

SBICAP TRUSTEE COMPANY LIMITED

Directors' Report for the year 2012-2013

To,
The Members,
SBICAP Trustee Company Limited

Your Directors have pleasure in presenting the 8th Annual Report and the Audited Accounts of SBICAP Trustee Company Limited for the year ended 31st March 2013.

I. Operations

During the year 2012-13, the Company has consolidated its position as a prominent player in the Security Trustee Business / Market, with a significant growth in the business, in terms of both number of new assignments and revenues. The Company has bagged 381 new accounts during the year, as against 129 in the previous year. The revenues from operations during the year at Rs.1495.85 lacs were also 29% higher than the figure of Rs. 1162.66 lacs recorded in the financial year 2011-12.

During the year 2012-13, the Company has established itself as a prominent player in the Debenture Trusteeship Business. As on date, the Company has concluded 268 (Two Hundred Sixty Eight) Debenture Trusteeship assignments, which were secured inspite of tough competition from other established players in the market. The noteworthy being appointment of STCL as Debenture Trustee in case of IDBI Omni Bonds. Similarly all the Debenture Trusteeship cases of State Bank of India (SBI) are transferred to STCL as per the instructions from SEBI. The Directors of the Company are confident that the Company will establish itself as a leader in the Debenture Trusteeship business in the days to come.



...2..

Your Directors are pleased to inform that the New Delhi and Kolkata branches are doing well in new business as well as in ongoing work relating to the Security Trustee / Debenture Trustee assignments. STCL is planning to open further branches at Bangalore, Chennai, Hyderabad and Ahmedabad during the year 2013-14. With the expected presence across the Country, the Directors are confident of faster growth in our business.

II. Financial Results

During the period under review, the total Business Income of the Company was Rs. 1360.45 lacs, apart from Other Income of Rs. 135.40 lacs. The company incurred total Expenditure of Rs. 380.98 lacs, with resultant Profit of Rs. 1114.87 lacs before provision for income tax, as against the PBT of Rs. 864.72 lacs in the previous year.

During the year, the performance of the Company has been quite satisfactory, considering the growing intense competition, with extremely low fees quoted by the competitors and offered by clients.

III. Bonus Shares

During the year, the Company issued Bonus Shares in the ratio of 1 Equity Share of Rs.10/- each, for every one existing Equity Share held. The Company has capitalized a sum of Rs.50,00,000/- (Rupees Fifty lacs only) from its Reserves on 26th February 2013 towards issuance of the Bonus Shares, and accordingly, the paid up capital of the Company has increased from Rs.50 lacs to Rs.100 lacs only.

IV. Dividend & Transfer to General Reserve

Out of the Current Year's Profit, the Directors propose that a sum of Rs. 75,19,955/- be transferred to the General Reserve. The Directors have proposed a Final Dividend of Rs.1.25 per share on the expanded capital base, subject to approval by the Members in the Annual General Meeting.



V. Deposits

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

VI. Directors

During the year under review, Mr. Rajeev Krishnan and Mr. Sunit Joshi have resigned from the Directorship of the Company on account of their reportation to State Bank of India and Mr. V.G. Kannan – President & COO and Mr. Avinash Kulkarni – EVP - CMG have been inducted in the Board. Also, Mr. V. Muralidharan – CFO has been newly appointed as Director of the Board of Directors of STCL.

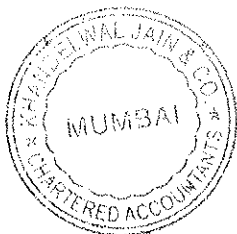
In accordance with the provisions of the Companies Act, 1956, Shri Supratim Sarkar, Director, holds office upto the date of the 8th Annual General Meeting. The Company has received a Notice from a Member, under Section 257 of the Companies Act, 1956, proposing him as a candidate for the office of Director liable to retire by rotation. Shri Supratim Sarkar has conveyed his consent for being re-appointed as Director.

Accordingly, Shri Supratim Sarkar, Director, retires by rotation at the 8th Annual General Meeting of the Company, and being eligible, has offered 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 2012 and of the profit or loss of the Company for the year ended 31st March, 2012;*
- (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; and*



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

The Directors also wish to draw the kind attention of the Shareholders to the Report of the Auditors to the Shareholders issued by M/s. Khandelwal Jain & Co. - the Statutory Auditors, on the financial accounts for the year ended March 31, 2013.

