

Independent Auditor's Report

To the Members of IDBI Asset Management Limited

Report on the audit of financial statements

1. Opinion

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

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

2. Basis for opinion

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

3. Other Information

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

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

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

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

4. Management's responsibility for the financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

6. Other Matters

The financial statements of the Company for the year ended 31 March, 2018 were audited and reported by another firm of Chartered Accountants CR Sagdeo & Co vide their report dated 21 April 2018. The Balance Sheet as at 31 March, 2018 as per the audited financial statements, regrouped or restated where necessary have been considered as opening balances for the purpose of these financial statements. Our opinion is not modified



7. Report on other Legal and Regulatory requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. We are enclosing report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure B" on the directions and sub directions issued by the Comptroller and Auditor General of India.
- III. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - e) On the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the records of the Company examined by us, and information and explanations given to us, the provisions of Section 197 read with Schedule V to the Act 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 June 2015 under serial no. 28.



- 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
 - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number: 101169W/W-100035


Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 23 April 2019



Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 7(I) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of IDBI Asset Management Limited on the financial statements for the year ended 31 March 2019

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations, given to us, no discrepancies were noticed on such verification.

(c) The Company does not have any immovable property and hence clause i (c) of the Order is not applicable.
- ii. Considering the nature of business, Clause (ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has neither given any loans/ guarantees nor provided any security. In respect of investments made, the Company has complied with the provisions of Section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.
- vi. According to information and explanation given to us, the Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the activities carried on by of the Company.
- vii. According to the records of the Company examined by us and information and explanations given to us:
 - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and others as applicable have been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2019 for a period of more than six months from the date they became payable.



- b) There are no amounts on account of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise or value added tax outstanding as at 31 March 2019 which are yet to be deposited on account of any dispute except as stated under.

Name of the Statues	Nature of Dues	Period to which amount relate	Amount in Rs (lakhs)	Forum where dispute is pending
MVAT Act	VAT	FY 2011-12	28.34	Joint Commissioner of Sales Tax Appeals

* The Income tax department has disallowed certain expenditures thereby reducing the losses and initiated penalty proceedings u/s 271(1)(c). However no demand has been raised.

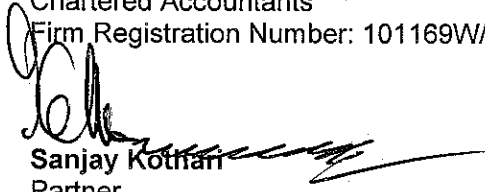
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any loans or borrowings from bank / financial institution / Government or issued debentures during the year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi. According to the records of the Company examined by us, and information and explanations given to us, the provisions of Section 197 read with Schedule V to the Act 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 June 2015 under serial no. 28. Accordingly, para 3(xi) of the Order does not apply to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the records of the Company examined by us, and information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

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 the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number: 101169W/W-100035



Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 23 April 2019



Annexure B to the Independent Auditors Report

Referred to in our report of even date to the members of the IDBI Asset Management Limited on the accounts for the year ended 31 March, 2019

SI No	Directions u/s 143 (5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on the financial statement
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanation given to us, the Company has system in place to process all the accounting transactions through IT system	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	According to the information and explanations given to us, there are no cases of waiver/ write off of debts/ loans/ interest etc. The Company does not have any loans	Nil
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to the information and explanation given to us, the Company has not received any funds for specific schemes from central/ state agencies	Nil

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169WW-100035



Sanjay Kethari

Partner

Membership Number 048215

Mumbai, 23 April 2019



Annexure - C to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 7 (III)(f) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of IDBI Asset Management Limited on the financial statements for the year ended 31 March 2019

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

Management's Responsibility for Internal Financial Controls

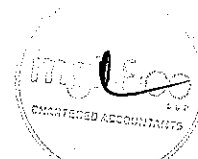
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 Act.

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number: 101169W/W-100035

**Sanjay Kethari**

Partner

Membership Number 048215



Mumbai, 23 April 2019

IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

BALANCE SHEET as at 31st March 2019

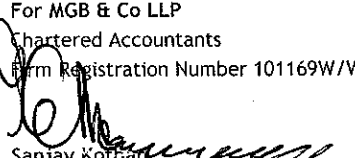

Amount in Rupees

	Note	2019	2018
Equity and Liabilities			
Shareholder's Funds			
Share capital	1	2,00,00,00,000	2,00,00,00,000
Reserves and surplus	2	(91,90,54,052)	(87,56,46,736)
Money received against share warrants		-	-
Share application money pending allotment		-	-
		1,08,09,45,948	1,12,43,53,264
Non-current liabilities			
Deferred tax liabilities (Net)		-	-
Long-term provisions	3	30,88,050	22,86,331
Other Long Term Liabilities	4	-	2,85,820
		30,88,050	25,72,151
Current liabilities			
Trade payables	5	35,96,539	6,70,47,476
Other current liabilities	6	8,10,53,559	6,64,53,171
Short-term provisions	7	47,94,154	40,69,649
		8,94,44,252	13,75,70,296
Total		1,17,34,78,250	1,26,44,95,711
Assets			
Non-Current Assets			
Property, Plant and Equipment	8	52,30,257	69,56,085
Intangible assets	9	24,26,223	34,05,426
		76,56,480	1,03,61,511
Non-current investments	10	31,11,75,174	29,16,64,484
Deferred tax Asset (Net)	22(3.7)	14,73,55,469	27,71,07,861
Long-term loans and advances	11	72,59,788	1,10,62,327
Other non-current assets		-	-
		46,57,90,431	57,98,34,672
Current assets			
Current investments	10	45,61,21,882	29,82,39,191
Trade receivables	12	1,00,04,373	1,34,88,582
Cash and Bank Balances	13	6,56,100	76,36,535
Short-term loans and advances	14	21,96,87,563	35,29,35,171
Other current assets	15	1,35,61,421	20,00,049
		70,00,31,339	67,42,99,528
Total		1,17,34,78,250	1,26,44,95,711

