

SBICAP TRUSTEE COMPANY LIMITED

Directors' Report for the year 2010-2011

To,
The Members,

Your Directors have pleasure in presenting the 6th **Annual Report** and the Audited Accounts of SBICAP Trustee Company Limited for the year ended 31st March 2011.

I. Operations

Your Directors take pleasure in submitting this report for the Company and state that your Company has recorded an impressive performance for the Financial Year ended March 31, 2011.

Presently, the Company is undertaking various Corporate Trusteeship activities viz. Security Trusteeship, Security Agent and Safe Custody of Documents, Debenture/Bond Trusteeship, Escrow Agent, Escrow Trusteeship, Share Pledge Trusteeship, etc.

It also proposes to undertake various other activities like Role of Facility Agent, Venture Capital Trusteeship, Wealth Management, SPV Management, Securitization, Agent for Non Disposal Undertaking cum Power of Attorney etc.

II. Financial Results

	(Rs.in lakh)	
Year ended March 31	2011	2010
Operating Result		
Gross Income:		
a) Fee based – Trustee Remuneration Fees	805.38	371.80
b) Other Income	<u>25.86</u>	<u>6.44</u>
Total	831.24	378.24
Profit before Depreciation and Tax	663.76	296.86
Depreciation	3.70	1.15



Profit before Tax	660.06	295.71
Profit after Tax	442.57	194.30
Financial Position		
Equity Share Capital	5.00	5.00
Reserves and Surplus	636.74	200.00
Other Selected Data		
Net Worth	641.74	205.00
Earning per Share (Rs.)	885.13	388.61
Return on Equity	68.96%	94.78%
Dividend per Share (Rs.)	10.00	10.00
Book Value per Share (Rs.)	1283.48	410.01

During the year, the gross income registered an impressive growth of 119.77%.

The Company has earned net profit (after tax) of Rs.442.57 lakh as at 31.03.2011, as against the net profit (after tax) of Rs.194.30 lakh during the previous year ended 31.03.2010, showing a growth of 127.78%.

III. Outlook for the Current Year

Your directors are confident that the Indian as well as the Global economy will show a significant growth during the current year, and the Company is well positioned to reap the benefits of these developments and to show an even better performance during the current year.

IV. Dividend & Transfer To General Reserve

Out of the current year's profits, the Directors propose that a sum of Rs.44.26 lakh be transferred to the General Reserve. The Company is pleased to recommend a dividend @ 100% (i.e. Rs.10/- per share) for the Financial Year 2010 -2011, subject to approval by the members.



Total outgo on this count will work out to Rs.5.83 lakh, including Dividend Distribution Tax.

Statutory Disclosures:

V. Deposits

The Company has not accepted any deposits from the Public, during the year under review.

VI. Directors

During the year under review, there is no change in the composition of Board of Directors of the Company.

Shri Rajeev Krishnan, Director, retires by rotation at the 6th Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

VII. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;*
- (ii) appropriate accounting policies have been selected and applied consistently, and the judgements and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2011 and of the profit or loss of the Company for the period ended 31st March, 2011;*
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of*



- the Companies Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;*
- (iv) *the annual accounts have been prepared on a going concern basis.*

The Directors also wish to draw attention of the Shareholders to the Report of the Auditors to the Shareholders issued by M/s Khandelwal Jain & Co., Statutory Auditors, on the Company's financial accounts for the year ended March 31, 2011.

VIII. Auditors

M/s Khandelwal Jain & Co., Chartered Accountants and Statutory Auditors of the Company, retire at the conclusion of the Sixth Annual General Meeting of the Company.

The Board of Directors at their 22nd Meeting held on 08th April 2011, have recommended for re-appointment of M/s Khandelwal Jain & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the Sixth Annual General Meeting until the conclusion of the Seventh Annual General Meeting of the Company. The Company has received a Certificate from M/s Khandelwal Jain & Co. to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

IX. Companies (Disclosures 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:-

Conservation of Energy and Technology Absorption

Not applicable, since the Company is not engaged in manufacturing activities.

Foreign Exchange Earnings and Outgo



During the period under review, the Company has not earned any foreign exchange.

