

## **NOTICE OF THE FOURTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Fourth 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 Friday, the 27<sup>th</sup> day of June 2014 at 2.00 P M, to transact the following Ordinary and Special Business:

### **A. Ordinary Business**

1. To receive, consider and adopt Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2014 including audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors' and the Statutory Auditors' and the comments of the Comptroller & Auditor General of India thereon.
2. To fix the remuneration of the Statutory Auditors.

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

“RESOLVED THAT pursuant to the provisions of Section 139(5) and other applicable provisions, if any, of the Companies Act, 2013, the Statutory Auditors of the Company be appointed subject to the directions given in this regard by the Comptroller and Auditor-General of India for such period as may be prescribed from time to time, subject to ratification of appointment at every Annual General Meeting

RESOLVED FURTHER THAT the remuneration of the Statutory Auditors as appointed by the Comptroller & Auditor General of India (C & AG) under Section 139(5) of the said Act, be and is hereby approved up to Rs 350000/- plus reimbursement of admissible travelling and out of pocket expenses along with service tax as applicable, for the year 2014-15.”

RESOLVED FURTHER THAT the Board is be and hereby authorized to negotiate and finalize the remuneration payable to statutory auditors, including over and above the limit of Rs. 3,50,000/- also .”

## **B. Special Business**

### **3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Shri Mukkur Srinivasan Raghavan (DIN:05236790), who was appointed as an Additional Director of the Company by the Board of Directors by passing resolution by circulation and subsequently ratified at the meeting held on August 28, 2013, effective from July 12 2013, pursuant to Articles 171(b), 173 and 179 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, 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, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Shri Mukkur Srinivasan Raghavan (DIN:05236790), as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall not be liable to determination by retirement by rotation.”

### **4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527), who was appointed as an Additional Director of the Company by the Board of Directors by passing resolution by circulation and subsequently ratified at the meeting held on August 28, 2013, effective from August 23 2013, pursuant to Articles 171(b) and 179 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, 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, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527) as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Jayant Narayan Godbole (DIN:00056830), Director of the Company who is liable to retire by rotation at this meeting in terms of the provisions of Companies Act 1956 and whose term expires at this Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation in terms of Sections 149(4),(10) & (11) (including explanation thereof) and 152(6)(e) of the Companies Act, 2013 and to hold office for a term up to 31st March, 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Yashwant Shankarrao Thorat (DIN: 02652734), Director of the Company who is liable to retire by rotation at this meeting in terms of the provisions of Companies Act 1956 and whose term expires at this Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation in terms of Sections 149(4),(10) & (11) (including explanation thereof) and 152(6)(e) of the Companies Act, 2013 and to hold office for a term up to 31st March, 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Lt. General Mukesh Sabharwal (Retd.) (DIN:05155598), Director of the Company and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation in terms of Sections 149(4),(10) & (11) (including explanation thereof) and 152(6)(e) of the Companies Act, 2013 and to hold office initially for a term up to 31st March, 2019.”

**8. To consider and, if thought fit, to pass, with or without modification, the following resolution 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), 196, 197, 198 and 203 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 Satyanarayan Ramdeo Baheti (DIN:00136476), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on May12, 2014, effective from May09 2014, pursuant to Articles 171(b) and 179 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, 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, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Shri Satyanarayan Ramdeo Baheti (DIN: 00136476) as a candidate for the office of Director of the Company, be and is hereby appointed as Director on the Board and as the Managing Director and Chief Executive Officer (MD&CEO) of the Company, on deputation from IDBI Bank Limited, with effect from May 09, 2014 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 741/deputation dated May 2, 2014 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 Satyanarayan Ramdeo Baheti (DIN:00136476) 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 741/deputation dated May 2, 2014 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 Satyanarayan Ramdeo Baheti (DIN:00136476), if so desired by the board, but not more than 5 years, at the expiry of the one year period from May 8, 2015.

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 advise 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.”

**9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as 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 clause and substituting with the following clause

“Article 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 atleast 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.”

Article 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.

Article 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

## Article 191

Subject to provisions of the Act, the Directors to retire by rotation at every Annual General Meeting shall be those who are liable to retire and who have been longest in office since their last appointment, but as between persons, who became Directors on the same day, those who are to retire shall, in default of the subject to any agreement among themselves be determined by lot. However, while determining the directors retiring by Rotation, Independent Directors shall not be counted for being the Retiring directors.

## Article 203

Notice of every meeting of the Board of Directors of the Company shall be given, at least 7 days in advance, in writing to every Director for the time being in India, and at his usual address in India to every other Director or at the email address of the Director provided to the Company.

## Article 204(1)

(1) Ordinarily not less than 7 days notice shall be given for any meeting of the Board and shall be given in writing to every Director at the registered/email address specified by him in this behalf.

(2) No business other than that for which the meeting was convened shall be transacted at a meeting to the Board except with the consent of the Chairman of the meeting and a majority of the Directors present, unless at least 3 day's notice of such business has been given in writing to the Chairman.

(3) The Company shall not hold a Board meeting at short notice, to transact urgent business, except with the consent of the Chairman of the meeting subject to the condition that at least one Independent Director, if any, shall be present at the meeting or in in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director

## **10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Authorised Share Capital of the Company of Rs. 150,00,00,000 (Rupees One Hundred Fifty Crore) divided into 15,00,00,000 (Fifteen Crore) equity shares of Rs. 10 (Rupees Ten) each be and is hereby increased to Rs. 250,00,00,000 (Rupees Two Hundred and Fifty Crores) divided into 25,00,00,000 (Twenty Five Crore) equity shares of Rs. 10 (Rupees Ten) each with the power to the Board to decide on the extent of variation in such rights and to classify and reclassify from time to time such shares into any class of shares

**11. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-**

RESOLVED THAT subject to the provisions of Sections 13,61 and all other applicable provisions, if any, of the Companies Act, 2013, the Existing Clause VI of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place the following clause :

VI. The Authorised Share Capital of the Company is Rupees 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) divided into 25,00,00,000 (Twenty Five Crore only) Equity Shares of Rs.10/-(Rupees Ten only) each. The minimum paid up capital would be Rs. 5,00,000/- (Rupees Five Lakhs Only).

**12. To consider and, if thought fit, to pass with or without modification, the following resolution as an Special Resolution:-**

RESOLVED THAT pursuant to section 14 and other applicable provisions, if any of the Companies Act, 2013 the Company's Articles of Association be and is hereby altered by deleting the existing Article 4 and substituting in place thereof the following:

4. The Authorised Share Capital of the Company is Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) divided into 25,00,00,000 (Twenty Five Crore only) Equity Shares of Rs.10/-(Rupees Ten only) each with the power to the Board to increase or reduce, from time to time its capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions and restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may be for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

**13. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

“RESOLVED THAT, pursuant to the provisions of Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules 2014, Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded authorizing the Board of Directors of the Company (hereinafter called ‘the Board’ which shall be deemed to include any Committee which the Board may have constituted or may hereafter constitute to exercise its powers, including the powers conferred by this Resolution) to offer, issue and allot by way of an Letter of Offer or such other document, in India, such number of equity shares of the face value of Rs 10/- each and aggregating to not more than the authorized capital limit of the Company increased from

time to time and as already approved by the members, to one or more of the members, being IDBI Bank Limited including its nominees and/or IDBI Capital Market Services Limited.

“RESOLVED FURTHER THAT such issue, offer or allotment shall be by way of further issue of shares or on a private placement basis, and that such offer, issue, placement and allotment be made as per the provisions of the Companies Act, 2013 and at such time or times, in such tranche or tranches or in such manner and on such terms and conditions as the Board may, in its absolute discretion, think fit, without any further reference to the shareholders”.

“RESOLVED FURTHER THAT the said new equity shares to be issued shall be subject to and shall rank pari-passu in all respects with the existing equity shares of the Company in accordance with the statutory guidelines that are in force at the time of such declaration”.

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares, the Board, be and is hereby authorized to determine the terms of the offer, including the number of shares to be allotted in each tranche, as the Board, in its absolute discretion, deems fit and 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 with regard to the offer, issue, allotment and utilization of the issue proceeds, and to accept 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 powers, herein conferred, to a committee of Directors to give effect to the aforesaid Resolutions.”

**14. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

RESOLVED THAT in compliance with the sections 94, 128, 143, and other applicable provisions of the Companies Act 2013 and rules thereof, the Company hereby approves the maintenance and preservation of the statutory registers and returns together with the copies of certificates and documents required to be annexed thereto, Memorandum & Articles of Association, the Common Seal, books of account and other relevant books and papers and financial statement for every financial year and all other records, papers, documents, letter, agreements, contracts, notices etc as required to be maintained under applicable laws to the Company at the Corporate Office of the Company situated at 05th floor, Mafatlal Centre, Nariman point, Mumbai 400 021 instead of being kept at the Registered Office of the Company.

FURTHER RESOLVED THAT the registers, returns, books, certificates, documents, etc. of the Company, as mentioned above, required to be maintained and required to be kept open for inspection under the provisions of Companies Act, 2013 or under any other law applicable to the Company, shall be kept open for such inspection, at the Corporate Office of the Company



between 10.00 a.m. to 6.00 p.m. on any working day of the Company except when the registers and books are closed under the provisions of the Act, or the Articles of Association of the Company, on payment of such amount as prescribed under such act.

FURTHER RESOLVED THAT the custody of such registers, returns, books, certificates, documents, etc. of the Company, as mentioned above shall be under the custody of the Company Secretary/ MD & CEO at the Corporate office of the Company.

FURTHER RESOLVED THAT the Managing Director & CEO/Company Secretary be authorized to sign and file the necessary forms with the ROC and other regulatory bodies and to do all such acts as may be necessary for giving effect to the above business.