VIII. Auditors

M/s. Khandelwal Jain & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the 8th Annual General Meeting of the Company.

The Board of Directors, at their 30th Meeting held on 10th April 2013, have recommended for appointment of M/s. Sudit K. Parikh & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the 8th Annual General Meeting upto the conclusion of the 9th Annual General Meeting of the Company. The Company has received a Certificate / Consent from M/s. Sudit K. Parikh & 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

Since the Company is engaged only in Trusteeship activities, there is no information to report under this head.

Foreign Exchange Earnings and Outgo

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



X. Particulars of Employees

The information, as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is furnished in Annexure 'A'.

XI. Acknowledgement

The Board is grateful to the State Bank Group and SBICAP & its associates for providing all support to the Company. The Board also conveys its appreciation to all employees of the Company for their sincere and hard work in these challenging times and difficult environment.

For and on behalf of the Board of Directors



V.G. Kannan
Director



Supratim Sarkar
Director



Avinash Kulkarni
Director



V. Muralidharan
Director

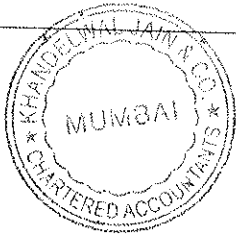


Date: 22nd April 2013

Annexure

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956, AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Name	Designation / Nature of Duties	Remuneration (Rs.)	Qualifications & Experience	Date of commencement of employment	Age	Last Employment held and Designation
(A) Employed throughout the year and in receipt of remuneration aggregating not less than Rs.60,00,000/- per annum						
NIL						
(B) Employed for the part of the year and are in receipt of remuneration aggregating not less than Rs. 5,00,000/- per month						
NIL						



KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

Website: www.kjco.net • E-mail: kjco@vsnl.com

6-B, Pil Court, 6th Floor,
111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 5000
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,
117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 6000
Fax : 4311 6060

Independent Auditor's Report on Financial Statements

To
The Members,
SBICAP TRUSTEE COMPANY LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of SBICAP TRUSTEE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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 (collectively referred to as "Financial Statements").

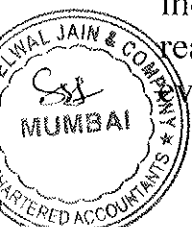
2. Management's Responsibility for the Financial Statements

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 recognition and measurement principles laid down and other accounting principles generally accepted in India. 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.

3. 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.

4. Opinion

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 March 31, 2013;
- ii) in the case of the Statement of Profit and Loss, 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.

5. Report on Other Legal and Regulatory Requirements

- A. 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 give 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.
- B. Further to our comments in the Annexure referred to in paragraph A above, and as required by section 227(3) of the Companies Act, 1956, we report that:
 - i) 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;
 - ii) 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;
 - iii) 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; and



- 3 -

- iv) 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.
- v) On the basis of written representations received from the directors of the Company as on March 31, 2013 and taken on record by the Board of Directors and according to the information and explanation given to us, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

S.S.

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



Place : Mumbai
Date : April 22, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 5A of our report of even date to the Members of SBICAP TRUSTEE COMPANY LIMITED on the accounts for the year ended March 31, 2013.)

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. 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. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
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 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.**
Chartered Accountants,
Firm Registration No.: 105049W

S.S.

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



Place : Mumbai
Date : April 22, 2013

SBICAP TRUSTEE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	NOTE NO.	AS AT 31 March 2013 (Amount in Rs.)	AS AT 31 March 2012 (Amount in Rs.)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	2	1,00,00,000	50,00,000
b) Reserves and Surplus	3	18,50,04,248	11,62,67,140
		19,50,04,248	12,12,67,140
2. Non-Current Liabilities			
a) Deferred Tax Liabilities (Net)	4	1,17,543	2,29,900
b) Other long Term Liabilities	5	3,46,897	2,09,500
		4,64,440	4,39,400
3. Current Liabilities			
a) Trade Payables	6	-	13,300
b) Other Current Liabilities	7	56,30,984	36,04,403
c) Short Term Provisions	8	64,62,438	45,13,251
		1,20,93,422	81,30,954
TOTAL		20,75,62,110	12,98,37,494
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	29,04,674	19,37,955
(ii) Intangible Assets		3,54,769	5,91,282
(b) Long Term Loans and Advances	10	39,05,260	31,01,000
		71,64,703	56,30,237
2. Current Assets			
(a) Trade Receivables	11	1,98,90,016	61,68,934
(b) Cash and Bank Balances	12	15,95,89,403	10,82,93,146
(c) Short Term Loans and Advances	13	2,09,17,988	97,45,177
		20,03,97,407	12,42,07,257
TOTAL		20,75,62,110	12,98,37,494