X. Particulars of Employees

None of the employees of STCL was in receipt of remuneration of Rs.5,00,000/- or more per month during the previous year and hence no employee was covered under the provisions of Section 217(2A) of the Companies Act, read with Companies (Particulars of Employees) Rules, 1975.

XI. Acknowledgement

The Board is grateful to the State Bank of India and the SBICAP family for providing significant support in the operations of the Company. The Board also records its appreciation of the significant contribution made by all staff members of the Company, in achieving an impressive business performance.

For and on behalf of the Board of Directors


Supratim Sarkar
Director


Sunit Joshi
Director


Rajeev Krishnan
Director

Place: Mumbai

Date: April 08, 2011



Annexure

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND COMPANIES (Particulars of Government Companies and companies) RULES, 1975

Name	Designation/ Nature of Duties	Remuneration (Rs.)	Qualifications & Experience	Date of commencement of employment	Age	Last Employment held, Designation
(A) Employed throughout the year and are in receipt of remuneration aggregating not less than Rs. 60,00,000/- per annum						
		NIL				



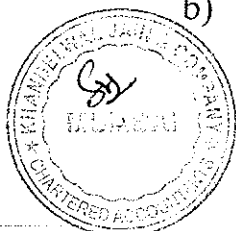
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AUDITORS' REPORT

To,
The Members,
SBICAP TRUSTEE COMPANY LIMITED

1. We have audited the attached Balance Sheet of **SBICAP TRUSTEE COMPANY LIMITED** as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.
4. Further to our Comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



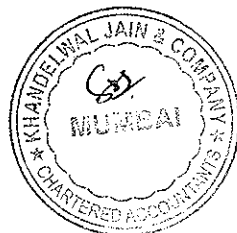
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- c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- e) based on written representations received from the Directors of the Company and taken on record by the Board of Directors and according to the information and explanation given to us, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **KHANDELWAL JAIN & CO.**
Firm Registration No.: 105049-W
Chartered Accountants,

S.S.H.

(S. S. SHAH)
PARTNER
Membership No.33632



Place : Mumbai

Date : 18 APR 2011

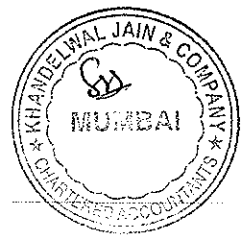
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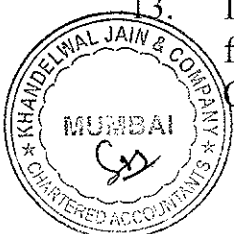
ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date to the Members of SBICAP TRUSTEE COMPANY LIMITED on the accounts for the year ended March 31, 2011.)

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, physical verification of fixed assets was conducted by the management. We have been informed that no material discrepancies were noticed on such physical verification.
(c) No substantial part of fixed assets of the Company has been disposed off during the year, and the going concern status of the Company is not affected.
2. The Company's nature of operations do not require it to hold inventories. Accordingly, clauses (ii) (a) to (ii) (c) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 ('the Order') are not applicable to the Company.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. •
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and also for rendering of services. We have not observed any continuing failure to correct major weakness in the internal control system during the course of our audit.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.

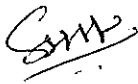


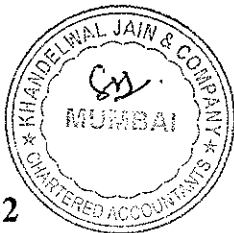
6. According to the information and explanations given to us, the Company has not accepted any deposits during the period from the public within the meaning of the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder.
7. As the Paid up capital and Reserves of the Company do not exceed Rs. 50 Lacs as at the commencement of financial year and average turnover of the company for a period of three consecutive financial years immediately preceding the financial year concerned do not exceeds Rs. 5 Crore , clauses (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 ('the Order') relating to internal audit system is not applicable to the Company. However, the Company has appointed Internal Auditors for the year and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the activities of the Company.
9. (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, there were no undisputed statutory dues payable including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and any other statutory dues wherever applicable.
(b) According to the information and explanation given to us, there were no dues in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
10. As the Company has not completed five years from the date of its registration, paragraph 4(x) of the Order with regard to reporting on accumulated losses and accumulated cash losses is not applicable.
11. The Company has not taken any loan from banks or financial institutions and the Company has not issued any debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.