Notes forming part of the financial statements

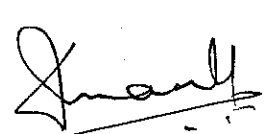
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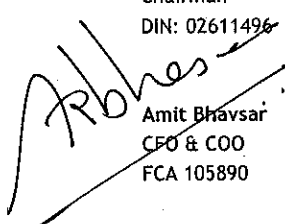
As per our attached report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215 

For and on behalf of the Board


K P Nair
Chairman
DIN: 02611496


Dilip Kumar Mandal
Managing Director & CEO
DIN: 03313130


Amit Bhavsar
CFO & COO
FCA 105890


Ajit Joshi
Company Secretary
ACS 22359

Place: Mumbai
Date: 23 April 2019



IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

Profit and Loss Statement for the year ended 31 March 2019

		Amount in Rupees	
	Note	2019	2018
Income			
Revenue from operations	16	59,76,66,687	80,03,76,797
Other income	17	5,07,52,036	3,35,52,731
Total		64,84,18,723	83,39,29,528
Expenses			
Employee benefits expense	18	15,96,32,916	14,12,36,401
Scheme and Distribution Expenses	19	29,54,48,035	50,17,94,932
Other expenses	20	11,38,12,513	9,55,60,831
Depreciation and amortization expense	21	52,81,989	62,44,653
Total		57,41,75,453	74,48,36,817
Profit/ (loss) before exceptional item and taxation		7,42,43,270	8,90,92,711
Exceptional items (Refer note 22(3.4))		2,15,11,894	(13,72,50,000)
Profit/(Loss) before taxation		9,57,55,164	(4,81,57,289)
Provision for taxation			
- Current Tax - current year		94,10,085	-
-earlier year		-	-
- Deferred Tax		(12,97,52,393)	12,82,70,818
Profit after taxation		(4,34,07,314)	8,01,13,529
Earning / (Loss) per equity share (face value of Rs. 10 each)			
(1) Basic		(0.22)	0.40
(2) Diluted		(0.22)	0.40

Notes forming part of the financial statements

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As per our attached report of even date

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215



For and on behalf of the Board

K P Nair *Dilip Kumar Mandal*

K P Nair

Chairman

DIN: 02611496

Dilip Kumar Mandal

Managing Director & CEO

DIN: 03313130

Amit Bhavsar

Amit Bhavsar

CFO & COO

FCA 105890

Ajit Joshi

Company Secretary

ACS 22359

Place: Mumbai

Date: 23 April 2019



IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

Cash Flow Statement for the year ended 31st March 2019

		Amount in Rupees	
Particulars		2019	2018
(A)	Cash Flow from Operating Activities :		
	Profit for the year	8,63,45,079	(4,81,57,289)
	Add: Adjustments		
	(Profit)/Loss on sale of property, plant and equipments	62,974	19,798
	Depreciation and amortisation	52,81,989	62,44,653
	Interest on Income Tax refund/ Bank FD/ Bonds	(2,50,40,434)	(1,71,82,160)
	Dividend Income	(5,00,977)	(71,477)
	Other Income	(36,42,520)	(30,73,426)
	Net gain on sale of investments	(2,15,68,105)	(1,32,15,825)
	Operating Loss before Working Capital changes	4,09,38,006	(7,54,35,725)
	(Increase)/ Decrease Trade receivables	34,84,209	(25,05,327)
	(Increase)/ Decrease Short-term loans and advances	13,32,47,608	(14,76,98,067)
	(Increase)/ Decrease Long-term loans and advances	38,02,539	10,74,986
	(Increase) / Decrease in other non current asset	-	-
	(Increase)/ Decrease in Other current assets	(1,15,61,360)	(15,84,319)
	Increase/ (Decrease) Long-term provisions	8,01,719	(21,31,233)
	Increase/ (Decrease) Trade payables	(6,34,50,937)	77,84,085
	Increase/ (Decrease) Other current liabilities	1,46,00,388	1,78,05,822
	Increase/ (Decrease) Other non-current liabilities	(2,85,820)	6,10,818
	Increase/ (Decrease) Short-term provisions	7,24,505	(6,70,280)
	Net change in working capital	8,13,62,850	(12,73,13,515)
	Interest on Income Tax refund/ Bank FD	87,80,434	30,81,338
	Net Cash from/ (used in) Operating activities (A)	13,10,81,290	(19,96,67,904)
(B)	Cash Flow from Investing activities		
	Purchase of Property, Plant and Equipment	(47,50,898)	(56,14,590)
	(Increase) /Decrease in investment (net)	(17,73,93,380)	17,94,36,675
	Sale of Property, Plant and Equipment	21,10,951	1,20,853
	Net gain on sale of investments	2,15,68,105	1,32,15,825
	Other Income	36,42,520	30,73,426
	Dividend income	5,00,977	71,477
	Interest Income	1,62,60,000	1,41,00,822
	Net Cash from / (used in) Investing Activities (B)	(13,80,61,725)	20,44,04,486
(C)	Cash Flow from Financial activities		
	Increase in Share Capital	-	-
	Net Cash from/ (used in) in Financial Activities (C)	-	-
	Net increase in Cash & Cash Equivalents for the year (A+B+C)	(69,80,435)	47,36,582
	Cash & Cash Equivalents at the begining of the year	76,36,535	28,99,954
	Cash & Cash Equivalents at the end of the year	6,56,100	76,36,535

