate	10.00%	10.00%
Cost recognized during the year	13,86,914	13,10,874

**3.5 Segment Reporting:**

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



### 3.6 Related party disclosures:

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

#### (A) List of related parties and relationships :

I	Individuals having control with relatives & associates	
	Satya Narayan Baheti	Managing Director and Chief Executive Officer

II	Key Management Personnel	
	Satya Narayan Baheti	Managing Director and Chief Executive Officer
	Amit Bhavsar	Chief Financial Officer
	Manesh Jiandani	Company Secretary

III	Entities owned or significantly influenced by Directors and/or key management personnel or their relative and with whom Company has entered into transactions during the period under review	
	IDBI Bank Limited	Holding Company
	IDBI Capital Market Services Ltd	Associate Company
	IDBI In-tech Limited	Fellow Subsidiary
	IDBI MF Trustee Company Limited	Fellow Subsidiary
	IDBI Federal Life Insurance Company Limited	Fellow Subsidiary

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

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



VI	Other related parties with whom Company has not entered into transactions during the period under review	
	Export Import Bank of India	NIL
	Entrepreneurship Development Institute of India	NIL
	Stressed Asset Stabilisation Fund	NIL
	Fixed Income Money Market and Derivatives Association of India	NIL
	J K Cements Limited	NIL
	Embio Limited	NIL
	Gilander Arbuthnot Limited	NIL
	Madhya Bharat Papers Limited	NIL
	Zuari Agro Chemicals Limited	NIL
	Zuari Global Limited	NIL
	Emami Paper Mills Limited	NIL
	Saurashtra Chemicals Limited	NIL
	Gujarat Alkalies & Chemicals Limited	NIL
	Kesar Multimodal Logistics Limited	NIL
	Kesar Terminals & Infrastructure Limited	NIL

(B) Transaction with related parties:

	Amount in Rupees	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>IDBI Bank Limited :</b>		
Contribution to capital of the Company	-	58,34,00,000
Fixed Deposit	-	50,00,00,000
Transactions with IDBI Bank		
Expenditure Incurred:		
• Distributors Brokerage	39,12,597	1,75,72,695
• Office Rent	1,98,07,082	1,82,29,467
• Office Utilities - Electricity & Water	2,36,323	4,59,572
• House-keeping, Maintenance & Others etc	2,44,672	5,21,708
• Statutory Levies & Interest	2,01,454	1,78,788
• Salary of Staff on Deputation	73,71,353	97,11,578
• Scheme Related Expenses	3,93,10,792	280,43,341
• Reimbursement of Sharing Expenses	4,55,054	9,62,089
Interest Received by the Company	4,47,28,807	1,38,21,822



Amount in Rupees

IDBI Capital Market Services Limited :	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Contribution to capital of the Company	-	26,66,00,000
Transactions with IDBI Capital Market Services Ltd Expenditure Incurred:		
• Distributors Brokerage	8,908	99,715
• Scheme Related Expenses	1,70,186	37,899

Amount in Rupees

IDBI Intech Limited:	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Transactions with IDBI Intech Expenditure Incurred		
• Call center Charges	1,00,000	6,00,000
• IT& Communication services	75,93,163	75,90,000
• Outsourced Services Fees	15,00,625	10,44,355

Amount in Rupees

IDBI MF Trustee Company Limited (Including the transaction with IDBI Mutual Fund)	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Transactions with IDBI MF Trustee Company Limited		
• Secretarial and Accounts Services Fees	28,31,279	29,62,360
• Management Fees	39,37,41,801	29,43,68,920
• Scheme Expenses (IDBI Mutual Fund)	1,16,26,482	NIL

Amount in Rupees

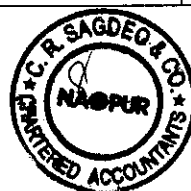
IDBI Federal Life Insurance Company Ltd:	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Transactions with IDBI Federal Life Insurance Company Limited		
• Group Insurance	4,86,001	3,65,047

Yes Bank Limited :	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Contribution to capital of the Company		NIL
Transactions with Yes Bank Ltd Expenditure Incurred:		
• Distributors Brokerage	14,131	NIL
• Scheme Related Expenses	21,618	NIL

(C) Balances with related parties:

Amount in Rupees

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
1. IDBI Bank Limited (Holding Company)		
• Creditors for Assets	89,65,936	14,89,125
• Creditors for Expenses	1,24,43,099	46,80,759
• Bank Balance/Fixed Deposit	56,17,78,747	51,67,55,063
• Capital Contribution	1,33,34,00,000	1,33,34,00,000
• Interest Due but Not Received	1,08,080	28,84,322
• Other Current Assets	81,72,743	NIL