14. The Company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the year.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that, the company has not raised funds on short term basis during the year and hence the question of utilization does not arise.
18. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures during the year covered by our report.
20. During the year covered by our report, the Company has not raised any money by way of public issue.
21. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on the Company or by the Company has been noticed or reported during the year.

For KHANDELWAL JAIN & CO.
Firm Registration No.: 105049-W
Chartered Accountants,


(S. S. SHAH)
PARTNER
Membership No.33632



Place : Mumbai

Date : 7/8/2011

SBICAP TRUSTEE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE		AS AT 31.03.2011 (Amount in Rs)		AS AT 31.03.2010 (Amount in Rs)
SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	1		500,000		500,000
b) Reserves and Surplus	2		63,674,167		20,000,511
2. Deferred Tax Liability			-		32,146
			64,174,167		20,532,657
APPLICATION OF FUNDS					
1) Fixed Assets	3				
Gross Block		1,748,188		627,160	
Less : Depreciation		497,135	1,251,053	126,968	500,192
2. Deferred Tax Assets			218,779		-
3) Current Assets, Loans and Advances	4				
Sundry Debtors		8,587,620		6,142,171	
Cash and Bank Balances		60,690,058		18,053,024	
Other Current Assets		889,456		547,460	
Loans & Advances		7,409,775		1,116,223	
Total (A)		77,576,909		25,858,878	
Less : Current Liabilities & Provisions	5				
Current Liabilities		14,289,530		5,241,438	
Provisions		583,044		584,975	
Total (B)		14,872,574		5,826,413	
Net Current Assets (A - B)			62,704,335		20,032,465
			64,174,167		20,532,657

Accounting Policies & Notes to Accounts : Schedule '9'
SCHEDULES REFERRED TO ABOVE AND NOTES ATTACHED
FORM AN INTEGRAL PART OF THE ACCOUNTS

For and on behalf of the Board of Directors

As per our report of even date
For and on behalf of
KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS

(Signature)

(S.S SHAH)
PARTNER
Membership No.: 33632
PLACE : MUMBAI
DATE: April 08, 2011



(Signature)
Supratim Sarkar
Director

(Signature)
Sunit Joshi
Director

(Signature)
Rajeev Krishnan
Director



SBICAP TRUSTEE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2011 (Amount in Rs)	FOR THE YEAR ENDED 31.03.2010 (Amount in Rs)
INCOME			
Acceptance Fees		26,330,000	13,626,966
Service Charges		54,208,337	23,553,012
Other Income	6	2,585,764	644,405
TOTAL		83,124,101	37,824,383
EXPENDITURE			
Payments to and Provision for Employees	7	9,938,293	7,079,033
Administrative & Operating Expenses	8	6,809,866	1,059,659
Depreciation	3	370,167	114,752
TOTAL		17,118,326	8,253,444
Profit before Tax		66,005,775	29,570,939
Less: Provision for Income Tax			
- Current Tax		22,000,000	10,100,000
- Deferred Tax		(250,925)	40,293
Profit after Tax		44,256,700	19,430,646
Transfer to General Reserve		4,425,670	1,943,065
Proposed Dividend		500,000	500,000
Tax on Proposed Dividend		83,044	84,975
Balance brought forward		18,057,446	1,154,840
Balance transferred to Balance Sheet		57,305,433	18,057,446
Earning per Share - Basic & Diluted		885.13	388.61

Accounting Policies & Notes to Accounts : Schedule ' 9 '

SCHEDULES REFERRED TO ABOVE AND NOTES ATTACHED
FORM AN INTEGRAL PART OF THE ACCOUNTS

As per our report of even date

For and on behalf of
KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS

(Signature)