As per our attached report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035
Sanjay Kothari
Partner
Membership Number 048215



For and on behalf of the Board

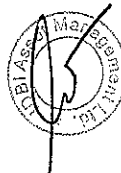
K P Nair
Chairman
DIN: 02611496

Amit Bhavsar
CEO & COO
FCA 105890

Dilip Kumar Mandal
Managing Director & CEO
DIN: 03313130

Ajit Joshi
Company Secretary
ACS 22359

Place: Mumbai
Date: 23 April 2019



IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

NOTES FORMING PART OF THE BALANCE SHEET

Note 1: Share Capital

	Amount in Rupees	
	2019	2018
Authorised		
250,000,000 Equity Shares of Rs. 10 each(250,000,000 Equity shares of Rs.10 each)	2,50,00,00,000	2,50,00,00,000
Issued, Subscribed and Paid up		
200,000,000 Equity Shares of Rs. 10 each(200,000,000 Equity shares of Rs.10 each)	2,00,00,00,000	2,00,00,00,000
Total	2,00,00,00,000	2,00,00,00,000

Reconciliation of number of shares outstanding

	Nos. of Shares	
	2019	2018
Shares outstanding at the beginning of the year	20,00,00,000	20,00,00,000
Shares Issued during the year	-	-
Shares brought back during the year	-	-
Shares outstanding at the end of the year	20,00,00,000	20,00,00,000

Details of Shareholdings

Name of Shareholder	2019		2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IDBI Bank Limited (Holding Company) and its Nominees	13,33,40,000	66.67	13,33,40,000	66.67
IDBI Capital Market Services Limited	6,66,60,000	33.33	6,66,60,000	33.33
Total	20,00,00,000	100.00	20,00,00,000	100.00

Note 2: Reserves and surplus

	Amount in Rupees	
	2019	2018
Surplus/ (Deficit)		
Opening balance	(87,56,46,738)	(95,57,60,264)
Add Profit/ (Loss) for the current year	(4,34,07,314)	8,01,13,529
Closing Balance	(91,90,54,052)	(87,56,46,736)

Note 3: Long-term provisions

	Amount in Rupees	
	2019	2018
Provision for employee benefits		
Leave Encashment	30,88,050	22,86,331
Total	30,88,050	22,86,331

Note 4: Other Long Term Liabilities

	Amount in Rupees	
	2019	2018
Discount on Investment unadjusted	-	2,85,820
Total	-	2,85,820



Note 5: Trade Payables

Amount in Rupees

	2019	2018
Balance due to-		
- Micro and small enterprises	-	-
- Other than micro and small enterprises	35,96,539	6,70,47,476
Total	35,96,539	6,70,47,476

Note 6: Other Current Liabilities

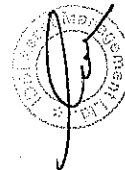
Amount in Rupees

	2019	2018
Salary, incentives and reimbursements payable	2,26,35,018	1,81,64,690
Provident and other funds payable	9,89,400	8,32,394
Discount on Investment unadjusted	2,85,820	3,24,998
Statutory dues payable		
-TDS payable	22,59,753	33,78,266
-Goods and Services Tax Payable	98,98,731	89,63,111
-Professional Tax Payable	21,621	22,571
Other payables		
- Micro and small enterprises	8,00,000	-
- Other than micro and small enterprises	4,41,63,216	3,47,67,141
Total	8,10,53,559	6,64,53,171

Note 7: Short-term Provisions

Amount in Rupees

	2019	2018
Provision for employee benefits		
- Gratuity	38,01,980	29,17,832
- Leave encashment	9,92,173	11,51,817
Total	47,94,154	40,69,649