**15. To consider and if thought fit, to pass with or without modification, the following resolution 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, the members of the Company hereby approves the continuation of existing contracts of the Company and further hereby authorize the Board to approve and enter into contracts and arrangements with related parties including sub delegation thereof to a director/committee of Directors as it may think fit, for a value not exceeding the 40% of the networth or 40% of annual Turnover whether entered in ordinary course of business or otherwise, at arms length price or at such price with the approval of the Audit Committee of the Board and thereafter of the Board of Directors of the Company 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 powers, herein conferred, to a committee of Directors to give effect to the aforesaid Resolutions.”

For and on behalf of the Board of Directors

s/d-

Place : Mumbai  
Date : 27/06/2014

Manesh Jiandani  
Company Secretary  
IDBI Asset Management Limited  
CIN no: U65100MH2010PLC199319

NOTES:

- A 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 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 14 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.

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

### **Item no 2:**

In terms of section 139(5) of the Companies Act 2013, the Company is subjected to Comptroller and Auditor General of India (C&AG) audit. The accounts of the Company are required to be audited by Statutory Auditors appointed by the C&AG. The appointment is required to be ratified in the general meeting of the shareholders by passing Ordinary Resolution under Section 139(1) of the Companies Act, 2013. These Auditors shall hold office 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 2014-15. The C&AG is yet to advise the Company in this regard.

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. Therefore, it is proposed that by passing ordinary resolution under section 139(1) of the Companies Act, 2013, the Board may be authorised to negotiate and finalize the remuneration over and above the limits of Rs. 3,50,000/-. The other terms and conditions and remuneration of the Statutory Auditors would be as fixed by the Board of Directors of the Company on the recommendations of the Audit Committee. 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:**

Shri Mukkur Srinivasan Raghavan (DIN: 05236790) was appointed as the Chairman and Managing Director of IDBI Bank Limited w.e.f July 5, 2013. In terms of Article 171 (b) of the Articles of Association of the Company, IDBI Bank Ltd., the sponsors have, vide its letter no 136/FAD(S & AIC)/Nom/IAML dated July 6 2013, advised IDBI AMC to induct Shri Mukkur Srinivasan Raghavan (DIN: 05236790) as Additional Director on the Board of IDBI AML.

Further, in terms of Article 173 of the Articles of Association of the Company a Chairman of IDBI Bank Limited shall be the Chairman of the Board.

Accordingly, the Board of Directors had, by way of circular resolution, which was ratified in the meeting held on August 28, 2013 appointed Shri Mukkur Srinivasan Raghavan (DIN: 05236790), as an Additional Director of the Company with effect from July 12, 2013. Shri Mukkur Srinivasan Raghavan, is also Chairman of the Board of Directors of the Company.

Shri Mukkur Srinivasan Raghavan (DIN: 05236790) (CMD of IDBI Bank Ltd.) is the Chairman of IDBI Asset Management Ltd. Immediately prior to joining IDBI Bank, he was posted as Executive Director, Bank of India. He has over 36 years of experience in the Banking and Financial sector. In a career spanning 36 years with IOB, Shri Mukkur Srinivasan Raghavan (DIN: 05236790) held several distinguished positions in the Bank's hierarchy in the areas of Credit, Operations and Information Technology. Shri Raghavan's (DIN: 05236790) contribution to the banking system, especially with regard to IT, is widely acclaimed by the banking fraternity. IBA and IDRBT have nominated him on various committees of their organizations to tap his vast and diversified experience in the banking sector.

The other organizations where he is Chairman / Director are:

Organization Name	Any association with the sponsor	Position Held	Nature of job responsibilities	Period From – To
IDBI Bank Ltd.	Sponsor	Chairman & Managing Director	Board level responsibility	Continuing
IDBI Capital Market Services Ltd	Subsidiary	Chairman	Board level responsibility	Continuing
IDBI Intech Limited	Subsidiary	Chairman	Board level responsibility	Continuing
IDBI Trusteeship Services Limited	Subsidiary	Chairman	Board level responsibility	Continuing
IDBI Federal Life Insurance Co. Limited	Associate	Chairman	Board level responsibility	Continuing
Export Import Bank of India	Associate	Director and Member of Audit Committee	Board level responsibility	Continuing
Entrepreneurship Development Institute of India	Associate	President of the Governing council	Board level responsibility	Continuing
Management Development Institute	Associate	Member of the Board of Governors	Board level responsibility	Continuing

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 Mukkur Srinivasan Raghavan (DIN: 05236790) holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing Shri Mukkur Srinivasan Raghavan (DIN: 05236790) as a candidate for the office of Director of the Company.

Shri Mukkur Srinivasan Raghavan (DIN: 05236790) does not receive any remuneration, benefits, or commission from the Company.

Shri Mukkur Srinivasan Raghavan (DIN: 05236790) 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 Mukkur Srinivasan Raghavan (DIN: 05236790) 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.

Except Shri Mukkur Srinivasan Raghavan (DIN: 05236790), 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 the 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. 208/FAD(SAIC)/Nom/IAML dated August 13 2013 had advised appointment of Shri S K V Srinivasan (DIN: 00122506), Executive Director, IDBI Bank Ltd, as Director on the Board of IDBI AML.

Accordingly, the Board of Directors had, by way of circular resolution, which was ratified in the meeting held on August 28, 2013 appointed Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527) as an Additional Director of the Company with effect from August 23, 2013.

Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527) is a graduate in Engineering with professional qualification in finance (PGDBM) and banking (CAIIB). He has over three decades of Commercial Banking experience covering Corporate, Retail and Transaction Banking having lead the banks business strategies in various geographies across India. In his present role as Executive Director, he is heading the Retail Business of the Bank.

His other Directorships are:

Organization Name	Any association with the sponsor	Position held	Nature of job responsibilities	Period From – To
Haldia Petrochemicals Ltd	Borrower	Director		Continuing
SIDBI	Associate	Director		Continuing
IDBI RSETI (Rural self Employment Training Institute)	No	Trustee		Continuing

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 Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527) holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527) as a candidate for the office of Director of the Company.

Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527) does not receive any remuneration, benefits, or commission from the Company.

Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527) does not hold by himself any shares in the Company. However, Shri S K V Srinivasan holds one equity share of Rs. 10/- each as a nominee of IDBI Bank Limited in the Company.

The Board considers that the appointment of Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527) 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 be liable to determination by retirement of directors by rotation.

Except Shri Srinivasan Kothandaraman Vidyanathan Srinivasan (DIN:02564527), 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 the resolution set out at Item No. 4.

**Item No 5:**

Shri Jayant Narayan Godbole(DIN No. 00056830) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2011. Shri Jayant Narayan Godbole is Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee, of the Board of Directors of the Company.

Shri Jayant Narayan Godbole (DIN: 00056830), Independent Director is on the Board of many listed companies as Independent Director. Prior to retirement, he was a Whole Time Director and also functioned as Chairman & Managing Director of IDBI Ltd. He has vast experience in banking & finance with positions held in various capacities in the past with IDBI Ltd.

His other Directorships are:

Organization Name	Any association with the sponsor	Position held	Nature of job responsibilities	Period From – To
J.K.Cements Ltd.	No	Independent Director		Continuing
Embio Ltd.	No	Independent Director	Member of Audit Committee	Continuing
Gilander Arbuthnot & Co. Ltd.	No	Independent Director	Member of Audit Committee	Continuing
IMP powers Ltd.	No	Independent Director	Joint Chairman of Audit Committee	Continuing
Madhya Bharat Papers Ltd.	No	Independent Director	Member of Audit Committee	Continuing
Zuari Agro Chemicals Ltd.	No	Independent Director		Continuing
Zuari Global Limited	No	Independent Director		Continuing
IITL Projects Limited	No	Independent Director		Continuing
Emami Paper Mills Limited	No	Independent Director		Continuing
Saurashtra Cement	No	Independent		Continuing

Ltd.		Director		
Gujarat Alkalies & Chemicals Ltd.	No	Member of Audit Committee & Project committee	Member of Audit Committee & Project committee	Continuing
Kesar Multimodal Logistics Ltd	No	Independent Director		Continuing

Shri Jayant Narayan Godbole (DIN: 00056830) does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Jayant Narayan Godbole (DIN: 00056830) retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Jayant Narayan Godbole (DIN: 00056830) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Jayant Narayan Godbole (DIN: 00056830) as a candidate for the office of Director of the Company.

The attention of members are brought to the explanation to Section 149(11) of the Companies Act 2013 which specifies that while deciding the tenure of an Independent Director on the date of commencement of this act, the tenure as on the date of Commencement of this act (01.04.2014) shall not be counted. The position in this regard has been clarified by the MCA vide its circular no 14/2014 dated 09<sup>th</sup> June 2014

Shri Jayant Narayan Godbole (DIN: 00056830) does not receive any remuneration, benefits, or commission except sitting fees from the Company.

In the opinion of the Board, Shri Jayant Narayan Godbole (DIN: 00056830) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of draft letter for appointment of Shri Jayant Narayan Godbole (DIN: 00056830) as an Independent Director setting out the terms and conditions 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.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Jayant Narayan Godbole (DIN: 00056830) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Jayant Narayan Godbole (DIN: 00056830) as an Independent Director, for the approval by the shareholders of the Company.



Except Shri J. N. Godbole (DIN: 00056830), 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 the resolution set out at Item No. 5.

**Item 6:**

Dr. Yashwant Shankarrao Thorat (DIN: 02652734), is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in April, 2011. Dr. Yashwant Shankarrao Thorat (DIN: 02652734) is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee, of the Board of Directors of the Company.