(S.S SHAH)
PARTNER
Membership No.: 33632
PLACE : MUMBAI
DATE: April 08, 2011



For and on behalf of the Board of Directors

(Signature)
Supratim Sarkar
Director

(Signature)
Sunit Joshi
Director

(Signature)
Rajeev Krishnan
Director



SBICAP TRUSTEE COMPANY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	<u>AS AT 31.03.2011</u> (Amount in Rs.)	<u>AS AT 31.03.2010</u> (Amount in Rs.)
SCHEDULE "1"		
SHARE CAPITAL		
Authorised Capital		
5,00,000 (previous year 5,00,000) Equity Shares of Rs.10 each	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
Issued, Subscribed and Paid up capital		
50,000 (previous year 50,000) Equity Shares of Rs. 10/- each fully paid up (50,000 Equity shares of Rs.10/- each fully paid is held by SBI Capital Markets Limited, the Holding Company)	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
TOTAL	<u>500,000</u>	<u>500,000</u>
SCHEDULE "2"		
RESERVES AND SURPLUS		
General Reserve		
Opening Balance	1,943,065	-
Add: Transferred from Profit and Loss account	4,425,670	1,943,065
Sub Total (A)	<u>6,368,735</u>	<u>1,943,065</u>
Profit and Loss Account		
As per account Annexed (B)	57,305,433	18,057,446
TOTAL (A+B)	<u>63,674,167</u>	<u>20,000,511</u>

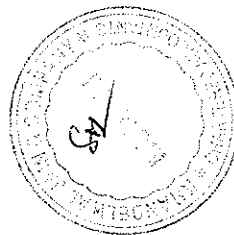


SBICAP TRUSTEE COMPANY LIMITED

**SCHEDULE '3'
FIXED ASSETS AS AT 31 ST MARCH, 2011**

(Amount in Rs.)

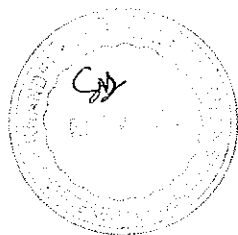
DESCRIPTION	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	AS AT 31.03.2010	ADDITIONS	AS AT 31.03.2011	UP TO 31.3.2010	FOR THE YEAR	UP TO 31.3.2011	AS AT 31.3.2011	AS AT 31.3.2010
Tangible Assets								
Computer	309,104	873,494	1,182,598	83,180	294,290	377,470	805,128	225,924
Office Equipment	199,782	132,085	331,867	25,277	36,172	61,449	270,418	174,505
Furniture & Fixtures	107,250	91,149	198,399	13,137	29,136	42,273	156,126	94,113
Sub -total	616,136	1,096,728	1,712,864	121,594	359,598	481,192	1,231,672	494,542
Intangible Assets								
Computer Software	11,024	24,300	35,324	5,374	10,569	15,943	19,381	5,650
Sub -total	11,024	24,300	35,324	5,374	10,569	15,943	19,381	5,650
Total	627,160	1,121,028	1,748,188	126,968	370,167	497,135	1,251,053	500,192
Previous Year	-	579,546	627,160	12,216	114,752	126,968	500,192	35,398



SBICAP TRUSTEE COMPANY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

		<u>AS AT 31.03.2011</u> (Amount in Rs.)	<u>AS AT 31.03.2010</u> (Amount in Rs.)
SCHEDULE "4"			
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets:			
Sundry Debtors (Unsecured, considered Good)			
Outstanding for period exceeding six months		263,587	55,150
Others		8,324,033	6,087,021
Sub Total	(A)	<u>8,587,620</u>	<u>6,142,171</u>
Cash And Bank Balances			
Cash on hand		81	3,031
Balance with Schedule Banks :-			
In Current Account		1,128,177	2,153,390
In Fixed Deposits		59,561,800	15,896,603
Sub Total	(B)	<u>60,690,058</u>	<u>18,053,024</u>
Other Current Assets			
Accrued Interest on Fixed Deposits		590,764	402,156
Service Tax Refund Receivable		84,569	-
Expenses Recoverable		214,123	145,304
Sub Total	©	<u>889,456</u>	<u>547,460</u>
Loans and Advances			
Advance Tax & Tax Deducted at Source (Net of provision)		3,344,816	1,071,662
Cenvat Credit Receivable		12,912	24,082
Prepaid Expenses		951,047	18,959
Security Deposits with Telephone Department		1,000	1,520
Security Deposits for Premises		3,100,000	-
Sub Total	(D)	<u>7,409,775</u>	<u>1,116,223</u>
TOTAL (A to D)		<u><u>77,576,909</u></u>	<u><u>25,858,878</u></u>
SCHEDULE "5"			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities			
Sundry Creditors		126,700	47,700
Other Liabilities		3,353,780	2,149,418
Advances From Customers		10,809,050	3,044,320
Sub Total	(A)	<u>14,289,530</u>	<u>5,241,438</u>
Provisions			
Proposed Dividend		500,000	500,000
Tax on Proposed Dividend		83,044	84,975
Sub Total	(B)	<u>583,044</u>	<u>584,975</u>
TOTAL (A +B)		<u><u>14,872,574</u></u>	<u><u>5,826,413</u></u>