Note 10: Investments

Amount in Rupees

Non-current investments	Face Value	2019		2018	
		Qty/Units/No.	Amount	Qty/Units/No.	Amount
Investment in Equity Shares					
Quoted					
Housing and Urban Development Corporation Limited	10	7,672	4,60,320	7,672	4,60,320
Cochin Shipyard Limited	10	826	3,56,832	826	3,56,832
Capacite Infra Projects Limited	10	-	-	309	77,250
Godrej Agrovet Limited	10	-	-	461	2,12,060
Unquoted					
MF Utility India Private Limited of Rs. 1/- each	1	5,00,000	5,00,000	5,00,000	5,00,000
Investment in Bonds - Quoted					
Power Finance Corporation Limited - Bonds	10,00,000	100	10,00,00,000	100	10,00,00,000
Punjab National Bank - Bonds	10,00,000	100	10,00,00,000	100	10,00,00,000
Investment in Mutual Funds- Quoted					
IDBI Liquid Fund - Direct Plan - Growth	1000	4,027	62,00,000	3,427	50,00,000
IDBI Dynamic Bond Fund - Direct Plan - Growth	10	4,07,282	50,00,000	4,07,282	50,00,000
IDBI Diversified Equity Fund - Direct Plan - Growth	10	3,15,856	50,00,000	3,15,856	50,00,000
IDBI Gold Fund FOF-Direct Plan	10	5,91,835	50,00,000	5,91,835	50,00,000
IDBI Gilt Fund - Direct Plan -Growth	10	4,15,832	50,00,000	4,15,832	50,00,000
IDBI India Top 100 Equity Fund - Direct Plan - Growth	10	2,65,252	50,00,000	2,65,252	50,00,000
IDBI Midcap Fund - Direct Plan - Growth	10	4,97,512	50,00,000	4,97,512	50,00,000
IDBI Equity Savings Fund - Direct Plan -Growth	10	3,62,337	50,00,000	3,62,337	50,00,000
IDBI Nifty Index Fund - Direct Plan - Growth	10	3,07,418	50,00,000	3,07,418	50,00,000
IDBI Nifty Junior Index Fund - Direct Plan - Growth	10	3,37,881	50,00,000	3,37,881	50,00,000
IDBI Credit Risk Fund- Direct Plan - Growth	10	4,58,552	50,00,000	4,58,552	50,00,000
IDBI Hybrid Equity Fund - Direct Plan - Growth	10	4,98,659	50,00,000	4,98,659	50,00,000
IDBI Small Cap Fund - Direct Plan - Growth	10	4,99,002	50,00,000	4,99,002	50,00,000
IDBI Short Term Bond Fund - Direct Plan - Growth	10	3,58,865	50,00,000	3,58,865	50,00,000
IDBI Equity Advantage Fund - Direct Plan - Growth	10	2,56,674	50,00,000	2,56,674	50,00,000
IDBI Ultra Short Term Fund - Direct Plan - Growth	1000	3,442	50,00,000	3,442	50,00,000
IDBI Gold Fund ETF	100	2,000	50,58,022	2,000	50,58,022
IDBI Focused 30 Equity Fund - Direct Plan - Growth	10	4,99,501	50,00,000	4,99,501	50,00,000
IDBI Banking & Financial Services Fund - Direct Plan -Growth	10	4,99,002	50,00,000	-	-
IDBI Long Term Value Fund - Direct Plan - Growth	10	4,99,002	50,00,000	-	-
IDBI Dividend Yield Fund - Direct Plan - Growth	10	4,98,504	50,00,000	-	-
IDBI Healthcare Fund - Direct Plan - Growth	10	3,58,923	36,00,000	-	-
Aggregate amount of quoted investments			31,11,75,174		29,16,64,484
Market value /NAV of quoted investments			34,18,60,633		31,29,29,368
Aggregate provision made for diminution in value of Investments			-		-

Current investments	Face Value	2019		2018	
		Qty/Units/No.	Amount	Qty/Units/No.	Amount
Investment in IDBI Mutual Fund - Quoted (Valued at lower of cost or					
IDBI Liquid Fund - Direct Plan - Growth	1000	1,65,938	32,88,70,737	12,374	2,30,00,000
IDBI Gilt Fund - Direct Plan - Growth	10	31,28,215	4,82,05,170	36,05,834	5,22,33,747
IDBI Short Term Bond Fund-Direct Plan-Growth	10	41,01,639	7,90,45,975	-	-
IDBI Liquid Fund - Direct Plan - Monthly Dividend - Reinvestment	1000	-	-	1,48,279	14,86,15,911
IDBI Short Term Bond Fund-Direct Plan-Monthly Dividend-Reinvestment	10	-	-	50,50,617	7,43,89,534
Aggregate amount of quoted investments			45,61,21,882		29,82,39,191
Market value /NAV of quoted investments			46,15,88,546		29,84,73,917
Aggregate provision made for diminution in value of Investments			-		6,72,488



Note 11: Long-term loans and advances

	Amount in Rupees	
	2019	2018
Balance with government authorities		
- Indirect Tax- Vat paid under dispute	15,00,000	15,00,000
Prepaid expense	48,00,693	84,34,149
Deposits	9,59,096	11,28,178
Total	72,59,788	1,10,62,327

Note 12: Trade receivables

	Amount in Rupees	
	2019	2018
Unsecured, considered good		
Trade receivables outstanding for a period less than six months	1,00,04,373	1,34,88,581
Trade receivables outstanding for a period exceeding six months	-	-
Total	1,00,04,373	1,34,88,582

Note 13: Cash and Bank Balances

	Amount in Rupees	
	2019	2018
Cash and cash equivalents		
- Balances with banks in current accounts	6,54,016	76,26,810
- Cash on hand	2,084	9,725
Total	6,56,100	76,36,535

Note 14: Short-term loans and advances

	Amount in Rupees	
	2019	2018
(Unsecured, considered good)		
Staff Advance	-	3,37,485
Advance to vendors	4,99,975	5,17,934
Advances Given to Schemes	11,57,38,106	21,75,00,000
Less: Provision for doubtful receivable	11,57,38,106	13,72,50,000
	-	8,02,50,000
Deposits	4,92,000	7,00,000
Balance with government authorities		
- Direct Tax	19,54,63,304	20,29,15,482
- Indirect Tax	11,35,743	1,52,56,959
Prepaid expense	2,20,96,541	5,29,57,311
Total	21,96,87,563	35,29,35,171

Note 15: Other current assets

	Amount in Rupees	
	2019	2018
Interest accrued but not due on Bonds	9,44,877	9,44,877
Other Receivable - Related parties	1,26,16,545	10,55,172
Total	1,35,61,421	20,00,049



IDBI ASSET MANAGEMENT LIMITED

(CIN: U65100MH2010PLC199319)

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Note 16: Revenue from operations

Amount in Rupees

	2019	2018
Management Fees (Gross)	70,52,46,691	93,89,78,018
Less : Service Tax / Goods and Service Tax	10,75,80,004	13,86,01,221
Management Fees (Net)	59,76,66,687	80,03,76,797