Dr. Yashwant Shankarrao Thorat (DIN: 02652734), Independent Director was the Chairman of NABARD and Executive Director, RBI. Dr. Yashwant Shankarrao Thorat (DIN: 02652734) is a Director on the Board of certain listed companies and a Member of the Board of many Institutions and Educational Trusts.

His other Directorships are:

Organization Name	Any association with the sponsor	Position held	Nature of job responsibilities	Period From – To
Rajiv Gandhi Charitable Trust	No	CEO	Overall superintendence and control	Continuing
Sahayog Micro Management (formerly known as Shraddha Properties and Finance Limited, NBFC (Non-Banking Finance Company),	No	Non-Executive Chairman	Board level responsibility	Continuing
Tata Chemicals Ltd	No	Independent Director	Board level responsibility	Continuing
Sahayog Micro Finance Limited	No	Non Executive Independent Director & Chairman	Board level responsibility	Continuing
Khed Developers Ltd.	No	Independent Director	Board level responsibility	Continuing
Star Agri Warehousing and Collateral	No	Independent Director	Board level responsibility	Continuing

Management Limited				
Rallis India Limited	No	Independent Director	Board responsibility level	Continuing
Gokaldas Exports Limited	No	Independent Director	Board responsibility level	Continuing
Prabhat Diary Private Limited	No	Independent Director	Board responsibility level	Continuing
Aagrium Farm Products Private Limited	No	Independent Director	Board responsibility level	Continuing
Ambit Holdings Pvt Ltd	No	Independent Director	Member of Audit and Investment Management Committee	Continuing
Maharashtra Agriculture Universities Recruitment Board, MCAER, GOM	No	Chairman	Board responsibility level	Continuing
Shivaji University	No	Member -	Senate and Academic Council	Continuing
D.Y. Patil University, Kolhapur	No	Member	Governing Board	Continuing
Micro Pension Foundation	No	Additional Independent Director	Board responsibility level	Continuing
Operation Aasha	No	Independent Director	Board responsibility level	Continuing
Adelika Research and Agricultural Institute	No	Independent Director	Board responsibility level	Continuing
Yashwantrao Chavan School of Rural Development	No	Member, Advisory Board		Continuing
Dry Land Farming Mission, Government of Maharashtra	No	Executive Chairman		Continuing
MBA (Agri) College	No	Member,		Continuing

Talegaon		Academic Council		
Committee to revise the Academic, Research and Extension Curricula of Agricultural Universities (GOM)	No	Co- Chairman		Continuing
Chairman Committee to suggest Bifurcation of PDKV, Akola and MPKV, Rahuri (GOM)	No	Chairman		Continuing
Committee to suggest Measures to Improve the Agricultural Growth Rate in Maharashtra	No	Chairman		Continuing
Revitalising Rainfed Agricultural Networks	No	Member, Advisory Board		Continuing

Dr. Yashwant Shankarrao Thorat (DIN 02652734) does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Dr. Yashwant Shankarrao Thorat (DIN 02652734) retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. Yashwant Shankarrao Thorat (DIN 02652734) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Dr. Yashwant Shankarrao Thorat (DIN 02652734) as a candidate for the office of Director of the Company.

The attention of members are brought to the explanation to Section 149(11) of the Companies Act 2013 which specifies that while deciding the tenure of an independent director on the date of commencement of this act, the tenure as on the date of Commencement of this act (01.04.2014) shall not be counted. The position in this regard has been clarified by the MCA vide its circular no 14/2014 dated 09<sup>th</sup> June 2014.

Dr. Yashwant Shankarrao Thorat (DIN 02652734) does not receive any remuneration, benefits, or commission except sitting fees from the Company.

In the opinion of the Board, Dr. Yashwant Shankarrao Thorat (DIN 02652734) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Yashwant Shankarrao Thorat (DIN 02652734) as an

Independent Director setting out the terms and conditions 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.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Yashwant Shankarrao Thorat (DIN 02652734) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Yashwant Shankarrao Thorat (DIN 02652734) as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Yashwant Shankarrao Thorat (DIN 02652734), 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 the resolution set out at Item No. 6.

**Item no 7:**

Lt. General Mukesh Sabharwal PVSM, AVSM, VSM (Retd) (DIN 05155598), is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2011. Lt. General Mukesh Sabharwal (Retd) (DIN 05155598) is member of the Audit Committee and a member of the Nomination and Remuneration Committee, of the Board of Directors of the Company.

Lt. Gen. Mukesh Sabharwal (Retd) (DIN: 05155598), Independent Director had an outstanding career of 40 years with the Indian Army. During the course of his service, he had served as the Corps Commander in Srinagar and Security Advisor to the J&K Government. He was also the Adjutant General of the Indian Army and in this capacity, the Principal Staff Officer to the Government of India and Advisor to the Chief of Army Staff.

As the Chairman of ‘Army Group Insurance Fund’ and ‘Ex- servicemen Contributory Health Scheme’ he oversaw investments amounting to over Rs 20000 crores. Besides, in his capacity as the Chairman of ‘Army Welfare Housing Organisation’, he was responsible for directing policies for provision of housing to soldiers.

His other Directorships are:

Organization Name	Any association with the sponsor	Position held	Nature of job responsibilities	Period From – To
Yes Bank Ltd	No	Director	Board level responsibility	Continuing

Lt. General Mukesh Sabharwal (Retd) (DIN 05155598), does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Lt. General Mukesh Sabharwal (Retd) (DIN 05155598), being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Lt. General Mukesh Sabharwal (Retd) (DIN 05155598), as a candidate for the office of Director of the Company.

The attention of members are brought to the explanation to Section 149(11) of the Companies Act 2013 which specifies that while deciding the tenure of an Independent Director on the date of commencement of this act, the tenure as on the date of Commencement of this act (01.04.2014) shall not be counted. The position in this regard has been clarified by the MCA vide its circular no 14/2014 dated 09<sup>th</sup> June 2014.

Lt. General Mukesh Sabharwal (Retd) (DIN 05155598) does not receive any remuneration, benefits, or commission except sitting fees from the Company.

In the opinion of the Board, Lt. General Mukesh Sabharwal (Retd) (DIN 05155598), fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Lt. General Mukesh Sabharwal (Retd) (DIN 05155598), as an Independent Director setting out the terms and conditions 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.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Lt. General Mukesh Sabharwal (Retd) (DIN 05155598), as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Lt. General Mukesh Sabharwal (Retd) (DIN 05155598), as an Independent Director, for the approval by the shareholders of the Company.

Except Lt. General Mukesh Sabharwal (Retd) (DIN 05155598), 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 the resolution set out at Item No. 7.

**Item no 8:**

IDBI Bank Limited, In terms of Article 171 (b) of the Articles of Association of the Company, Vide Office Order no 188 Dated 29<sup>th</sup> April 2014 read with Letter no. 627 dated May 3, 2014 had advised appointment of Shri Satyanarayan Ramdeo Baheti (holding DIN No 00136476) CGM IDBI Bank Ltd, as MD & CEO on the Board of IDBI AML.

Accordingly, the Board of Directors had, in its meeting held on May 12, 2014 appointed Shri Satyanarayan Ramdeo Baheti (holding DIN No 00136476) as an Additional Director of the Company with effect from May 09, 2014 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 the said date, as may be advised by IDBI Bank Limited from time to time.

Shri Satyanarayan Ramdeo Baheti (DIN : 00136476) has over three decades of collective experience in the banking and financial services industry. He has been associated with IDBI Bank Ltd. since 1983 in several offices/ departments of the Bank and its subsidiaries in different capacities. He has handled responsibilities in departments such as Central accounts, Company Secretarial functions, Regulatory & Statutory Compliance, Risk, Internal Audit, Corporate finance, Capital markets, Handling Statutory Audits & RBI inspections, Taxation, Forex Operations, Bank Merger related work, Computerisation and IT initiatives, MIS framework development, Resources Mobilisation and Investor Servicing, Institution building, Project Appraisals, Credit Risk Assesment & Rating, Research Studies, Company Boards, Performance monitoring and Organisation – wide coordination at top management level with all round exposure to activities of DFI and Commercial Banking. Shri Satyanarayan Ramdeo Baheti (DIN : 00136476) also has the experience of setting up IDBI Capital Market Services Ltd. Prior to joining IDBI AMC, Shri Satyanarayan Ramdeo Baheti (DIN : 00136476) has been working as Chief General Manager in IDBI Bank Ltd. He holds additional responsibility as Managing Director of IDBI Infrafin Ltd., a subsidiary of IDBI Bank Ltd.

His other Directorships are:

Organization Name	Any association with the sponsor	Position held	Nature of job responsibilities	Period From – To
Bhushan Power and Steel Limited	Borrower	Nominee Director		Continuing
IDBI Infrafin Limited	Subsidiary	Managing Director		Continuing

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 Satyanarayan Ramdeo Baheti (holding DIN No 00136476) holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing Shri Satyanarayan Ramdeo Baheti (holding DIN No 00136476) as a candidate for the office of Director and MD & CEO of the Company.

The appointment was made pursuant to intimation by IDBI Bank Limited Vide Office Order no 188 Dated 29th April 2014 read with Letter no. 627 dated May 3, 2014

The appointment of Shri Satyanarayan Ramdeo Baheti (holding DIN No 00136476) 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 Satyanarayan Ramdeo Baheti (holding DIN No 00136476) as the Managing Director & CEO and the remuneration payable to him. The terms and conditions proposed (fixed by IDBI Bank Limited vide Letter no 741/Deputation dated May 02, 2014 and approved by the

Nomination and Remuneration Committee as well as by Board of Directors at their meeting held on 12<sup>th</sup> May, 2014 respectively) 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 draft Agreement 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 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.

#### **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 5<sup>th</sup> 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 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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Special Resolution set out at item no. 8 of the accompanying Notice for the approval of the Members.