SBICAP TRUSTEE COMPANY LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	<u>FOR THE YEAR ENDED 31.03.2011</u> (Amount in Rs.)	<u>FOR THE YEAR ENDED 31.03.2010</u> (Amount in Rs.)
SCHEDULE"6"		
OTHER INCOME		
Interest Income (Tax deducted at source Rs.2,62,135/- Previous year Rs.62,376)	2,578,885	629,931
Miscellaneous Income	6,879	2,483
Dividend on Mutual Fund	-	11,991
	<u>2,585,764</u>	<u>644,405</u>
 SCHEDULE"7"		
PAYMENT TO AND PROVISIONS FOR EMPLOYEES		
Employee Salary, Allowances and Benefits	9,600,178	6,943,126
Staff Welfare Expenses	238,673	65,124
Contribution to Gratuity Fund	99,442	70,783
Total	<u>9,938,293</u>	<u>7,079,033</u>
 SCHEDULE"8"		
ADMINISTRATIVE & OPERATING EXPENSES		
Advertisement Expenses	-	8,148
Auditor's Remuneration	100,000	65,000
Bank Charges	8,924	2,078
Business Service Facilities	776,928	420,000
Business Development Expenses	91,394	97,829
Computer Stationery	141,237	35,120
Conveyance	27,128	19,772
Demat Charges	800	3,191
Electricity Charges	243,746	-
House Keeping & Security Expenses	214,007	33,390
Insurance Premium	41,720	-
Legal and Professional Fees	813,504	211,560
Miscellaneous Expenses	95,314	7,837
Newspaper, Books & Periodicals	36,993	2,810
Postage & Courier Charges	25,975	12,272
Printing & Stationery	144,196	43,149
Rates & Taxes	7,756	2,500
Rent	3,128,800	21,041
Repairs and Maintenance	185,614	7,405
ROC Filing Fees	7,500	2,500
Sebi Application & Registration Fees	185,584	-
Telephone Expenses	218,653	43,891
Travelling Expenses	314,093	20,166
Total	<u>6,809,866</u>	<u>1,059,659</u>



SBICAP TRUSTEE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

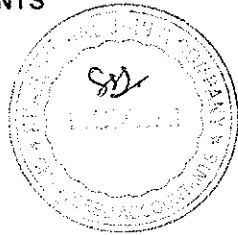
(Amount in Rupees)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) Before Taxation	66,005,775	29,570,939
Adjustment for :-		
Add: Depreciation	370,167	114,752
Less: Interest Income Considered separately	(2,578,885)	(629,931)
Operating Profit before Working Capital Changes	63,797,057	29,055,760
(Increase) in Sundry Debtors	(2,445,449)	(4,948,162)
(Increase) in Other Current Assets	(153,388)	(115,390)
(Increase) in Loans and advances	(13,593,552)	(3,821,368)
Increase in Current Liabilities	9,048,092	2,612,312
Income Tax paid	(14,700,000)	(7,107,000)
Net Cash from Operating Activities	41,952,760	15,676,152
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,121,028)	(579,546)
Interest received	2,390,277	273,999
Net Cash (used in) Investing Activities	1,269,249	(305,547)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital	-	-
Dividend & Dividend Distribution Tax Paid	(584,975)	-
Net Cash from financing activities	(584,975)	-
 Net Cash Flow (A+B+C)	 42,637,034	 15,370,605
Opening Cash & Cash Equivalents	18,053,024	2,682,419
Closing Cash & Cash Equivalents	60,690,058	18,053,024