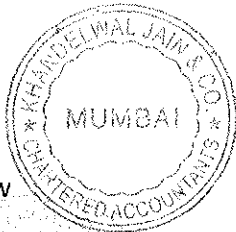
Significant Accounting Policies & Notes to Accounts : Note 1 & 2 to 19
Notes attached forms an integral part of the accounts

For and on behalf of the Board of Directors

As per our report of even date

For KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
Firms Registration No.: 105049W

(S.S SHAH)
PARTNER
Membership No.: 33632
PLACE : MUMBAI
DATE : April 22, 2013



V.G. Kannan

V.G. Kannan
Director

Supratim Sarkar

Supratim Sarkar
Director

Avinash Kulkarni

Avinash Kulkarni
Director

V. Muralidharan

V. Muralidharan
Director

Ajit Joshi

Ajit Joshi
Company Secretary



SBICAP TRUSTEE COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH, 2013 (Amount in Rs)	FOR THE YEAR ENDED 31ST MARCH, 2012 (Amount in Rs)
Revenue from Operations	14	13,60,45,062	10,77,61,303
Other Income	15	1,35,39,640	85,04,876
Total Income		14,95,84,702	11,62,66,179
EXPENSES			
Employee Benefit Expenses	16	2,15,44,044	1,69,39,114
Depreciation and Amortisation Expenses	17	12,36,786	8,83,085
Other Expenses	18	1,53,16,684	1,19,72,153
Total Expenses		3,80,97,514	2,97,94,352
Profit before Tax		11,14,87,188	8,64,71,827
Tax Expense			
- Current Tax		3,64,00,000	2,78,00,000
- Excess provision of income tax of earlier year written back		-	(32,051)
- Deferred Tax		(1,12,358)	4,48,680
Profit after tax for the year		7,51,99,546	5,82,55,198
Earning per Share of par value of Rs.10/- each			
Basic		75.20	58.26
Diluted		75.20	58.26
Number of shares used in computing earnings per share			
Basic		10,00,000	10,00,000
Diluted		10,00,000	10,00,000

Significant Accounting Policies & Notes to Accounts :Note 1 & 2 to 19
Notes attached forms an integral part of the accounts

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 22, 2013

For and on behalf of the Board of Directors

V.G. Kannan

V.G. Kannan
Director

Supratim Sarkar

Supratim Sarkar
Director

Avinash Kulkarni

Avinash Kulkarni
Director

V. Muralidharan

V. Muralidharan
Director

Ajit Joshi

Ajit Joshi
Company Secretary



SBICAP TRUSTEE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	(Amount in Rupees)	
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	11,14,87,188	8,64,71,827
Adjustment for :-		
Depreciation	12,36,786	8,83,085
Provision for Doubtful Debts	6,02,758	84,492
Interest Income Considered separately	1,33,31,547	83,44,276
Profit on sale of fixed assets	93,453	11,038
Operating Profit before Working Capital Changes	9,99,01,732	7,90,84,090
Decrease/(Increase) in Trade Receivables	(1,43,23,840)	23,34,194
(Increase) in Other Current Assets		(92,090)
(Increase) in Loans and Advances	(6,64,663)	(1,05,41,469)
(Decrease)/Increase in Current Liabilities	36,62,255	(71,11,302)
Increase in Long term Liabilities	1,37,397	
Income Tax paid	(3,86,66,818)	(1,74,00,000)
Net Cash Flow from Operating Activities	5,00,46,063	4,62,73,423
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of Fixed Assets	(22,14,671)	(22,10,644)
Interest received	42,85,958	40,62,940
Proceeds from sale of fixed assets	3,41,132	60,413
Net Cash (used in)/from Investing Activities	24,12,419	19,12,709
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend & Dividend Distribution Tax Paid	(11,62,225)	(5,83,044)
Net Cash (used in) financing activities	(11,62,225)	(5,83,044)
Net change in Cash & Cash Equivalents (A+B+C)	5,12,96,257	4,76,03,088
Opening Balance of Cash & Cash Equivalents	10,82,93,146	6,06,90,058
Closing Balance of Cash & Cash Equivalents	15,95,89,403	10,82,93,146

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 22, 2013

For and on behalf of the Board of Directors

V.G. Kannan

V.G. Kannan
Director

Supratim Sarkar

Supratim Sarkar
Director

Avinash Kulkarni

Avinash Kulkarni
Director

V. Muralidharan

V. Muralidharan
Director

Ajit Joshi

Ajit Joshi
Company Secretary



SBICAP TRUSTEE COMPANY LIMITED

NOTE "1"

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 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.