2.	IDBI Capital Market Services Limited		
	• Creditors for Assets	1,26,405	1,26,405
	• Creditors for Expenses	18,432	6,340
	• Capital Contribution	66,66,00,000	66,66,00,000
	• Other Current Assets	16,455	NIL
3.	IDBI In-tech Limited		
	• Creditors for Expenses	6,81,750	6,53,845
4.	IDBI MF Trustee Company Limited		
	• Management Fees Receivable	1,99,82,591	19,13,046
	• Secretarial and Accounts Services Fees	7,34,318	2,12,586
5.	IDBI Federal Life Insurance Company Limited		
	• Other Current Assets	2,00,676	1,37,101
6.	Yes Bank Limited		
	• Creditors for Expenses	7,157	NIL
	• Other Current Assets	17,863	NIL

(D) Summary of transactions with related parties:

Particulars	Amount in Rupees	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Contribution to capital of the Company	-	85,00,00,000
Call center Charges	1,00,000	6,00,000
IT& Communication services	75,93,163	75,90,000
Outsourced Service Fees	15,00,625	10,44,355
Distributor Brokerage	39,35,635	1,76,72,410
Office Rent	1,98,07,082	1,82,29,467
Office Utilities & Water	2,36,323	4,59,572
House-keeping, Maintenance & Others etc	2,44,672	5,21,708
Statutory Levies & Interest	2,01,454	1,78,788
Salary of Staff on Deputation	73,71,353	97,11,578
Group Insurance	4,86,001	3,65,407
Scheme Related Expenses	5,11,29,077	2,80,81,230
Interest on Fixed Deposit with IDBI Bank	4,47,28,807	1,38,21,822
Secretarial Fees	28,31,279	29,62,360
Management Fees	39,37,41,801	29,43,68,920

(E) Managerial Remuneration:

Particulars	Amount in Rupees	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Salary & Allowances paid to MD& CEO	56,25,529	48,45,504

3.7 Operating lease

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





The total lease payments recognized in the Profit and Loss Account towards the said leases amounts to Rs.12,53,406 (PY Rs. 25,75,044/-)

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

Particulars	Amount in Rupees	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Not Later than One year	1,36,080	1,71,600
Later than one year but not later than five years	-	1,36,080

### 3.8 Earnings per share:

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

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Net (Loss)/ Profit after tax attributable to equity shareholders(A)	3,47,91,612	(20,72,86,576)
Calculation of weighted average number of equity shares(B) :		
- No. of shares at the beginning of the period	20,00,00,000	11,50,00,000
- No. of shares issued during the period	NIL	85,00,000
- Total No. of shares outstanding at the period	20,00,00,000	20,00,00,000
- Nominal Value of the equity share - per share	10/-	10/-
- Paid up value of the equity share - Per share	10/-	10/-
- Weighted average no. of shares at 10/- paid up per share equivalent	20,00,00,000	14,24,79,452
Basic (loss)/ earnings per share of the face value of 10/- for the period(A)/(B)-	0.17	(1.45)

### 3.9 Deferred Taxes :

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

Particulars	Amount in Rupees	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<u>Deferred Tax Asset</u>		
Gratuity	6,32,724	-
Leave Encashment	20,36,618	18,53,840
Amortization of Preliminary expenses	21,93,900	32,15,095



Amortization of Marketing & Distribution expenses	-	-
Accumulated Losses	8,69,72,158	-
Depreciation	3,40,354	-
<b>Deferred Tax Asset at the year end</b>	<b>9,21,75,754</b>	<b>50,68,935</b>
<u>Deferred Tax Liability</u>		
Gratuity	-	13,877
Depreciation	-	1,52,441
Amortization of Preliminary expenses	-	-
Amortization of Marketing & Distribution expenses	3,17,365	53,10,941
<b>Deferred Tax Liability at the year end</b>	<b>3,17,365</b>	<b>54,77,258</b>
<b>Deferred Tax Liability/ (Assets) Net</b>	<b>(9,18,58,389)</b>	<b>4,08,324</b>

Deferred Tax Asset on accumulated brought forward business losses and un-absorbed depreciation losses have been recognized this year because the company has drastically reduced its losses during the year and in future it can be expected to earn profits whereby the carried forward losses would be utilized to set off the taxes. The DTA has been recognized only for the losses of AY 2011-12. For subsequent years the DTA on the losses would be recognized only after the brought forward losses are finalized following the decisions of the appellate authorities.