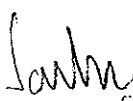
AS PER OUR REPORT OF EVEN DATE


FOR KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS



(S.S. SHAH)
PARTNER
Membership No. : 33632
PLACE : MUMBAI
DATE: April 08, 2011



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


Supratim Sarkar
Director


Sunit Joshi
Director


Rajeev Krishnan
Director



SBICAP TRUSTEE COMPANY LIMITED

SCHEDULE 9: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING
PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011.

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Preparation of Financial Statements:**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India under the historical cost convention on the accrual basis, and in compliance with the accounting standards issued by the Institute of Chartered Accountants of India ("ICAI"), the provisions of the Companies Act, 1956 and other applicable statutory enactments.

2. **Use of estimates:**

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

3. **Fixed Assets and Depreciation:**

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributed cost of bringing the asset to its working condition for its intended use.

The Company provides depreciation on fixed assets on Written Down Value Method, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, on a pro - rata basis.

Assets individually costing less than Rs.5,000/- are fully depreciated in the year of acquisition.

4. **Investments:**

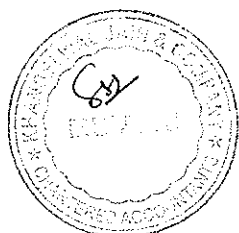
Investments are classified into Current Investments and Long-term Investments.

Current investments are stated at cost or net realisable value, whichever is lower.

Long-term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, determined separately for each individual investment.

5. **Recognition of Revenue:**

Trusteeship Acceptance and Service Charges are recognised on accrual basis based on services rendered in accordance with the respective terms of contract. Interest income is accounted for on accrual basis. Dividend income is recognised when the right to receive dividend is established.



6. **Provision for Current and Deferred Tax:**

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

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

7. **Earnings per Share:**

In accordance with the Accounting Standard 20 (AS - 20) "Earnings Per Share" issued by the Institute of Chartered Accountants of India, basic / diluted earnings per share is computed using the weighted average number of shares outstanding during the period.

8. **Provisions, Contingent Liabilities and Contingent Asset:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

9. **Retirement Benefits:**

Gratuity

The Company has adopted the Group Gratuity Scheme of Life Insurance Corporation of India and annual contributions determined by using actuarial valuation technique has been paid to the scheme and is charged to Profit & Loss Account.

Provident fund

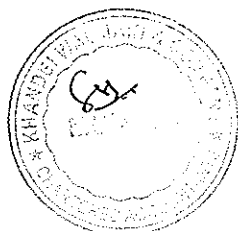
The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the profit and loss account.

Compensated Absences

Short Term compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

10. **Cenvat Credit:**

Cenvat Credit is accounted for by reducing relevant expenses / fixed assets.



B. NOTES FORMING PART OF ACCOUNTS :

1. **Nature of activities:**

The Company carries out various corporate trusteeship activities viz. security trusteeship, security agent, share pledge trusteeship, safe custody of documents etc.

2. **Segment Reporting:**

The Company is engaged in only one line of business namely Corporate Trusteeship Activities and as such it has no other reportable segment as defined in Accounting Standard 17 on "Segment Reporting".

3. **Auditors Remuneration:**

(Amount in Rupees)		
Particulars	2010 - 2011	2009 - 2010
As Statutory Auditor (Including Service Tax)	Rs.82,725	Rs.55,150
As Tax Auditor (Including Service Tax)	Rs.27,575	Rs.16,545

4. Information with regard to matters specified in paragraph 4C (Applicable in case of Manufacturing Companies) of part II of Schedule VI to the Companies Act, 1956, are not applicable for the year ended 31st March 2011.