1.2 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.

1.3 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, other than laptops and mobile phones, 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. Depreciation on laptops and mobile phones is provided on Straight Line Method, at 33.33% per annum on a pro– rata basis.

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

1.4 Investments:

Investments are classified into Current Investments and Non-Current Investments.

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

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

1.5 Recognition of Revenue:

- Trusteeship Acceptance Fees are recognised on the acceptance of trusteeship assignment.
- Trusteeship Service Charges are recognised / accrued on the basis of terms of Trusteeship Contracts / Agreements entered into with clients.
- Interest income is accounted for on accrual basis.
- Dividend income is recognised when the right to receive dividend is established.

1.6 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.

1.7 Provision for Doubtful Debts:

Provision for doubtful debts is made in the accounts based on the following norms:

Debts outstanding for period of	Provisions for doubtful debts
More than 6 months but not exceeding 12 months	10%
More than 12 months	100%

1.8 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.

1.9 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.

1.10 Employee 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

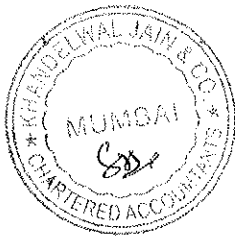
The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the profit and loss account.

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.

1.11 Cenvat Credit:

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



SBICAP TRUSTEE COMPANY LIMITED

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

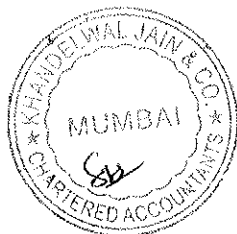
	<u>As At March 31, 2013</u> (Amount in Rs.)	<u>As At March 31, 2012</u> (Amount in Rs.)
NOTE "2"		
SHARE CAPITAL		
Authorised Capital		
20,00,000 (previous year 5,00,000) Equity Shares of Rs.10 each	2,00,00,000	50,00,000
	<u>2,00,00,000</u>	<u>50,00,000</u>
Issued, Subscribed and Paid up capital		
10,00,000 (previous year 5,00,000) Equity Shares of Rs. 10/- each fully paid up at par.		
[10,00,000 Equity shares (previous year 5,00,000) of Rs.10/- each fully paid are held by SBI Capital Markets Limited, the Holding Company.]	1,00,00,000	50,00,000
[Out of the above, 9,50,000 (previous year 4,50,000) equity shares of Rs. 10/- each were issued as fully paid up bonus shares in the last five years by way of capitalization of free reserves.]		
TOTAL	<u>1,00,00,000</u>	<u>50,00,000</u>

Details of shareholder holding more than 5% shares is set out below :

Name of shareholder	As At March 31, 2013	As At March 31, 2012
SBI Capital Markets Limited		
No. of Shares held	9,99,880	4,99,946
% of shareholding	99.99	99.99

Reconciliation of the number of shares outstanding is set out below:

Particulars	As At March 31, 2013	As At March 31, 2012
Number of shares at the beginning	5,00,000	50,000
Add: Bonus Shares issued on captialisation of reserves	5,00,000	4,50,000
Number of shares at the end	10,00,000	5,00,000



SBICAP TRUSTEE COMPANY LIMITED

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE "3"

RESERVES AND SURPLUS

General reserve

Opening balance

Add: Transferred from Profit & Loss Account

Less: Utilised for issue of bonus shares

As At March 31, 2013
(Amount in Rs.)

As At March 31, 2012
(Amount in Rs.)