Note 17: Other income

Amount in Rupees

	2019	2018
Interest Income		
- Bonds/Deposits	1,64,18,904	1,71,82,160
- Income tax refund	86,21,530	-
Dividend Income	5,00,977	71,477
Net gain/loss on sale of investments	2,15,68,105	1,32,15,825
Profit on Sale of property, plant and equipment	-	9,844
Other non-operating income	3,79,828	1,97,133
Secretarial and Accounts Services Fees	32,62,692	28,76,292
Total	5,07,52,036	3,35,52,731

Note 18: Employee benefits expense

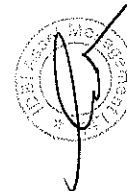
Amount in Rupees

	2019	2018
Salary, incentives and reimbursements	14,02,68,821	12,95,07,576
Contributions to provident and other funds	96,24,855	51,74,936
Staff welfare expenses	85,35,753	79,50,310
Staff Training Expenses	1,58,869	2,53,860
Leave Encashment	10,44,617	(16,50,280)
Total	15,96,32,916	14,12,36,402

Note 19: Scheme and Distribution Expenses

Amount in Rupees

	2019	2018
Scheme Expenses		
Upfront Brokerage	6,96,40,540	8,19,21,170
Annualised / Trail Brokerage	12,53,14,233	30,13,22,926
Distributors' Incentives/Fees	-	1,85,27,952
Register and Transfer agent and other expenses	2,18,11,495	3,57,21,160
Custodian Fees	33,75,744	72,38,656
Statutory, Internal and Concurrent Audit Fees	13,35,000	16,02,938
Finance Charges	4,24,528	17,43,294
Other scheme Related expenses	2,48,27,317	1,50,13,099
Total (a)	24,67,28,857	46,30,91,195



(cont.)

Other Sales and Distribution Expenses		
Advertisement Expenses	19,55,555	27,67,172
Printing Material	56,19,002	29,18,030
Courier and Postage	27,40,975	24,95,942
Conference and Seminars	1,40,09,237	54,82,296
Other Sales and Distribution Costs	34,67,608	45,86,452
Entertainment Expenses	41,05,386	27,09,260
Out Bound Sales Expenses	1,68,21,415	1,77,44,585
Total (b)	4,87,19,178	3,87,03,737
Total (a)+(b)	29,54,48,035	50,17,94,932

Note 20: Other expenses

	Amount in Rupees	
	2019	2018
Office Rent	3,42,28,684	3,08,22,384
House-keeping, Maintenance and Others	87,28,316	73,40,830
Electricity and Water	52,40,427	24,95,768
Telephone expenses	25,81,692	33,81,231
IT and Networking Expenses	1,76,74,104	1,54,32,647
Professional and Consultancy Fees	68,73,110	34,92,330
Printing and Stationery	22,18,847	17,35,944
Local Conveyance	51,21,012	45,26,397
IDL Charges	16,56,369	26,68,422
Rates and Taxes	2,90,236	2,62,863
Travel and Halting Expenses	94,93,485	59,96,320
Subscriptions	1,00,49,966	1,19,05,164
Membership and Subscriptions to AMFI/SEBI	30,39,720	21,49,092
Director Sitting Fees	12,20,000	9,31,700
Repairs and Maintenance	36,60,645	8,10,724
Loss on Sale of Property, Plant and Equipment	62,974	29,642
Payment to Auditors (Refer Note 3.13)	8,00,000	7,35,000
Miscellaneous expenses	8,72,926	8,44,375
Total	11,38,12,513	9,55,60,831

Note 21: Depreciation and amortization expense

	Amount in Rupees	
	2019	2018
Property, Plant and Equipment	42,82,786	44,76,813
Intangible assets	9,99,203	17,67,840
Total	52,81,989	62,44,653



IDBI ASSET MANAGEMENT LIMITED
(CIN: U65100MH2010PLC199319)
NOTES FORMING PART OF THE BALANCE SHEET

Note 8 : Tangible assets

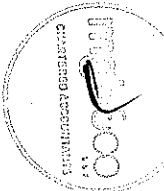
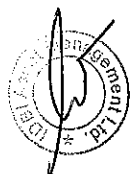
	Gross Block			Accumulated Depreciation			Net Block			
	1 April 2018	Additions	Disposals	31 March 2019	1 April 2018	For the year	On disposals	31 March 2019	31 March 2018	
Tangible Assets										
Furniture and Fixtures	52,09,856	2,53,708	46,52,980	8,10,584	32,03,881	3,78,609	30,90,150	4,92,340	3,18,244	20,05,975
Communication Equipment	14,82,031	2,39,587	6,45,622	10,75,996	12,29,617	1,51,661	5,84,249	7,97,029	2,78,967	2,52,414
Office equipment	63,87,627	23,87,396	36,47,300	51,27,723	55,84,821	11,61,751	31,37,203	36,09,369	15,18,355	8,02,806
Computer Hardware	3,30,06,248	18,50,207	7,96,390	3,40,60,065	2,91,11,358	25,97,449	7,63,432	3,09,45,375	31,14,690	38,94,891
Total	4,60,85,763	47,30,898	97,42,292	4,10,74,368	3,91,29,677	42,89,470	75,75,034	3,58,44,113	52,30,255	69,56,087