Information with regard to matters specified in paragraph 4D of part II of Schedule VI to the Companies Act, 1956, are as under:

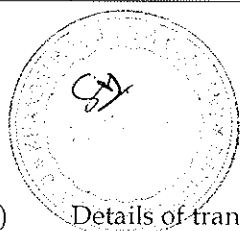
(Amount in Rupees)		
Particulars	2010 - 2011	2009 - 2010
a. Expenditure in Foreign Currency	Nil	Nil
b. Earning in Foreign Currency -	Nil	Nil

5. **Related Party Information:**

(i) Relationships:

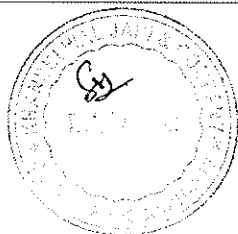
A Where Control exists: -		
	<u>Name of Party</u>	<u>Relationship</u>
	State Bank of India	Ultimate Holding Company
	SBI Capital Markets Ltd.	Holding Company
	SBICAPS Ventures Ltd.	Fellow Subsidiary
	SBICAP Securities Ltd.	Fellow Subsidiary
	SBICAP (UK) Limited	Fellow Subsidiary
	State Bank of Indore (Merged with SBI wef. 26/08/2010)	Associate of State Bank of India
B Key Management Personnel		
		<u>Designation</u>
	Mr. Vishwas Pathak	VP & COO
	Mr. L. Nandakumar	VP & Head (Legal & Compliance)

(ii) Details of transactions with Related Parties are as follows: -



(Amount in Rupees)

Name of the Related Party	Particulars	2010 - 2011	2009 - 2010
SBI Capital Markets Ltd	Payments made on behalf of the Company	2,46,10,616	42,36,642
	Amount paid towards Business Services Facilities provided by SBICAP.	1,05,000	4,20,000
	Balance payable as at 31 st March 2011 & 2010 included in Other Liabilities	-	8,419
State Bank of India (Cuffe Parade Branch Mumbai)	Interest Income	3,88,433	4,12,883
	Bank Balance as at 31 st March 2011 & 2010	11,28,177	21,53,390
	Fixed Deposits Balance as at 31 March 2011 & 2010	20,11,976	68,96,603
	Accrued Interest on Fixed Deposit as at 31 March 2011 & 2010	95,750	2,06,816
State Bank of India (Fort Branch Mumbai)	Interest Income	16,52,511	-
	Fixed Deposits Balance as at 31 March 2011 & 2010	5,75,49,824	-
	Accrued Interest on Fixed Deposit as at 31 March 2011 & 2010	4,95,014	-
*State Bank of Indore (Fort Branch Mumbai)	Interest Income	5,37,941	2,17,048
	Fixed Deposits Balance as at 31 March 2011 & 2010	-	90,00,000
	Accrued Interest on Fixed Deposit as at 31 March 2011 & 2010	-	1,95,340
Mr. Vishwas Pathak	Gross Remuneration including allowances, perquisites and contribution to Provident Fund	29,94,379	23,48,912
Mr. L. Nandakumar	Gross Remuneration including allowances, perquisites and contribution to Provident Fund	30,11,529	23,46,774



Notes: -

a) The Company has not entered into any transaction with other related parties.

b) Related party relationships on the basis of Accounting Standard 18 (AS 18) as in (i) above are as given by the Company and relied upon by the Auditors.

*State Bank of Indore, merged with State Bank of India wef. 26/08/2010.

6. Earnings Per equity share:

<u>Particulars</u>	<u>For the year ended 31.03.2011</u>	<u>For the year ended 31.03. 2010</u>
a. (Profit / Loss) attributable to equity shareholders' (Rs.)	4,42,56,700	1,94,30,646
b. Weighted average number of equity shares outstanding during the period (Nos.)	50,000	50,000
c. Basic/Diluted Earnings per equity share (a/b) (Rs.)	885.13	388.61
d. Face value of each equity share (Rs.)	10	10

7. Deferred Tax

Components of net Deferred Tax Liabilities are as under:

(Amount in Rupees)

<u>Particulars</u>	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
Deferred Tax Asset		
Preliminary expenses written off	3,245	5,099
Performance Based Linked Bonus (35% to be paid after due date of filing Return of Income	313,275	--
Total	316,520	5,099
Deferred Tax Liability		
Depreciation	97,741	37,245
Net Deferred Tax Assets/ (Liability)	218,779	(32,146)