76,94,255

63,68,735

75,19,955

58,25,520

(50,00,000)

(45,00,000)

1,02,14,210

76,94,255

Profit and Loss Account

Opening Balance

Add: Net profit after tax transferred from Statement of Profit & Loss

Amount available for appropriation

Appropriations:

Final Dividend

Tax on Dividend

Transfer to General reserve

10,85,72,885

5,73,05,432

7,51,99,546

5,82,55,198

18,37,72,431

11,55,60,630

12,50,000

10,00,000

2,12,438

1,62,225

75,19,955

58,25,520

Profit and Loss Account - Closing Balance

17,47,90,038

10,85,72,885

TOTAL

18,50,04,248

11,62,67,140

NOTE"4"

DEFERRED TAX LIABILITY (NET)

(a) Deferred Tax Assets

(i) Provision for Doubtful Debts

(ii) Preliminary expenditure

1,95,565

-

-

1,95,565

1,622

1,622

(b) Deferred Tax Liabilities

Related to Fixed Assets

3,13,108

2,31,523

3,13,108

2,31,523

NET DEFERRED TAX LIABILITY

(1,17,543)

(2,29,900)

NOTE"5"

OTHER LONG TERM LIABILITIES

Trust Settlement Fees

3,46,897

2,09,500

TOTAL

3,46,897

2,09,500



SBICAP TRUSTEE COMPANY LIMITED

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE"6"

TRADE PAYABLES

Trust Settlement Fees

TOTAL

As At March 31, 2013
(Amount in Rs.)

As At March 31, 2012
(Amount in Rs.)

-

-

13,300

13,300

NOTE"7"

OTHER CURRENT LIABILITIES

Advances received from customers

Advances received from customers for CERSAI

Income received in Advance

Other Payables

(a) Statutory dues

(b) Creditors/Provision for expenses

(c) Retention monies

TOTAL

6,00,000

17,87,430

16,96,366

3,09,291

10,27,984

2,09,913

56,30,984

6,94,500

1,20,000

20,23,363

3,36,264

3,12,678

1,17,598

36,04,403

NOTE"8"

SHORT TERM PROVISIONS

Provision for Employee benefits

- Performance Linked variable payment

Proposed Dividend

Tax on Dividend

TOTAL

50,00,000

12,50,000

2,12,438

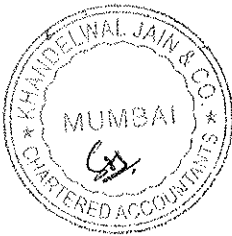
64,62,438

33,51,026

10,00,000

1,62,225

45,13,251



SBICAP TRUSTEE COMPANY LIMITED

NOTE "9"

FIXED ASSETS AS AT 31 ST MARCH, 2013

DESCRIPTION	GROSS BLOCK					DEPRECIATION & AMORTIZATION			NET BLOCK		(Amount in Rs.)
	AS AT	ADDITIONS	DELETION	AS AT	UP TO	FOR THE	ON DELITION	UP TO	AS AT	AS AT	
	31.03.2012			31.03.2013	31.3.2012	YEAR		31.3.2013	31.3.2013	31.3.2012	
Tangible Assets											
Computer other than laptops	6,66,661	4,76,014		11,42,675	2,65,029	2,23,872		4,88,901	6,53,774	4,01,632	
Laptops	13,84,879	14,07,633	3,69,574	24,22,938	7,06,004	5,49,971	1,92,875	10,63,100	13,59,838	6,78,875	
Office Equipment (other than blackberry)	4,63,751	2,08,509		6,72,260	1,02,917	77,123		1,80,040	4,92,220	3,60,834	
Office Equipment (blackberry)	3,43,510	1,16,739	1,03,531	3,56,718	76,609	1,01,952	32,551	1,46,011	2,10,707	2,66,901	
Furniture & Fixtures	3,11,306	5,776		3,17,082	81,593	47,354		1,28,947	1,88,135	2,29,713	
Sub-total	31,70,107	22,14,671	4,73,105	49,11,673	12,32,152	10,00,273	2,25,426	20,06,999	29,04,674	19,37,955	
Intangible Assets											
Computer Software	5,18,312	-		5,18,312	1,04,440	1,65,549		2,69,989	2,48,323	4,13,872	
Web site hosting	2,10,000	-		2,10,000	32,590	70,964		1,03,554	1,06,446	1,77,410	
Sub-total	7,28,312	-	-	7,28,312	1,37,030	2,36,513	-	3,73,543	3,54,769	5,91,282	
Total	38,98,419	22,14,671	4,73,105	56,39,985	13,69,182	12,36,786	2,25,426	23,80,542	32,59,443	25,29,237	
Previous Year	17,48,188	22,10,644	60,413	38,98,419	13,69,182	8,83,085	11,038	22,41,229	16,57,190	3,79,006	