Copy of the Draft Agreement 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 Satyanarayan Ramdeo Baheti (holding DIN No 00136476) 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 Satyanarayan Ramdeo Baheti (holding DIN No 00136476) 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.

Except Shri Satyanarayan Ramdeo Baheti (holding DIN No 00136476), 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 the resolution set out at Item No. 8.

**Item no 9:**

The Sections relating to the Appointment and Qualifications of Directors under Chapter XI of the Companies Act, 2013, have been notified by MCA, Govt. of India w.e.f. April 01, 2014. The new provisions for appointment of Independent Directors not liable to retire by rotation and one woman director on the Board as contained under Section 149 of the Companies Act, 2013 need to be complied by the Company and Articles of Association need to be altered by addition of these provisions therein to align the same with the Companies Act, 2013.

Further provisions pertaining to Directors Liable to Retire by Rotation, Notice of Board meetings etc also needs to be aligned with the provisions of the new Companies Act 2013. It is proposed to amend Clause no's 174, 175(a), 191, 203 and 204(1) of Articles of Association.

It is therefore proposed to pass the Special Resolution contained under Item No.9 of the AGM 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.

**Item No. 10,11&12:**

The Company was incorporated with an authorized capital of Rs. 50 crore divided into 5 crore equity shares of Rs. 10/- each. The Authorized share capital of the company was increased to Rs. 100 crore (Rupees One hundred Crore) divided into 10 crore equity shares of Rs. 10/- each. with the approval of the members in the First Annual General Meeting held on 23rd July 2011 and further to Rs. 150 crore (Rupees One hundred Fifty Crore) divided into 15 crore equity shares of Rs. 10/- each. with the approval of the members in the Third Annual General Meeting held on

25th June 2013 . Out of the said authorized capital, the Company has till now issued Seven crore Fifty Lacs equity shares of Rs. 10/- each aggregating to Rs. 75 Crore to IDBI Bank Limited and its nominee and four crore equity shares of Rs. 10/- each aggregating to Rs.40 crore to IDBI Capital Market Services Limited (a sister concern of the Company).

SEBI has, vide its notification dated 06th May 2014, operationalized the revised networth requirement from Rs. 10 Crores to Rs. 50 Crores by amending the relevant section- section 21 of SEBI (MF) Regulations, 1996. Besides this amendment, SEBI has also introduced the concept of seed capital in the Regulations. The new requirements will apply to existing AMCs as well as new entities seeking AMC license from SEBI. SEBI has prescribed a time period of three years, from the date of the notification, for AMCs to comply with the requirement of minimum net worth. Further SEBI has prescribed a time period of one year, from the date of the notification, for AMCs to comply with the requirements of the seed capital. As per the SEBI (MF) Regulations 1996, a AMC cannot launch any new scheme unless and until it complies with the minimum net worth criteria. The AMC also proposes to expand its product basket and has various schemes in conceptualization stage.

Keeping in view the above regulatory prescriptions and future prospects of the Company to expand its product basket, it is proposed to increase the Authorised Share Capital of the Company from the present Rs. 150,00,00,000/- (One Hundred Fifty Crore only) to Rs.250,00,00,000/- (Rupees Two Hundred and Fifty Crore Only) as proposed in the item No.10,11 and 12 of the notice. As a result of the increase in Authorised Capital of the Company, it would be necessary to suitably amend Capital Clause VI of the Memorandum of Association and Article 4 of the Articles of Association of the Company. The Directors recommend passing of the resolutions as mentioned above.

In terms of Section 13,14, 61 and other applicable provisions of the Companies Act, 2013 any alteration to the Memorandum and Articles shall be only by passing of a special resolution by the members of the Company.

Your Directors recommends that the resolution be passed, with or without modifications, as an Special Resolution

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. 10, 11 & 12.

**Item no 13:**

IDBI Asset Management Limited is a subsidiary of IDBI Bank Limited. The shareholding of the Company is held by IDBI Bank Limited to the tune of Rs. 75 crore (65.21%) and by IDBI Capital Market Services Limited a wholly owned subsidiary of IDBI Bank Limited to the tune of Rs. 40 crore (34.79%).

The authorized capital of the Company was increased from Rs, 100 crore to Rs. 150 crore with approval of the members in the 03rd Annual General Meeting held on June 25 2013. The Company has proposed an increase in authorized capital from Rs. 150 crore to Rs. 250 crore under item no 10, 11 ,12 of this notice.

Keeping in view the above regulatory prescriptions and future prospects of the Company to expand its product basket, it is proposed to increase the share capital of the Company by issuing further shares.

As per Section 42, 62 and other applicable provisions of the Companies Act 2013 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and rule 13 of Companies (Share Capital and Debentures) Rules, 2014 as applicable further shares of the Company can be issued by the Board of Directors if a special resolution to that effect is passed by the company in general meeting,

The Resolution is proposed to be passed as a Special Resolution pursuant to Section 62(1)(c) of the Companies Act, 2013. Section 62(1)(c) of the Companies Act, 2013 Provided that whenever any further issue or offer is being made by the Company, the existing shareholders should be offered the same on pro- rata basis unless the shareholders in the general meeting decide otherwise. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to issue and allot the securities to a group of existing shareholders and not otherwise..

It is therefore proposed to pass the attached resolution for generally authorizing the Board of Directors of the Company to allot further shares to the promoters within the authorized capital raised from time to time.

As the Company is a subsidiary of IDBI Bank Limited with nominees of IDBI Bank being on the Board of the Company, for operational convenience it is therefore proposed that any further issue of capital to the existing promoters viz IDBI Bank Limited including its nominees and IDBI Capital Market Services Limited, upto the limit of authorized capital approved by the members, may be made with the approval of Board of Directors without any further reference to the shareholders.

The Company shall propose the issue of shares in compliance with the provisions of the Companies Act 2013 including the letter of offer in the format prescribed therein

The equity shares allotted shall rank pari-passu in all respects with the existing equity shares of the Bank.

The Board of Directors recommends passing of the Resolutions as contained at Item No.13 in the notice. In terms of Section 102(1) of the Companies Act, 2013, it is submitted that none of the Directors or Key Managerial Personnel of the Company or their relatives, except Shri S K V Srinivasan holding one equity share of Rs. 10/- each in the Company as a Nominee of IDBI bank Ltd, is concerned or interested, in the passing of the aforesaid resolution.

**Item no 14**

IDBI Asset Management Limited, a Subsidiary of IDBI Bank Ltd. was formed and registered under the Companies Act, 1956 having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005.

The Company currently carries on its operations from their Corporate office situated at 5th floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.

As per Section 94, 128 and other applicable provisions of the Companies Act 2013 the Company is required to maintain its statutory registers, forms, returns, books of accounts at the registered Office of the Company. Further it states that the same can be maintained at any other place other than the registered office of the Company, in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company.

All the shareholders of the Company reside in Mumbai and the place where the said statutory registers, forms, returns, books of accounts are proposed to be maintained is in the same city.

Since, the operations and management of the company is carried out at the Corporate Office, it is proposed to Maintain and preserve the statutory registers, forms, returns, books of accounts at the corporate office of the Company under the custody of Company Secretary/Chief financial Officer/MD & CEO at the Corporate office of the Company.

Approval of the members is sought, in terms of section 94, 128 and other applicable provisions of the Companies Act 2013 read with Companies (Management and Administration) Rules, 2014, for shifting of the Company's statutory registers, returns, certificates, Common Seal and Memorandum & Articles of Association from the registered office of the Company to the Corporate office situated at 5th floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.

Your Directors recommend that the resolution be passed, with or without modifications, as a Special Resolution.

It is submitted that , 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. 14

**Item no 15**

IDBI Asset Management Limited, is a Subsidiary of IDBI Bank Ltd. IDBI AMC has been appointed as Investment Manager 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 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.

Thus in order to ensure smooth operations of the Company, IDBI AMC has entered into various contracts prior to the Commencement of the Companies Act 2013 which includes contracts with related parties 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

<b>A</b>	<b>B</b>		<b>C</b>	<b>D</b>	<b>E</b>
<b>Sr. no</b>	<b>Name of party</b>	<b>Name of Director or Key Managerial Personnel who is related of any</b>	<b>Relation</b>	<b>Transaction</b>	<b>Whether in ordinary course of business and at arms length price</b>
1	IDBI Federal	Shri M S Raghavan – Chairman	Group Company	<p>Group Insurance Continuing and renewed every year by paying premium</p> <p>All employees of IDBI Asset Management Ltd. 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. 85,00,000 for all existing and new employees of IDBI Asset Management Ltd. Members with SAs ranging from Rs. 8,500,001 and Rs. 11,000,000 are required to fill in the attached MQ</p>	In ordinary course of business and at market price

				SUM Insured : Rs. 280,703,250	
2.	IDBI Intech	Shri M S Raghavan – Chairman	Group Company	<p>IT support and infrastructure To provide IT Support to IDBI AMC in respect of infrastructure, software, hardware procurement, maintaining of website and intranet. The Contract is entered for three years initially w.e.f. 19<sup>th</sup> April 2010 and shall automatically be stand renewed if no change in terms and conditions. There has been no change in the terms and conditions.</p> <p><b>Scope of work</b> Data centre services for Belapur and Pune DR site only. Database monitoring and administration Networking Monitoring Services Application Support Security Support</p> <p>Category of Services  Application Support</p>	In ordinary course of business and at competitive price