8. As per Accounting Standard 15 " Employee Benefits" , the disclosure of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

(Amount in Rupees)

2010-11

Employer's Contribution to Provident Fund

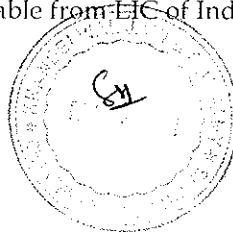
3,26,927

(P.Y.2,67,304)

Defined Benefit Plan

The Company has adopted the Group Gratuity Scheme of Life Insurance Corporation of India and annual contributions, determined by using actuarial valuation technique, has been paid to the scheme. Details of the same to the extent available from LIC of India are as follows:

Membership Data



Number of Members	10
Average Age	37.80
Average Monthly Salary	23,237.10
Average Past Service	1.00

Valuation Method: Projected Unit Credit Method

Actuarial Assumptions

Mortality Rate	LIC (1994-96) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount Rate	8% p.a.
Salary escalation	4%

Results of Valuation

(Amount in Rupees)

PV of Past Service Benefit	1,41,847
Current Service Cost	86,594
Total Service Gratuity	20,53,693
Accrued Gratuity	2,01,557
LCSA	13,25,923
LC Premium (A)	4,443
Service Tax @10.30% (B)	458

Recommended Contribution Rate

(Amount in Rupees)

Fund Value as on Renewal Rate	1,33,442
Additional Contribution for existing fund (C)	8,405
Current service cost (D)	86,594

Total Amount Payable

(Amount in Rupees)

Total Amount Payable (A+B+C+D+E)	99,900
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Benefit Valued

Category	NRA	Gratuity Ceiling	Slab	Rate	LCSA Ceiling	RTA TABLE
1	58	10,00,000	99	15	175,000	GG41

9. There were no outstanding dues to Micro, Small and Medium Enterprises.
10. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

As per our report of even date
For KHANDELWAL JAIN & CO.
Chartered Accountants,

S.S. SHAH

(S. S. SHAH)
PARTNER
Membership No.33632
Place : Mumbai
Date : April 08, 2011



For and on behalf of the Board of Directors

Supratim Sarkar
Supratim Sarkar
Director

Sunit Joshi
Sunit Joshi
Director

Rajeev Krishnan
Rajeev Krishnan
Director



SBICAP TRUSTEE COMPANY LTD
Additional information Pursuant to Part - IV of Schedule VI
to the Companies Act, 1956.

I	Registration Details			
	Registration No.	: U 65991MH 2005	State Code No.	: 11
	Balance Sheet Date	: 31.03.2011		
II	Capital raised during the year (Amounts in Rs. Thousands)			
	Public Issue	: NIL	Right Issue	: NIL
	Bonus Issue	: NIL	Private Placement	: NIL
III	Position of Mobilisation and Deployment of Funds (Rs. In Thousands)			
	Total Liabilities	: 64174.17	Total Assets	: 64174.17
IV	Source of Funds			
	Paid-up Capital	: 500.00	Reserves & Surplus	: 63674.167
	Secured Loans	: NIL	Unsecured Loans	: NIL
	Deferred Tax Liability	: NIL		
V	Application of Funds:			
	Net Fixed Asset	: 1251.05	Investments	: Nil
	Deferred Tax Assets	: 218.78	Net Current Assets	: 62,704.34
	Miscellaneous Expenses	: Nil	Accumulated Losses	: NIL
VI	Performance of the Company (Amounts in Rs. Thousands)			
	Turnover/Income	: 83124.10	Total Expenditure	: 17118.33
	Profit/(Loss) Before tax	: 66005.78	Profit (Loss)After tax	: 44256.70
	Earning Per Share in Rs	: 885.13	Dividend Rate %	: 100%
VII	General Name of Principal Product of Company (As per Monetary terms)			
	Item Code No.	: NIL		
	Product Description	: Trusteeship Services		

For and on behalf of the Board of Directors

Supratim Sarkar
Supratim Sarkar
Director

Sumit Joshi
Sumit Joshi
Director

Rajeev Krishnan
Rajeev Krishnan
Director



PLACE : MUMBAI
DATE: April 08, 2011