### 3.10 Impairment of Assets:

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

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

3.12 Contingent liabilities are as under:

Letter of Credit: Nil
For the AY 2012-13 the Income Tax Department vide its assessment order under section 143(3) dated 27-02-2015 disallowed certain expenditures thereby reducing the loss and initiated penalty proceedings under section 271(1)(c) of the Income Tax Act. The Company has filed an appeal against the said assessment. No provision has been made in this regards.
For the AY 2013-14 the Income Tax Department vide its assessment order under section 143(3) dated 15-03-2016 disallowed certain expenditures thereby reducing the loss and initiated penalty proceedings under section 271(1)(c) of the Income Tax Act. The Company has filed an appeal against the said assessment. No provision has been made in this regards.
In the MVAT assessment for the financial year 2011-12 the VAT department has disallowed the set-off claimed of purchase VAT paid on the purchase of Gold in the IDBI MF Gold ETF scheme and raised a demand of Rs. 43.34 lacs on the Company. The Company has also filed an appeal against this assessment. No provision has been made in this regards. An adhoc payment under protest of Rs. 15 lacs has been made during the year.



**3.13 Earnings in foreign exchange: NIL**

**3.14 Expenditure in foreign exchange: Travelling Expenses Rs.3,32,530/- (P.Y.- Rs. 75,91,730/-)**

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

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

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil

**3.16 Details of Payment to Auditors**

Amount in rupees

Particulars	31 March' 2016	31 March' 2015
(a) Audit	2,50,000	2,15,000
(b) For taxation matters	75,000	60,000
(c) For other services	75,000	75,000
<b>Total</b>	<b>4,00,000</b>	<b>3,50,000</b>

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

**3.18 Transfer Pricing:**

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

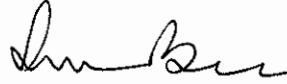


3.19 Balances of sundry creditors, advances and deposits are subject to confirmation and reconciliation/subsequent adjustment if any.

3.20 Figures have been rounded off to the nearest rupee.

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

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



Suman Bose  
Partner  
M.No.045239

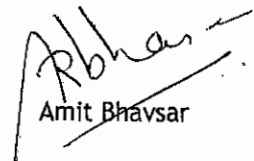


Place : Mumbai  
Date : 21 April 2016

For IDBI Asset Management Limited  
  
Kishor Kharat  
Chairman  
DIN: 07266945

  
Satya Narayan Baheti  
Managing Director & CEO  
DIN: 00136476

  
Mahesh Jiandani  
Company  
Secretary  
FCS 7360

  
Amit Bhavsar  
CFO  
FCA 105890

### Proxy form

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

Name of the company: IDBI ASSET MANAGEMENT LIMITED - CIN: U65100MH2010PLC199319

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

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

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

1. Name : ..... Address : .....  
 ..... E-mail Id : ..... Signature:.....or failing him
2. Name : ..... Address : .....  
 ..... E-mail Id : ..... Signature:.....or failing him
3. Name : ..... Address : .....  
 ..... E-mail Id : ..... Signature:.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6<sup>th</sup> Annual General Meeting of the company, to be held on the 30<sup>th</sup> day of August 2016 at 5.30 p.m. at the Registered Office of the Company situated at IDBI Tower on the 24<sup>th</sup> floor, WTC complex, Cuffe Parade, Mumbai 400 005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- Adoption of Financial Statements of the Company for the year ended 31st March, 2016 and the reports of the Board of Directors' and the Statutory Auditors' and the comments of the Comptroller & Auditor General of India thereon.
- To fix the Remuneration of the Statutory Auditors of the Company.
- Confirmation of Shri Kishor Piraji Kharat (07266945) as Director, not liable to retire by rotation.
- Confirmation of Shri Abhay Laxman Bongirwar (00660262) as Director, liable to retire by rotation.
- To approve the authority to the Board of Directors of the Company to enter into related party transactions upto certain limits.
- Amendment to Articles of Association of the Company.

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

Signature of shareholder .....

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

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

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I/We hereby record my/our presence at the Sixth Annual General Meeting of the Equity Shareholders of IDBI Asset Management Limited, convened at the Registered Office of the Company situated at IDBI Tower on the 24<sup>th</sup> floor, WTC complex, Cuffe Parade, Mumbai 400 005 on Tuesday, 30<sup>th</sup> day of August, 2016, at 5.30 P. M.

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

\*Strike out whichever is not applicable

NOTE:

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

Equity Shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance Slip and hand it over at the entrance of the meeting hall.







**IDBI ASSET MANAGEMENT LIMITED**

CIN: U65100MH2010PLC199319

**Corporate Office**

5<sup>th</sup> Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021.

**Registered Office**

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

All India Toll Free No.: 1800-419-4324 • Tel. No.: (+91 22) 66442800 • Fax No.: (+91 22) 6644 2801  
Email ID: [contactus@idbimutual.co.in](mailto:contactus@idbimutual.co.in) • SMS IDBIMF to 09220092200 • Website: [www.idbimutual.co.in](http://www.idbimutual.co.in)