				IT Infrastructure Support IT Procurement IT helpdesk Commercials payable to IDBI inech is as under 1) For IT support – Rs. 7,10,000/- payable annually	
3	IDBI Intech	Shri M S Raghavan – Chairman	Group Company	Call Centre 1) For Call centre Services – 2 –persons - Rs. 56,180 per month, payable monthly	In ordinary course of business and at competitive price
4.	IDBI Capital Market Services Limited	Shri M S Raghavan – Chairman	Group Company	Distribution brokerage	In ordinary course of business and at competitive price
5	IDBI Bank Limited	Shri M S Raghavan – Chairman Shri S K V Srinivasan- Associate Director	Holding Company	Distribution brokerage	In ordinary course of business and at competitive price
6	IDBI Bank Limited	Shri M S Raghavan – Chairman Shri S K V Srinivasan- Associate Director	Holding Company	Rent IDBI AMC has been provided premises at 13 locations to employees of IDBI AMC on leave and Licence basis. Office Space is being provided to	In ordinary course of business and at competitive price



				employees within the office premises of IDBI Bank.	
7	IDBI Bank Limited	Shri M S Raghavan – Chairman Shri S K V Srinivasan- Associate Director	Holding Company	Salary of deputed employees Salary of 1) Shri S N Baheti MD & CEO 2) Shri Manesh Jiandani Company Secretary 3) Shri Anil Dhawan, DGM 4) Shri Annavarapu Venkat Rammurthy, Manager 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 M S Raghavan – Chairman Shri S K V Srinivasan- Associate Director	Holding Company	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.  <b>Scope of work</b> To manage the funds, ensure compliance with regulations and accounting of transactions of schemes, formalize, float and launch	In ordinary course of business

				<p>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 Scheme overlap expenses</p> <p>Secretarial &amp; accounting service expenses:</p> <p>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</p> <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</p>	
--	--	--	--	---	--

				<p>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> <p>Around 5.5% of total Scheme overlap expenses is also being charged by IDBI AMC</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.

Since the current net – worth of the Company as on 31st March 2014 is Rs. 25,30,33,956.28 and Turnover of the Company as on 31st March 2014 is Rs. 20,71,93,407, 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.

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 continue with existing contract and enter into further contracts with the approval of ACB/Board as may be required and to authorize the Board of Directors with powers to enter into contracts upto 40% of Net worth and/or 40% of Turnover as applicable 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 to authorize MD & CEO to enter into

such contracts and arrangements with prior approval of the board upto a value not exceeding the 40% of the networth or 40% of annual Turnover.

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. 14 have been disclosed above

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

CIN: U65100MH2010PLC199319

Name of the company: IDBI ASSET MANAGEMENT LIMITED

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:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 4<sup>th</sup> Annual general meeting/ Extraordinary generalmeeting of the company, to be held on the 27th day of June 2014 At.2.00 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.

- 1 Adoption of Annual Accounts of the Company
- 2 To fix the Remuneration of the Statutory Auditors of the Company
- 3 To consider appointment of Shri Mukkur Srinivasan Raghavan as Director of the Company
- 4 To consider appointment of Shri Srinivasan Kothandaraman Vidyanathan as Director of the Company
- 5 To consider appointment of Shri Jayant Narayan Godbole as Independent Director of the Company upto 31<sup>st</sup> March 2019
- 6 To consider appointment of Dr. Yashwant Shankarrao Thorat as Independent Director of the Company upto 31<sup>st</sup> March 2019.
- 7 To consider appointment of Lt. Gen Mukesh Sabharwal (retd.) as Independent Director of the Company upto 31<sup>st</sup> March 2019.
- 8 To consider appointment of Shri Satyanarayan Ramdeo Baheti as Director and MD & CEO of the Company and to approve the remuneration payable to Shri S N Baheti.
- 9 To approve Alteration of Articles of Association
- 10 To approve increase in Authorised capital of the Company from Rs. 150 crore to Rs. 250 crore
11. To approve alteration of Clause VI of Memorandum of Association.
- 12 To approve alteration of Article 4 of the Articles of Association.
- 13 To approve authorizing the Board of Directors of the Company to issue equity shares of the Company by way of Private placement basis or by Further Issue of Shares
14. To approve the proposal to maintain statutory registers and returns together with the copies of certificates and documents required to be annexed thereto, Memorandum & Articles of Association, the Common Seal, books of account and other relevant books and papers and financial statement for every financial year and all other records, papers, documents, letter, agreements, contracts, notices etc at the Corporate Office of the Company
- 15 To approve the authority to the Board of Directors of the Company to enter into related party transactions upto certain limits.

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 48hours before the commencement of the Meeting.

**IDBI ASSET MANAGEMENT LIMITED**  
**CIN : U65100MH2010PLC199319**  
**Regd. Office : IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400 005.**

**ATTENDANCE SLIP**  
**(To be filled in and handed over at the entrance of the meeting hall)**

I hereby record my presence at the FOURTH ANNUAL GENERAL MEETING of the Company to be held 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 Friday, 27<sup>th</sup> day of June, 2014, at 2.00 P. M.

Full Name of the *Shareholder/Proxy (in Block Letters)	
Folio No. or Client/ DP ID No.:	
No. of Shares held.:	

\*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.

## **Directors Report**

The Directors take immense pleasure in presenting the Fourth Annual Report together with the Balance Sheet and Profit & Loss account of IDBI Asset Management Ltd (IAML) for the financial year 2013-14.

### **I. Business Environment**

FY14 was an eventful year, with significant volatility in the economy. The first half witnessed negativity driven by high deficits and strong exchange rate volatility while the second half witnessed improved business sentiments driven by a meaningful improvement in macroeconomic indicators, including exchange rates, and the expectations of a stable Government from the National Elections.

In early FY14, persistently high current account deficit resulted in a pressure on the rupee, taking it to a low of Rs. 67 to the dollar. In order to address this, the RBI imposed restrictions on overnight borrowing, raised the cost of borrowing for banks, in July, implying an effective rate hike of 200 bps and also raised the daily requirements in the CRR. As the trade deficit reached a record \$20 bn for the month of May '13, the RBI and the Government also imposed several restrictions on gold imports, one of the largest components of the import bill. As gold imports declined over the course of the year, the trade deficit data improved and helped the rupee recover.

Growth in the economy however remained weak. GDP growth for the year was 4.7%, the second consecutive year of sub-5% growth (FY13 GDP growth was 4.5%). The quarterly growth rates during the year were 4.6% in 4Q, 4.6% in 3Q, 5.2% in 2Q and 4.7% in 1Q. The IIP data also remained weak, recording a 0.1% contraction for the year, compared to a low 1.1% growth in FY13. The RBI raised the repo rate three times during the year due to persistently high inflation. The second half of the year FY14 saw renewed optimism and revived sentiments in the market/economy as participants began to expect a non fractured mandate from the National Elections. Expectations of a stable government at the Centre raised hopes that the 'policy paralysis' seen in the previous years would be reversed and the economy would be back on a fast growth trajectory.

FII inflows into equity remained strong, though lower than FY13, at about \$13.4 bn while FDI investments were also robust at \$24 bn. The RBI had announced a special concessional swap window for deposits by NRIs and overseas foreign currency borrowings by banks in order to stem the rupee's fall. This swap window saw an inflow of about \$34 bn into the banks during the year, also aiding the country's forex reserves to cross \$300 bn.



With a gradual rebound in its economy, the US commenced tapering its QE program by \$10 bn per month initially and increased it to \$30 bn by the end of the year. This took the asset purchase program to \$55 bn per month. Fears of the US tapering program however impacted emerging market currencies during the year. Japan, in the early part of the year, announced that it would expand its asset purchase program by \$1.4 trillion over two years, in order to pull the country out of its deflationary environment.

## **II. Mutual Fund Industry**

The mutual fund industry witnessed another year of growth with the Average Assets under Management (AAUM) crossing a new milestone of Rs. 9 lakh Crores during the FY. For the Jan – Mar 2014 quarter, the AAUM for the industry was around Rs. 905,000 Crores representing a growth of more than 10% over the same period in the previous financial year (being Rs. 8,16,000 crores). While the growth in AAUM was encouraging, the industry lost around 40 lakh folios from equity oriented schemes with investors exiting schemes as the equity market revival got underway. Infrastructure Debt Funds (IDFs) were launched by dedicated mutual fund - IDFs marking a foray into a new product category for the industry.

The industry took a significant step in transitioning from matrix level valuation to Security Level Valuation (SLV) for valuing debt and money market instruments. Under SLV, the industry will access prices of debt/Money Market securities from two independent external agencies, regardless of whether the security is traded or non-traded, thereby providing uniformity in security pricing across the industry.

SEBI has been taking various initiatives over the years to improve awareness and acceptability of mutual funds amongst individual investors. In this regard, SEBI has framed a Long Term Policy for Mutual Funds in India which includes several important aspects such as enhancing the reach of Mutual Fund products, promoting financial inclusion, tax treatment, obligation of various stakeholders, increasing transparency, etc. In order to promote financial inclusion, SEBI now requires all mutual funds to mandatorily make available printed literature on mutual funds in regional languages for investor awareness and education. Further, mutual funds are required to introduce investor education campaigns in regional languages in both print and electronic media. In order to protect interest of Unitholders, SEBI is also encouraging mutual funds to diligently exercise their voting rights and disclose the votes cast on mutual fund websites on a quarterly basis.

IDBI Mutual Fund believes that the above measures will benefit the industry in the long run and aid in its growth while improving acceptance of mutual fund products amongst investors.

### III. Overview

In the fourth year of operation, IDBI Mutual Fund has successfully launched IDBI Tax Saving Scheme (renamed as IDBI Equity Advantage Fund), an open ended scheme, IDBI Debt Opportunities Fund, An open ended income scheme and IDBI Diversified Equity Fund, An open ended growth scheme in addition to multiple fixed maturity plans. The average quarterly asset under management of the AMC has grown from Rs 3912.92 crores (as on March 31, 2013) to Rs. 5,928.67 crores by March 31, 2014. The AMC currently manages 7 debt schemes, 6 equity schemes, 1 gold ETF, 1 gold FOF and 13 fixed maturity plans.