Amount in Rupees

Note 9 : Intangible assets

	Gross Block			Accumulated Depreciation			Net Block			
	1 April 2018	Additions	Disposals	31 March 2019	1 April 2018	For the year	On disposals	31 March 2019	31 March 2018	
Intangible Assets										
Computer software	2,91,31,160	20,000	-	2,91,51,160	2,57,25,734	9,99,203	-	2,67,24,937	24,26,223	34,05,426
Total	2,91,31,160	20,000	-	2,91,51,160	2,57,25,734	9,99,203	-	2,67,24,937	24,26,223	34,05,426

Amount in Rupees



Note 22 Significant accounting policies and other notes

1 Background

IDBI Asset Management Company Limited ("the Company") was incorporated on 25 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 on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply with in all material respect with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

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/GST 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:

- a) Interest income is accounted for on period proportion basis. Interest on interest bearing securities is accrued on the coupon rate. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered. In case of premium /discount on securities the same is being amortised over the tenure
- b) 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.
- c) Dividend income is recognized when the right to receive dividend is established.

2.5 Property, Plant and Equipments and intangibles

- a) Property, plant and equipment are stated at cost of acquisition / installation and less accumulated depreciation and impairment loss, if any. Cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. 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 assets, including repairs and maintenance and cost of replacement of parts are charged as revenue in the period in which they are incurred
- b) Intangible assets are recognised in the year it is put to use at cost. Intangible assets are carried at cost less accumulated amortization and impairment loss, if any.



2.6 Depreciation/ amortization on property, plant and equipment and intangibles

- a) 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 property, plant and equipments, 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 Property, Plant and Equipments	Rate of Depreciation (%) - SLM basis
Furniture and Fixtures	9.50
Office Equipment	19.00
IT Hardware	33.33
Consumer durables with Employees	33.33

- b) Computer software individually costing more than Rs 2,50,000 is capitalized and depreciated over a period of 5 years, Computer software individually costing less than Rs. 2,50,000 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) Property, plant and equipments, other than software, individually costing Rs 5,000 or less are fully depreciated in the year of purchase / acquisition.

2.7 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.

2.8 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.

2.9 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 and loss of the year in which the services are rendered.

Compensated absences:

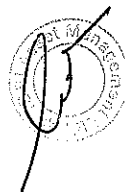
The Company provides for Privilege Leave Encashment subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment as well as availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year.

2.10 Operating Leases

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments/ revenue under operating leases are recognized as expense/ income on accrual basis in accordance with the terms of respective lease agreements.

2.11 Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.



2.12 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

2.13 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.

2.14 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.

2.15 Cash and Cash equivalents:

Cash and Cash equivalents comprise cash and 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.

2.16 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.

2.17 Brokerage and 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.

2.18 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. (Refer Note 22(3.15))



Other Notes to Accounts

3.1 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 and Other Funds:

	Amount in Rupees	
	2019	2018
Employer's contribution to Provident Fund	60,61,969	55,18,977

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:

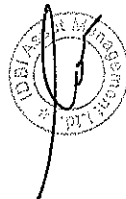
	Amount in Rupees	
	2019	2018
Present value of funded benefit obligations as at 1 April	84,11,172	1,16,86,330
Service cost	11,08,776	22,50,259
Interest cost	6,03,922	8,43,753
Past Service Cost - Vested Benefit Incurred During the year	0	22,222
Benefit Paid from the Fund	(22,57,427)	(35,85,796)
Actuarial (Gains)/ Losses on obligation-due to change in Demographic Assumption	3,47,615	-14,41,294
Actuarial (Gains)/ Losses on obligation-due to change in Financial Assumptions	8,06,402	8,684
Actuarial (gain)/loss on obligations-due to experience	8,40,509	-13,72,986
Present value of funded benefit obligations as at 31 March	98,60,969	84,11,172

	Amount in Rupees	
	2019	2018
Reconciliation of opening and closing Balance of Fair Value of Plan Assets:		
Fair value of plan assets as at beginning of the year	54,93,340	80,87,818
Expected return on plan assets	3,94,422	5,83,940
Actuarial gain/(loss)-due to experience	-12,012	3,49,117
Employer contribution	24,40,666	58,261
Benefits paid	(22,57,427)	(35,85,796)
Fair value of plan assets at the year end	60,58,989	54,93,340

	Amount in Rupees	
	2019	2018
Reconciliation of Fair Value of Assets and Obligations:		
Present Value of Benefit Obligation as at the end of the year	(98,60,969)	(84,11,172)
Fair Value of Plan Assets at the end of year	60,58,989	54,93,340
Net (Liability) / Asset recognized in the Balance Sheet	(38,01,980)	(29,17,832)

	Amount in Rupees	
	2019	2018
Expense recognized during the year:		
Current Service Cost	11,08,776	22,50,259
Interest Cost	6,03,922	8,43,753
Expected return on plan assets	(3,94,422)	(5,83,940)
Actuarial (gain) / loss	20,06,538	(31,54,713)
Past Service Cost - Vested Benefit Recognized During the year	-	22,222
Expenses recognized in Profit and Loss A/C	33,24,814	-6,22,419

	Amount in Rupees	
	2019	2018
Experience Adjustments:		
(Gains) / Losses on Plan Obligations	8,40,509	(13,72,986)
Gains / (Losses) on Plan Assets	(12,012)	3,49,117
Estimated Contribution for next year	44,79,552	32,85,779
Actuarial assumptions used are:-		
	2019	2018
Discount rate	6.76%	7.18%
Salary escalation rate	12.00%	10.00%
Attrition rate	22.00%	26.80%
Expected return on plan assets	6.76%	7.18%



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	
	2019	2018
Present value of obligation as at end of the year	40,80,223	34,38,147
Fair value of plan assets	-	-
Actuarial assumption used	-	-
Discount rate	6.76%	7.18%
Salary escalation rate	12.00%	10.00%
Cost recognized during the year	10,44,617	(16,50,280)

3.2 **Segment Reporting:**

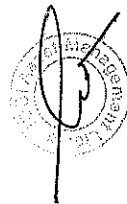
The company is in the business of providing investment management service to the mutual fund, and the entire revenue from operations is from the above service rendered in India. Hence the company has no other reportable business or geographical segment.