SBICAP TRUSTEE COMPANY LIMITED

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE "10"

LONG TERM LOANS AND ADVANCES

Rental Deposits		
Unsecured, Considered Good	39,05,260	31,01,000
TOTAL	<u>39,05,260</u>	<u>31,01,000</u>

NOTE "11"

**TRADE RECEIVABLES
(Unsecured)**

Debts Outstanding for period exceeding six months		
Considered Good	54,24,807	7,60,426
Considered Doubtful	6,87,250	84,492
	<u>61,12,057</u>	<u>8,44,918</u>
Less: Provision for doubtful debts	6,87,250	84,492
	54,24,807	7,60,426
Others		
Considered Good	1,44,65,209	54,08,508
Considered Doubtful	-	-
	<u>1,44,65,209</u>	<u>54,08,508</u>
TOTAL	<u>1,98,90,016</u>	<u>61,68,934</u>

NOTE "12"

CASH AND BANK BALANCES

Cash and Cash Equivalents	2,000	641
Balances with Banks:		
In Current Account	27,62,077	29,34,609
In Current Account - Escrow account for CERSAI	17,87,430	1,20,000
Other Bank Balance		
In Fixed Deposits (with maturity of more than 3 months but less than 12 months from the date of Balance sheet)	5,04,37,896	-
In Fixed Deposits (with maturity of more than 12 months from the date of Balance sheet)	10,46,00,000	10,52,37,896
TOTAL	<u>15,95,89,403</u>	<u>10,82,93,146</u>

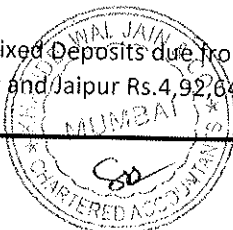
The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

NOTE "13"

**SHORT TERM LOANS & ADVANCES
(Unsecured, Coinsidered Good)**

Advance Income Tax (Net of Provisions)	58,73,306	36,06,488
Cenvat Credit Receivable	1,15,845	33,680
Prepaid Expenses	3,72,242	9,83,706
Advances to employees towards expenses	3,86,493	2,41,794
Accrued Interest on Fixed Deposits due from related parties*	1,39,17,690	48,72,100
Expenses recoverable from clients	44,025	7,409
Service Tax paid in advance	2,08,387	-
TOTAL	<u>2,09,17,988</u>	<u>97,45,177</u>

* Accrued interest on Fixed Deposits due from related parties include State Bank of India Rs.1,34,09,709/- (Previous Year Rs.48,72,100/-), State Bank of Bikaner and Jaipur Rs.4,92,644/- (Previous Year Rs. NIL) and State Bank of Patiala Rs.15,337/- (Previous Year Rs. NIL).



SBICAP TRUSTEE COMPANY LIMITED

NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE "14"

REVENUE FROM OPERATIONS

	<u>AS AT 31.03.2013</u> (Amount in Rs.)	<u>AS AT 31.03.2012</u> (Amount in Rs.)
Trusteeship Acceptance Fees	2,77,67,519	2,48,40,000
Trusteeship Service Charges	10,82,77,543	8,29,21,303
TOTAL	<u>13,60,45,062</u>	<u>10,77,61,303</u>

NOTE "15"

OTHER INCOME

Interest Income	1,33,31,547	83,30,284
Miscellaneous Income	1,14,640	1,49,562
Interest on Income Tax refund	-	13,992
Profit on Sale of Asset	93,453	11,038
TOTAL	<u>1,35,39,640</u>	<u>85,04,876</u>

NOTE "16"

EMPLOYEE BENEFIT EXPENSES

Employee Salary, Allowances and Benefits	1,98,02,361	1,49,44,595
Staff Welfare Expenses	7,98,242	13,69,538
Contribution to Gratuity Fund	2,80,413	1,00,858
Contribution to Provident Fund (Employer's)	6,63,028	5,24,123
TOTAL	<u>2,15,44,044</u>	<u>1,69,39,114</u>

NOTE "17"