### IV. Financials

During the year 2013-14, total income of IAML was Rs. 20.75 crore as compared to Rs. 14.67 crore during FY 2012-13.

The financial details of the company for the financial year 2013-14 are as follows.

(Rs in crores)		
PARTICULARS	2013 - 14	2012-13
Total Income	20.75	14.67
Profit/(Loss) before tax	(18.82)	(21.74)
Less : Deferred tax	1.70	(0.84)
Profit/(Loss) after taxes (PAT)	(20.52)	(20.90)
Balance Brought Forward from earlier Period	(65.06)	(44.15)
Amount available for Appropriation	Nil	Nil
Balance/(Loss) to be carried forward	(85.58)	(65.05)
Net worth	25.30	

### V. Transfer to Reserves & Dividend

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

### VI. Capital

During the year, the Company issued 2.5 crore equity shares of Rs. 10/- each for a consideration of Rs. 25 crores to IDBI Bank Ltd (CIN No L65190MH2004GOI148838) under section 81(1A) of the Companies Act 1956 on pari passu basis.

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

Your Company complies with the minimum net worth requirements of Rs. 10 Crore as prescribed by SEBI. The net worth of your Company for the year ended March 31, 2014 was Rs. 25.30 Crores.

## **VIII. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988**

In terms of the above rules issued by the Central Government the following information is furnished.

### **i) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

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

### **ii) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the Financial Year under review, the Company has not dealt in foreign exchange.

### **iii) FIXED DEPOSITS:**

During the year, the Company has not accepted any deposits from the public under Section 58-A of the Companies Act, 1956.

## **IX. BOARD OF DIRECTORS**

Your Company's Board of Directors is broad-based and its constitution is governed by the provisions of the SEBI (MF) Regulations 1996 as amended from time to time, the Companies Act 1956 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.

As on March 31, 2014, the Board comprised six Directors, including the Chairman, Managing Director & CEO (MD & CEO) of IDBI AML, One Associate Director and three Independent Directors. No Director, KMP or its relatives are related to any other Director/KMP on the Board.

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

<b>S No</b>	<b>Name of the Director</b>	<b>Particulars</b>	<b>Appointed</b>	<b>Resigned</b>
1	Shri R M Malla	Chairman & Director	23/02/2011	31/05/2013
2	Shri M S Raghavan	Chairman & Director	12/07/2013	NA
3	Shri R K Bansal	Director	30/03/2010	13/08/2013
4	Shri S K V Srinivasan	Additional Director	23/08/2013	NA
5	Shri J N Godbole	Director	09/11/2010	NA
6	Dr. Y S P Thorat	Director	29/04/2011	NA
7	Shri D Mallick	MD&CEO	29/04/2011	NA
8	Lt. Gen. Mukesh Sabharwal	Director	15/11/2011	NA

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. However, these provisions of the Act are effective from 01st April 2014. Your Company complies with the composition requirements with respect to Board of Directors and Committees.

The Board of Directors had by way of circular resolution appointed Shri M S Raghavan as Additional Director w.e.f. 12/07/2013 and Shri S K V Srinivasan w.e.f. 23/08/2013. Shri M S Raghavan accordingly, took over as the Chairman of the Company with effect from 12th July 2013. Both Directors being eligible offers themselves for re-appointment. Shri M S Raghavan, Director and Shri S K V Srinivasan, Director holds office up to the date of the forthcoming Annual General Meeting of the Company and are eligible for reappointment. The Board of Directors of your Company are of the opinion that their continued association with the Board will be beneficial to the Company and recommend their re-election.

Impending notification of Section 149 and other and applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri J N Godbole, Dr. Y S P Thorat who were liable to retire by rotation, as per Companies Act 1956 and Lt. Gen Mukesh Sabharwal (Retd.) as Independent Directors for a term upto 31<sup>st</sup> March 2019. Details of the proposal for appointment of Shri J N Godbole, Dr. Y S P Thorat and Lt. Gen Mukesh Sabharwal (Retd.) are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 4<sup>th</sup> Annual General Meeting.

## **IX BOARD MEETINGS:**

Five board meetings were held during the financial year ending 31<sup>st</sup> March 2014 under review – 15.04.2013, 25.06.2013, 28.08.2013, 22.10.2013 and 17.02.2014.

The attendance of each director at the meetings of the Board of Directors is as under:

Number of Board Meetings Attended by Directors

Sl. No.	Name of the Director	No. of Meetings held	No. attended
1.	Shri R M Malla	5	1
2.	Shri M S Raghavan	5	2
3.	Shri R K Bansal	5	2
4.	Shri S K V Srinivasan	5	3
5.	Shri J N Godbole	5	5
6.	Dr. Y S P Thorat	5	4
7.	Shri D Mallick	5	5
8.	Lt. Gen. Mukesh Sabharwal (Retd.)	5	5

## **X. AUDIT COMMITTEE OF THE BOARD:**

The Committee reviews the performance of the Company at regular intervals, various audit reports including internal, CAG and Statutory Auditors placed before them from time to time. An Independent Director chairs the Audit Committee and the Committee comprises of Independent Directors only . The Committee met five times during the year.

## **XI. 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 2013-14.

## **XII. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.**

The Directors hereby confirm:

(i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) that reasonable and prudent accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made 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 or loss of the company for that period;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) that the annual accounts have been prepared on a going concern basis.

## **XIII. PERSONNEL**

During the year, Shri Mahesh Kumar C M (Company Secretary) resigned and was relieved w.e.f. 30<sup>th</sup> April 2013. The Directors place on record their appreciation of dedicated work put by Shri Mahesh Kumar C M during his tenure as Company Secretary and Compliance officer of the Company. Shri Manesh G Jiandani, Deputed by IDBI Bank Limited was appointed as Company Secretary w.e.f. 01<sup>st</sup> May 2013. Shri A. Jayadevan was elevated as Compliance officer of the Company w.e.f. 01<sup>st</sup> May 2013. During the year, 14 employees left the organization for better prospects and 17 were recruited for various departments. All other employees remained cordial to the organization during the year. The Directors place on record their appreciation of the dedicated work put in by all the employees.

## **XIV. PARTICULARS OF EMPLOYEES**

As per Notification No. GSR 289(E) dated 31st March, 2011 issued by the Ministry of Corporate Affairs, amending the provisions of the Companies (Particulars of Employees) Rules, 1975 issued in terms of section 217(2A) of the Companies Act, 1956, it is not necessary for Government Companies to include the particulars of employees drawing salaries of Rs. 60 lakhs or more per annum, employed throughout the financial year or, Rs. 5 lakhs per month, if employed for part of the financial year. As your company is a Government Company and none of the employee is drawing salary above the aforementioned limit, the information has not been included as a part of the Directors' Report.

## **XV. AUDITORS**

The Comptroller and Auditor General of India (C&AG), New Delhi appointed M/s. L U Krishnan & Co as the Statutory Auditors of the Company, who will retire at the conclusion of the Annual General Meeting.

Under Section 224(8)(aa) of the Companies Act, 1956, the remuneration of Auditors appointed under Section 619 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 will include an item pertaining to remuneration of the Auditors for the year 2014-15.

**XVI. C & AG Comments**

Based on the audit conducted by C & AG, the Comptroller and Auditor General of India (C&AG) has issued "Nil" Comments in terms of section 619(4) of the Companies Act, 1956

**XVII. CORPORATE SOCIAL RESPONSIBILITY(CSR)**

Due to losses incurred by the Company during the year, the Provisions of CSR are not applicable to the Company.

**XVIII. 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

s/d-

Mr. S N Baheti  
MD&CEO

s/d-

Mr. M S Raghavan  
CHAIRMAN

Mumbai  
Dated:27/06/2014



सत्यमेव जयते

भारतीय लेखा तथा लेखापरीक्षा विभाग  
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा पदेन सदस्य, लेखापरीक्षा बोर्ड - I, मुम्बई  
INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-I, MUMBAI  
Confidential

No. GA/Gr.III/A/cs/ IDBI AMC /2013-14/ 52

23/05/2014

The Managing Director and Chief Executive Officer,  
IDBI Asset Management Limited  
5th Floor, Mafatlal Centre,  
Nariman Point,  
Mumbai - 400 021

**Sub: Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of IDBI Asset Management Limited for the year ended 31 March 2014**

Sir,

Please find enclosed the comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of IDBI Asset Management Limited for the year ended 31 March 2014. The comments may be placed next to the Statutory Auditors' report with a proper indication in the list of contents in the printed Annual Report.

A copy of the proceedings of the Annual General Meeting (AGM) adopting the certified accounts, Statutory Auditors' report and comments of the Comptroller and Auditor General of India may be forwarded to this office immediately after conclusion of the AGM. You are requested to forward ten copies of Printed Annual Report only as this office needs Printed Annual Report only and not Photocopy.

Receipt of this letter and the enclosures may please be acknowledged.

Yours faithfully,

(Y. N. Thakare)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board-I, Mumbai

Encl. : As above



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

The Preparation of financial statements of IDBI Asset Management Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 09 April 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of IDBI Asset Management Company Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to the inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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



(Y. N. Thakare)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai  
Date : 23 May 2014



## INDEPENDENT AUDITOR'S REPORT

To the Members of IDBI Asset Management Limited

### Report on the Financial Statements

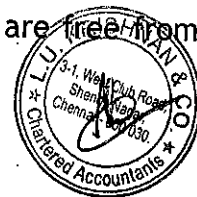
We have audited the accompanying financial statements of IDBI Asset Management Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books .
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) As per the Notification No. G.S.R 829(E) dated 21.10.2003, issued under section 620(1) of the Companies Act 1956, clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable to government companies.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For L.U.Krishnan & Co  
Chartered Accountants  
Firm's Registration Number-0015275



*Manoj*

(P.K.Manoj)  
(Partner)

Membership Number: 207550

Place: Mumbai

Date: 9 April 2014.

- vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- viii) The Central Government has not prescribed for the company the maintenance of cost records under section 209(i)(d) of the Companies Act, 1956 for any of the services rendered by the company. Accordingly, para 4(viii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- ix) (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, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount is payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were outstanding as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- x) This is the Fourth year of operations and accordingly, para 4(x) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xi) The company did not have any outstanding dues to any financial institutions, banks or debenture holders during the year. Accordingly, para 4(xi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, para 4(xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, the company is not a Chit Fund, Nidhi or Mutual benefit trust/society. Accordingly, para 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xiv) In our opinion and based on information and explanation given to us, the company has been dealing in mutual fund units during the year and proper records have been maintained of the transaction and timely entries have been



made therein. These investments have been held by the Company in its own name.

- xv) According to the information and explanations given to us, the company has not given any guarantee in respect of loans taken by others from banks and financial institutions. Accordingly, para 4(xv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xvi) The Company did not have any term loans outstanding during the year. Accordingly, para 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that prima facie no funds raised on short term basis have been utilized for any long term investment.
- xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, para 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xix) The company do not have any outstanding debentures. Accordingly, para 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xx) The company has not raised any money from public issues during the year. Accordingly, para 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For L.U.Krishnan & Co  
Chartered Accountants  
Firm's Registration Number-0015275



*Manoj*

(P.K.Manoj)  
(Partner)

Membership Number: 207550

Place: Mumbai  
Date: 9 April 2014.

# IDBI ASSET MANAGEMENT LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2014

Amount in Rupees

	Particulars	Note	31 March' 2014	31 March' 2013
I.	<u>EQUITY AND LIABILITIES</u>			
1	Shareholders' funds			
	(a) Share capital	1	1,150,000,000	900,000,000
	(b) Reserves and surplus	2	(855,846,140)	(650,587,659)
2	Non-current liabilities			
	(a) Deferred tax liabilities (Net)		10,826,246	-
	(b) Long-term provisions	3	3,980,290	4,116,552
3	Current liabilities			
	(a) Trade payables		63,743,758	46,292,638
	(b) Other current liabilities	4	2,725,482	2,505,397
	(c) Short-term provisions	5	3,158,935	5,297,854
	<b>Total</b>		<b>378,588,571</b>	<b>307,624,781</b>
II.	<u>ASSETS</u>			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	6	8,799,748	11,010,470
	(ii) Intangible assets	7	6,221,184	7,489,815
	(b) Deferred tax Asset (Net)		-	6,189,359
	(c) Other non-current assets	8	17,187,510	12,971,031
2	Current assets			
	(a) Current investments	9	267,960,145	198,554,353
	(b) Trade receivables	10	9,680,712	3,650,018
	(c) Cash and Bank Balances	11	801,053	495,856
	(d) Short-term loans and advances	12	2,095,603	3,107,982
	(e) Other current assets	13	65,842,617	64,155,898
	<b>Total</b>		<b>378,588,571</b>	<b>307,624,781</b>
	Significant accounting policies and other notes	19		

# IDBI ASSET MANAGEMENT LIMITED

## Profit and Loss Statement for the period ended 31 March 2014

Amount in Rupees

Particulars	Note	31 March' 2014	31 March' 2013
<b>I. Income</b>			
(a) Revenue from operations	14	188,030,750	137,210,316
(b) Other income	15	19,462,444	9,446,429
<b>Total Revenue (a + b)</b>		<b>207,493,194</b>	<b>146,656,745</b>
<b>II. Expenses</b>			
(a) Employee benefits expense	16	150,883,823	139,237,562
(b) Depreciation and amortization expense	17	8,504,793	14,148,230
(c) Other expenses	18	236,347,454	210,725,075
<b>Total expenses(a+b+c)</b>		<b>395,736,070</b>	<b>364,110,867</b>
<b>III Loss before tax (I- II)</b>		<b>(188,242,876)</b>	<b>(217,454,122)</b>
<b>IV Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		17,015,605	(8,418,862)
<b>V Loss for the year (III-IV)</b>		<b>(205,258,481)</b>	<b>(209,035,260)</b>
<b>VI Earnings per equity share:</b>			
(1) Basic		(2.03)	(2.73)
(2) Diluted		(2.03)	(2.73)
Significant accounting policies and other notes	19		



# IDBI ASSET MANAGEMENT LIMITED

## NOTES FORMING PART OF THE BALANCE SHEET

	Amount in Rupees	
	31 March' 2014	31 March' 2013
<b>Authorised</b>		
150,000,000 Equity Shares of Rs. 10 each(100,000,000 Equity shares of Rs.10 each)	1,500,000,000	1,000,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
115,000,000 Equity Shares of Rs. 10 each(90,000,000 Equity shares of Rs.10 each)	1,150,000,000	900,000,000
<b>Total</b>	<b>1,150,000,000</b>	<b>900,000,000</b>

### Reconciliation of number of shares outstanding

	Nos. of Shares	
	31 March' 2014	31 March' 2013
Shares outstanding at the beginning of the year	90,000,000	75,000,000
Shares Issued during the year	25,000,000	15,000,000
Shares brought back during the year	-	-
Shares outstanding at the end of the year	<b>115,000,000</b>	<b>90,000,000</b>

### Details of Shareholdings

Name of Shareholder	31 March' 2014		31 March' 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IDBI Bank Limited ( Holding Company) and its Nominees	75,000,000	65.22	50,000,000	55.56
IDBI Capital Market Services Limited	40,000,000	34.78	40,000,000	44.44
<b>Total</b>	<b>115,000,000</b>	<b>100.00</b>	<b>90,000,000</b>	<b>100.00</b>

### Note 2: Reserves and surplus

	Amount in Rupees	
	31 March' 2014	31 March' 2013
<b>Surplus</b>		
Opening balance	(650,587,659)	(441,552,399)
(+) Loss For the current year	(205,258,481)	(209,035,260)
Closing Balance	<b>(855,846,140)</b>	<b>(650,587,659)</b>

### Note 3: Long-term provisions

	Amount in Rupees	
	31 March' 2014	31 March' 2013
<b>Provision for employee benefits</b>		
(a) Leave Encashment (Unfunded)	5,056,877	5,662,001
Less: Amount treated as Current liability	(1,076,587)	(1,545,449)
<b>Total (a)+(b)</b>	<b>3,980,290</b>	<b>4,116,552</b>

### Note 4: Other current liabilities

	Amount in Rupees	
	31 March' 2014	31 March' 2013
(a) TDS payable	2,703,851	2,262,325
(b) Service Tax Payable	-	218,212
(c) Professional Tax Payable	21,631	24,860
<b>Total</b>	<b>2,725,482</b>	<b>2,505,397</b>

### Note 5: Short-term provisions

	Amount in Rupees	
	31 March' 2014	31 March' 2013
<b>Provision for employee benefits</b>		
Contribution to PF	1,085,916	961,547
Gratuity (Funded)	996,432	2,790,858
Leave Encashment	1,076,587	1,545,449
<b>Total</b>	<b>3,158,935</b>	<b>5,297,854</b>



**Note 6: Tangible assets - Attached Separately****Note 7: Intangible assets - Attached Separately****Note 8: Other non-current assets**

	Amount in Rupees	
	31 March' 2014	31 March' 2013
Deferred Revenue Expenditure	41,119,903	32,802,385
Less: Amount treated in other current assets	(23,932,393)	(19,831,354)
<b>Total</b>	<b>17,187,510</b>	<b>12,971,031</b>

**Note 9: Current investments**

	31 March' 2014		31 March' 2013	
	Units	Amount	Units	Amount
<b>Investment in IDBI Mutual Fund - Quoted (Valued at lower of cost or market value)</b>				
(i) IDBI Liquid Fund - Daily Dividend	102,855	102,960,145	2,205	2,205,163
(ii) IDBI Ultra Short Term Bond Fund - Daily Dividend	-	-	126,241	126,349,190
(iii) IDBI FMP-Series IV-90 Days(February 2014)-D Direct Plan-Growth	5,000,000	50,000,000	-	-
(iv) IDBI FMP- 385 Days Series- III ( March 2013)- B- Dividend	1,500,000	15,000,000	-	-
(v) IDBI FMP-Series IV-387 Days(March 2014)-G Direct Plan-Growth	2,000,000	20,000,000	-	-
(vi) IDBI FMP-Series IV-91 Days(March 2014)-H Direct Plan-Growth	3,000,000	30,000,000	-	-
(vii) IDBI FMP - Series III-366 days (Sept 2013)-M - Direct Plan-Growth	5,000,000	50,000,000	-	-
(viii) IDBI FMP - 380 Days Series - II ( March 2011) - E - Dividend	-	-	2,500,000	25,000,000
(ix) IDBI FMP - 367 Days Series - III ( February 2013) - A - Growth	-	-	3,000,000	30,000,000
(x) IDBI FMP- 385 Days Series- III ( March 2013)- B- Dividend	-	-	1,500,000	15,000,000
<b>Total</b>		<b>267,960,145</b>		<b>198,554,353</b>
Aggregate amount of quoted investments		<b>267,960,145</b>		<b>198,554,353</b>
Market value /NAV of quoted investments		<b>272,223,044</b>		<b>201,684,488</b>
Aggregate provision made for diminution in value of Investments		-		-

**Note 10: Trade receivables**

	Amount in Rupees	
	31 March' 2014	31 March' 2013
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	9,680,712	3,650,018
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
<b>Total</b>	<b>9,680,712</b>	<b>3,650,018</b>