3.3 **Related party disclosures:**

As required under Accounting Standard - 18 the following are details of related parties and transactions with them

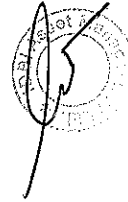
(A) **List of related parties and relationships :**

I Individuals having control with relatives & associates	
Dilip Kumar Mandal	Managing Director and Chief Executive Officer
II Key Management Personnel	
Key Management Personnel	
Dilip Kumar Mandal	Managing Director and Chief Executive Officer
Amit Bhavsar	Chief Financial Officer
Ajit Joshi	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	
Life Insurance Corporation of India	Ultimate Holding Company
IDBI Bank Limited	Holding Company
IDBI Capital Markets and Services Limited	Fellow Subsidiary
IDBI In-tech Limited	Fellow Subsidiary
IDBI MF Trustee 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 Federal Life Insurance Company Limited	Fellow Subsidiary
IDBI Trusteeship Services Limited	Fellow Subsidiary
VI Other related parties with whom Company has not entered into transactions during the year under review	
Micro Units Development and Refinance Agency Limited	NIL
IFCI Factors Limited	NIL
National Securities Depository Limited (NSDL)	NIL
Biotech Consortium (I) Limited	NIL
North East Development Finance Corporation Limited (NEDFI)	NIL
Pondichery Industrial Promotion Development and Investment Corporation Limited	NIL
ICMAI Registered Valuers Organisation	NIL



(B) Transaction with related parties

	Amount in Rupees	
	2019	2018
IDBI Bank Limited :		
Transactions with IDBI Bank Limited		
Expenditure Incurred:		
- Upfront Brokerage	5,29,63,449	7,39,91,805
- Annualised / Trail Brokerage	8,73,64,356	11,51,36,054
- Office Rent	3,07,89,770	2,98,43,846
- Electricity and Water	33,44,289	4,20,722
- House-keeping, Maintenance and Others etc	13,380	1,92,999
- Rates and Taxes	73,790	2,09,762
- Salaries and incentives	88,28,711	55,34,663
- IDL Charges	9,15,522	10,04,863
- Scheme Related Expenses	22,94,529	29,37,339
- Reimbursement of Sharing Expenses	-	13,37,164
Interest on fixed deposit	1,58,904	30,81,338
IDBI Capital Market Services Limited :		
Transactions with IDBI Capital Market Services Limited		
Expenditure Incurred:		
- Upfront Brokerage	22,579	94,487
- Annualised / Trail Brokerage	1,03,103	1,36,166
- IDL Charges	-	518
IDBI Intech Limited:		
Transactions with IDBI Intech Limited		
Expenditure Incurred		
- IT & Communication services	84,24,000	76,30,000
IDBI MF Trustee Company Limited (Including the transaction with IDBI Mutual Fund)		
Transactions with IDBI MF Trustee Company Limited		
- Secretarial and Accounts Services Fees	32,62,692	28,76,292
- Management Fees	59,76,66,687	80,03,76,797
- Other Advance given and received	63,45,232	1,12,74,916
- Other scheme Related expenses	82,13,254	-
- Upfront Brokerage	-	20,12,030
IDBI Federal Life Insurance Company Limited		
Transactions with IDBI Federal Life Insurance Company Limited		
- Staff welfare expenses	-	41,744
Yes Bank Limited :		
Transactions with Yes Bank Limited		
Expenditure Incurred:		
- Upfront Brokerage	2,559	5,242
- Annualised / Trail Brokerage	9,378	59,080
- Scheme Related Expenses	-	1,84,448



Balances with related parties:

	2019	2018
IDBI Bank Limited (Holding Company)		
- Other payables	3,15,33,607	2,37,30,201
- Cash and Bank Balances	6,54,016	76,26,810
- Capital Contribution	1,33,34,00,000	1,33,34,00,000
IDBI Capital Market Services Limited		
- Other payables	-	17,793
- Capital Contribution	66,66,00,000	66,66,00,000
IDBI In-tech Limited		
- Other payables	-	6,83,100
IDBI MF Trustee Company Limited		
- Trade Receivable	1,00,04,373	1,34,88,582
- Other Receivable	1,26,16,545	10,55,172
Yes Bank Limited		
- Other payables	-	48,544

(C) Summary of transactions with related parties:

	2019	2018
IT and Communication services	84,24,000	76,30,000
Upfront Brokerage	5,29,88,587	7,61,03,564
Annualised / Trail Brokerage	8,74,76,837	11,53,31,300
Office Rent	3,07,89,770	2,98,43,846
Electricity and Water	33,44,289	4,20,722
House-keeping, Maintenance and Others	13,380	1,92,999
Rates and Taxes	73,790	2,09,762
Salary, incentives and reimbursements	88,28,711	55,34,663
IDL Charges	9,15,522	10,05,381
Staff welfare expenses	-	41,744
Scheme Related Expenses	1,05,07,783	31,21,787
Interest on fixed deposit	1,58,904	30,81,338
Secretarial Fees	32,62,692	28,76,292
Management Fees	59,76,66,687	80,03,76,797
Reimbursement of Sharing Expenses	-	13,37,164
Other Advance given and received	63,45,232	1,12,74,916