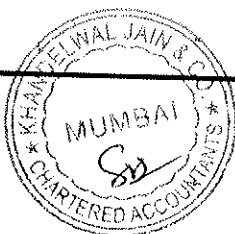
DEPRECIATION AND AMORTISATION

Tangible Assets	10,00,273	7,61,998
Intangible Assets	2,36,513	1,21,087
TOTAL	<u>12,36,786</u>	<u>8,83,085</u>

NOTE "18"

ADMINISTRATION AND OTHER EXPENSES

Rent	64,85,468	62,17,600
Rates & Taxes	1,41,644	2,164
Insurance	1,43,985	1,27,332
Legal and Professional Fees	24,75,116	17,94,018
Payment to Auditor's		
a) as auditor	1,50,000	1,25,000
b) for tax audit	60,000	50,000
c) other services	30,000	18,000
Computer Stationery	2,83,626	3,26,382
Conveyance	13,52,990	8,32,631
Electricity Charges	6,20,212	4,84,431
House Keeping & Security Expenses	5,44,483	4,56,332
Repairs and Maintenance	3,96,592	3,82,268
SEBI Application & Registration Fees	3,33,029	3,33,942
Communication Expenses	8,71,941	4,48,132
Provision for Doubtful Debts	6,02,758	84,492
Miscellaneous Expenses	6,41,223	2,89,429
Bad Debts	1,83,617	-
TOTAL	<u>1,53,16,684</u>	<u>1,19,72,153</u>



NOTE"19": NOTES FORMING PART OF ACCOUNTS:

19.1 Nature of activities:

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

19.2 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".

19.3 Auditors Remuneration:

Particulars	(Amount in Rupees)	
	FY 2012 - 2013	FY 2011 - 2012
As Statutory Auditor (Including Service Tax)	Rs.1,68,540	Rs.1,37,875
As Tax Auditor (Including Service Tax)	Rs.67,416	Rs.55,150
Other Services (Including Service Tax)	Rs.33,709	Rs.19,854

19.4 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 2013.

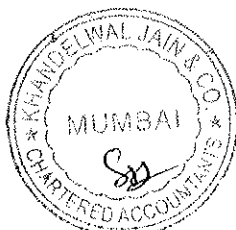
19.5 Information with regard to matters specified in paragraph 4D of part II of Schedule VI to the Companies Act, 1956, are as under:

Particulars	(Amount in Rupees)	
	2012 - 2013	2011 - 2012
a. Expenditure in Foreign Currency	Nil	Nil
b. Earning in Foreign Currency -	3,93,656	Nil

19.6 Related Party Information:

(i) Relationships:

Where Control exists: -		
A	Name of Party	Relationship
	State Bank of India	Ultimate Holding Company
	SBI Capital Markets Ltd.	Holding Company
B	Fellow Subsidiary and Associates	Relationship
	SBICAPS Ventures Ltd.	Fellow Subsidiary
	SBICAP Securities Ltd.	Fellow Subsidiary
	SBICAP (UK) Limited	Fellow Subsidiary
	SBICAP (Singapore) Limited	Fellow Subsidiary
	State Bank of Patiala	Associate of State Bank of India
	State Bank of Bikaner and Jaipur	Associate of State Bank of India
C	Key Management Personnel	Designation
	Mr. Vishwas Pathak	Sr.Vice President & COO



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

(Amount in Rupees)

<u>Name of the Related Party</u>	<u>Particulars</u>	<u>FY 2012 – 2013</u>	<u>FY 2011 - 2012</u>
SBI Capital Markets Ltd	Payments made on behalf of the Company & reimbursed	3,73,759	23,68,828
State Bank of India (Cuffe Parade Branch Mumbai)	Interest Income	23,946	26,741
	Fixed Deposits Balance as at 31 March 2013 & 2012	2,28,425	2,28,425
	Accrued Interest on Fixed Deposit as at 31 March 2013 & 2012	43,048	21,497
State Bank of India (Fort Branch Mumbai)	Interest Income	1,27,43,173	83,03,543
	Bank Balance as at 31 st March 2013 & 2012	45,49,507	30,54,609
	Fixed Deposits Balance as at 31 March 2013 & 2012	13,20,09,471	10,50,09,471
	Accrued Interest on Fixed Deposit as at 31 March 2013 & 2012	1,33,66,661	48,50,603
State Bank of Bikaner and Jaipur (Fort Branch, Mumbai)	Interest Income	5,47,386	-
	Fixed Deposits Balance as at 31 March 2013 & 2012	1,65,00,000	-
	Accrued Interest on Fixed Deposit as at 31 March 2013 & 2012	4,92,644	-
State Bank of Patiala (Colaba Branch, Mumbai)	Interest Income	17,042	-
	Fixed Deposits Balance as at 31 March 2013 & 2012	63,00,000	-
	Accrued Interest on Fixed Deposit as at 31 March 2013 & 2012	15,337	-
Mr. Vishwas Pathak	Gross Remuneration including allowances, perquisites and contribution to Provident Fund	41,19,127	32,97,892
Mr.L.Nandakumar (upto 31 st January, 2012	Gross Remuneration including allowances, perquisites and contribution to Provident Fund	-	18,43,912