**Note 11: Cash and Bank Balances**

	Amount in Rupees	
	31 March' 2014	31 March' 2013
Cash and cash equivalents		
(a) Balances with banks	796,339	495,243
(b) Cash on hand	4,714	613
<b>Total</b>	<b>801,053</b>	<b>495,856</b>

**Note 12: Short-term loans and advances**

	Amount in Rupees	
	31 March' 2014	31 March' 2013
Unsecured, considered good		
Staff advance	1,701,914	1,345,706
Advance to vendors	393,689	1,762,276
<b>Total</b>	<b>2,095,603</b>	<b>3,107,982</b>

**Note 13: Other current assets**

	Amount in Rupees	
	31 March' 2014	31 March' 2013
Scheme Expenses Receivable	-	3,100,216
Deposits - Others	173,905	173,999
Service Tax-Input Credit	1,878,296	7,331,667
Tax deducted at source	21,400,099	15,587,632
IT Refund Due	15,646,557	13,494,338
Prepaid expense	2,595,371	2,917,038
Current Asset portion of Deferred Revenue Expenditure	23,932,393	19,831,354
Other Receivables	215,996	1,719,653
<b>Total</b>	<b>65,842,617</b>	<b>64,155,896</b>

**IDBI ASSET MANAGEMENT LIMITED**  
**NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

**Note 14: Revenue from operations**

Amount in Rupees

	31 March' 2014	31 March' 2013
Sale of services	188,030,750	137,210,316
<b>Total</b>	<b>188,030,750</b>	<b>137,210,316</b>

**Note 15: Other income**

Amount in Rupees

	31 March' 2014	31 March' 2013
Interest Income	990,833	378,953
Dividend Income	7,274,960	8,351,134
Net gain/loss on sale of investments	11,185,526	172,034
Profit on Sale of Fixed Assets	11,125	-
Other non-operating income (net of expenses directly attributable to such income)	-	44,308
Provision for depreciation no longer required written back	-	500,000
<b>Total</b>	<b>19,462,444</b>	<b>9,446,429</b>

**Note 16: Employee benefits expense**

Amount in Rupees

	31 March' 2014	31 March' 2013
(a) Salaries and incentives	135,242,562	122,337,936
(b) Contributions to -		
(i) Provident fund	6,692,835	5,987,771
(ii) Gratuity fund	2,023,934	2,637,593
(b) Staff welfare expenses	5,842,709	5,508,661
(c) Staff Training Expenses	261,839	234,640
(d) Leave Encashment	819,943	2,530,961
<b>Total</b>	<b>150,883,823</b>	<b>139,237,562</b>

**Note 17: Depreciation and amortization expense**

Amount in Rupees

	31 March' 2014	31 March' 2013
(a) Tangible assets	4,538,283	9,501,806
(b) Intangible assets	3,966,510	4,646,424
<b>Total</b>	<b>8,504,793</b>	<b>14,148,230</b>

**Note 18: Other expenses**

Amount in Rupees

	31 March' 2014	31 March' 2013
Office Rent	16,881,883	19,599,696
House-keeping, Maintenance & Others	6,847,520	5,377,912
Electricity & Water	3,798,639	3,034,046
Telephone expenses	3,394,585	2,766,049
IT & Networking Expenses	18,321,400	14,074,247
Professional & Consultancy Fees	2,844,554	2,275,354
Printing & Stationery	1,318,119	1,624,260
Courier & Postage	4,073,369	3,387,083
Local Conveyance	4,079,005	4,074,367
Bank Charges	418	4,539
Rates & Taxes	4,008,838	305,025
Travel & Halting Expenses	7,109,185	7,023,849

Note 18 Contd.

Amount in Rupees

Subscriptions	8,988,789	9,813,840
Membership & Subscriptions to AMFI/SEBI	2,700,000	2,554,438
Director Sitting Fees	310,000	325,000
Repairs & Maintenance	1,551,286	1,614,228
Loss on Sale of Assets	-	156,259
Audit fees	295,000	265,000
Miscellaneous expenses	754,821	885,072
Advertisement Expenses	5,686,554	11,643,589
Business Promotion expenses	206,695	1,103,769
Conference & Seminars	3,141,433	4,949,437
Printing Material	4,586,588	5,225,693
Entertainment Expenses	2,742,502	2,482,924
Distributors' Brokerage	46,205,979	68,036,094
Distributors' Incentives/Fees	6,446,907	938,721
Register & Transfer agent and other expenses	3,358,456	1,025,323
Other Sales & Distribution Costs	1,042,828	1,044,765
Out Bound Sales Expenses	6,160,020	8,879,720
Scheme Related Expenses (Refer Note 2.14)	69,492,084	26,234,780
<b>Total</b>	<b>236,347,454</b>	<b>210,725,078</b>

**IDBI ASSET MANAGEMENT LIMITED**  
NOTES FORMING PART OF THE BALANCE SHEET

Note 6 : Tangible assets

	Gross Block				Accumulated Depreciation			Net Block	
	31 March' 2013	Additions	Disposals	31 March' 2014	31 March' 2013	Depreciation charge for the year	On disposals	31 March' 2014	31 March 2013
<b>Tangible Assets</b>									
(a) Furniture and Fixtures	4,787,873	47,868	-	4,835,741	831,697	407,052	-	1,238,748	3,956,176
(b) Communication Equipment	1,024,467	725,442	39,950	1,709,959	578,634	289,672	29,100	839,191	445,833
(c) Office equipment	3,924,942	198,672	-	4,123,614	874,189	419,730	-	1,293,919	3,050,753
(d) Computer Hardware	25,659,642	1,366,427	-	27,026,069	22,101,949	3,421,820	-	25,523,770	3,557,693
<b>Total</b>	<b>35,396,924</b>	<b>2,338,409</b>	<b>39,950</b>	<b>37,695,383</b>	<b>24,386,469</b>	<b>4,538,274</b>	<b>29,100</b>	<b>28,895,628</b>	<b>11,010,454</b>
Previous year	35,135,529	590,295	328,901	35,396,923	15,012,190	9,501,806	127,542	24,386,455	20,123,340

Note 7 : Intangible assets

	Gross Block				Accumulated Depreciation			Net Block	
	31 March' 2013	Additions	Disposals	31 March' 2014	31 March' 2013	Depreciation charge for the year	On disposals	31 March' 2014	31 March 2013
<b>Intangible Assets</b>									
(a) Computer software	20,896,008	2,697,879	-	23,593,887	13,406,194	3,966,510	-	17,372,704	7,489,815
<b>Total</b>	<b>20,896,008</b>	<b>2,697,879</b>	<b>-</b>	<b>23,593,887</b>	<b>13,406,194</b>	<b>3,966,510</b>	<b>-</b>	<b>17,372,704</b>	<b>7,489,815</b>
Previous year	20,696,682	1,449,326	1,250,000	20,896,008	9,259,770	4,646,424	500,000	13,406,194	11,436,912

# IDBI ASSET MANAGEMENT LIMITED

## Cash Flow Statement for the period ended 31st March 2014

Amount in Rupees

Particulars	31 March' 2014	31 March' 2013
<b>(A) Cash Flow from Operating Activities :</b>		
Loss for the year	(188,242,876)	(217,454,122)
Add: Adjustments		
Loss on sale of Assets	(11,125)	156,259
Depreciation & amortisation	8,504,793	14,148,230
Provision for depreciation no longer required written back	-	(500,000)
Interest on Income Tax refund	(990,833)	(378,953)
Dividend Income	(7,274,960)	(8,351,134)
Other Income	-	(44,308)
Net gain on sale of investments	(11,185,526)	(172,034)
Operating Loss before Working Capital changes	<b>(199,200,527)</b>	<b>(212,596,061)</b>
(Increase)/ Decrease Trade receivables	(6,030,694)	4,426,991
(Increase)/ Decrease Short-term loans and advances	1,012,379	1,723,937
(Increase) / Decrease in other non current asset	(4,216,479)	3,738,802
(Increase)/ Decrease in Other current assets	11,758,844	(1,252,977)
Increase/ (Decrease) Long-term provisions	(136,262)	1,597,960
Increase/ (Decrease) Trade payables	17,451,121	7,701,572
Increase/ (Decrease) Other current liabilities	220,086	76,736
Increase/ (Decrease) Short-term provisions	(2,138,919)	(83,886)
Net change in working capital	<b>17,920,076</b>	<b>17,929,134</b>
Taxes refund and Interest thereon	<b>(12,454,735)</b>	-
<b>Net Cash used in Operating activities (A)</b>	<b>(193,735,186)</b>	<b>(194,666,927)</b>
<b>(B) Cash Flow from Investing activities</b>		
Purchase of Fixed Assets	(5,036,288)	(2,039,621)
(Increase) /Decrease in current investment	(69,405,791)	(61,973,168)
Sale of Fixed Assets	21,975	45,100
Net gain on sale of investments	11,185,526	172,034
Other Income	-	44,308
Dividend Income	7,274,960	8,351,134
Interest Income	-	378,953
<b>Net Cash (used) / Received in Investing Activities (B)</b>	<b>(55,959,618)</b>	<b>(55,021,260)</b>
<b>(C) Cash Flow from Financial activities</b>		
Increase in Share Capital	250,000,000	150,000,000
<b>Net Cash (used) / Received in Financial Activities (C)</b>	<b>250,000,000</b>	<b>150,000,000</b>
<b>Net increase in Cash &amp; Cash Equivalents for the year (A+B+C)</b>	<b>305,197</b>	<b>(99,688,187)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the period</b>	<b>495,856</b>	<b>100,184,044</b>
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>801,053</b>	<b>495,856</b>