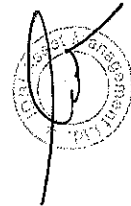
(D) Managerial Remuneration:

	2019	2018
Salary and Allowances paid to MD and CEO (Reimbursement)	59,60,711	55,34,663

Note: Related parties have been identified and certified by the management and relied upon by the auditors

3.4 Exceptional items

Some of the schemes of IDBI Mutual Fund have made investment in debt securities issued by Bilt Graphic and Paper Products Limited (BGPPPL) which have not been paid by BGPPPL. In this regard IDBI AMC has advanced a sum of Rs. 267,500,000 considering long term and larger interests of the schemes, investors, industry practice and for upholding the image of the group. Considering the present scenario a sum of Rs.137,250,000 has been provided in the books. During the year, the Company has received Rs. 101,761,894 and accordingly Rs 21,511,894 has been reversed and shown as exceptional item.



3.5 Operating lease

The Company has entered into operating lease arrangements for certain assets. Following are the disclosure requirements as per the Accounting Standard - 19 "Leases"

The total lease payments recognized in the Statement of Profit and Loss towards the said leases amounts to Rs.34,228,684/- (PY Rs. 30,822,384/-)
The future lease payments in respect of non-cancellable lease of the above are as follows:

	2019	2018
Not Later than One year		
Later than one year but not later than five years	6,60,055	4,92,000

3.6 Earnings per share:

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

	2019	2018
Net (Loss)/ Profit after tax attributable to equity shareholders(A)	(4,34,07,314)	8,01,13,528
Calculation of weighted average number of equity shares(B) :		
- No. of shares at the beginning of the period	20,00,00,000	20,00,00,000
- No. of shares issued during the period	NIL	NIL
- 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	20,00,00,000
Basic (loss)/ earnings per share of the face value of 10/- for the period(A)/(B)-	(0.22)	0.40

3.7 Deferred Taxes :

In accordance with Accounting Standard 22 - Accounting for taxes on Income, the major components of deferred tax as at 31st March 2019 are as follows:

	2019	2018
Deferred Tax Asset		
Gratuity	10,57,713	9,01,613
Leave Encashment	11,35,118	10,62,387
Amortization of Preliminary expenses	-	5,87,100
Accumulated Losses	14,46,64,000	27,43,66,000
Depreciation	4,98,638	1,90,761
Deferred Tax Asset at the year end	14,73,55,469	27,71,07,861
Deferred Tax Liability		
Amortization of Marketing and Distribution expenses	-	-
Deferred Tax Liability at the year end	-	-
Deferred Tax Liability/ (Assets) Net	(14,73,55,469)	(27,71,07,861)

The Company has brought forward losses available of Rs.83 crores. Based on reasonable certainty, the Company has reassessed the brought forward losses and created deferred tax asset on losses of Rs.52 crores during the year.

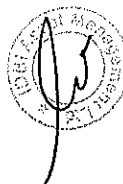
3.8 Impairment of Assets:

During the year, the Company has undertaken a review of all property, plant and equipment and intangible 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.

3.9 Contingent liabilities are as under:

- 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. However no demand has been raised. The Company has filed an appeal against the said assessment. No provision has been made in this regards.
- For the AY 2015-16 the Income Tax Department vide its assessment order under section 143(3) dated 26-12-2017 disallowed certain expenditures thereby reducing the loss and initiated penalty proceedings under section 271(1)(c) of the Income Tax Act. However no demand has been raised. 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. 4,334,456 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. 1,500,000 had been made during the previous year.

3.10 Expenditure in foreign exchange: Distributor's Incentive (Traveling Expenses) Rs. 352,836/- (P.Y.- Rs. 140,881/-)



3.11 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.

	2019	2018
Principal amount remaining unpaid to any supplier as at the year end	8,00,000	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

3.12 Details of Payment to Auditors

	Amount in rupees	
	2019	2018
Audit	5,35,000	5,20,000
For tax audit	1,15,000	1,15,000
For Certification and other matters	1,50,000	1,00,000
Total	8,00,000	7,35,000

3.13 Brokerage and Scheme related expenses

(a) As per SEBI circular dated 22 October 2018, in terms of Regulation 52(1) of SEBI (Mutual Funds) Regulations, 1996, all scheme related expenses including commission paid to distributors, by whatever name it may be called shall necessarily be paid from the Scheme only within the regulatory limits and not from the books of Asset Management Companies(AMC), its associate, sponsor, trustee or any other entity through any route. Hence, no expenses have been accounted in the books of the Company from the date of the Circular.

(b) In view of the above, previous figures are not comparable in the current year.

3.14 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.

3.15 Balances of sundry creditors, advances and deposits are subject to confirmation and reconciliation/subsequent adjustment if any.

3.16 Figures have been rounded off to the nearest rupee.

3.17 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures. Figures in brackets pertain to previous year. (Refer 3.13 above)

As per our attached report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215



Place: Mumbai
Date: 23 April 2019

For and on behalf of the Board

K P Nair
Chairman
DIN: 02611496

Amit Bhavsar
CFO & COO
FCA 105890

Dilip Kumar Mandat
Managing Director & CEO
DIN: 03313130

Ajit Joshi
Company Secretary
ACS 22359