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.

19.7 Earnings Per equity share:

<u>Particulars</u>	<u>For the year ended</u> <u>31.03.2013</u>	<u>For the year ended</u> <u>31.03.2012</u>
a. (Profit / Loss) attributable to equity shareholders' (Rs.)	7,51,99,546	5,82,55,198
b. Weighted average number of equity shares outstanding during the period (Nos.)	10,00,000	10,00,000*
c. Basic/Diluted Earnings per equity share (a/b) (Rs.)	75.20	58.26
d. Face value of each equity share (Rs.)	10	10

*Note: Consequent to the issuance of bonus shares as mentioned in Note 19.10, the calculation of basic and diluted earnings per share has been adjusted for the increase in the number of equity shares outstanding as a result of the issuance of bonus equity shares, for all the years presented.

19.8 Deferred Tax

Components of Net Deferred Tax (Liabilities)/Assets are as under:

Particulars	(Amount in Rupees)	
	As at 31.03.2013	As at 31.03.2012
Deferred Tax Asset		
Preliminary expenses written off	-	1622
Provision for doubtful debts	1,95,565	-
Total	1,95,565	1622
Deferred Tax Liability		
Related to Fixed Assets	3,13,108	2,31,523
Net Deferred Tax Liability	(1,17,543)	(229,901)

19.9 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:

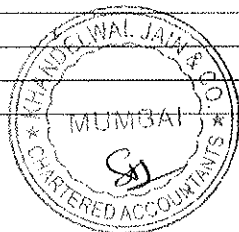
	(Amount in Rupees)
	2012-13
Employer's Contribution to Provident Fund	7,37,048 (P.Y. 5,74,426)

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

	<u>2012-13</u>	<u>2011-12</u>
Number of Members	25	19
Average Age	32.72	33.95
Average Monthly Salary	22,350.76	18,726.73
Average Past Service	1.40	1.26



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)

	<u>2012-13</u>	<u>2011-12</u>
PV of Past Service Benefit	4,35,128	2,08,384
Current Service Cost	1,77,109	1,13,232
Total Service Gratuity	70,32,563	42,62,639
Accrued Gratuity	6,54,819	3,34,070
LCSA	37,52,478	28,36,720
LC Premium (A)	10,683	9,110
Service Tax @10.30% (B)	1,320	938

Recommended Contribution Rate

(Amount in Rupees)

	<u>2012-13</u>	<u>2011-12</u>
Fund Value as on Renewal Rate	3,42,507	2,29,868
Additional Contribution for existing fund (C)	92,621	-
Current service cost (D)	1,77,109	91,748

Total Amount Payable

(Amount in Rupees)

	<u>2012-13</u>	<u>2011-12</u>
Total Amount Payable (A+B+C+D)	2,81,733	1,01,796

Benefit Valued

Category	NRA	Gratuity Ceiling	Slab	Rate	LCSA Ceiling	RTA TABLE
1	60	10,00,000	99	15	175,000	GG41

19.10 Issue of Bonus Shares

At the Extraordinary General Meeting held on February 26, 2013, the shareholders approved the issue of 500,000 equity shares of Rs. 10/ each fully paid up as bonus shares in the ratio of 1 equity share for every one equity share held by the equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalization of Rs.50,00,000/- out of General Reserve. The Same were allotted on February 26, 2013.

19.11 Operating Lease:

Maximum obligation on lease rentals payable as per the lease agreement is as under:-

Particulars	As At 31.03.2013 (Rs.)	As At 31.03.2012 (Rs.)
Not later than one year	31,51,920	61,77,600
Later than one year but not later than five years	29,47,120	15,44,400
Above five years	-	-



19.12 Trade Receivables:

Trade Receivables balances as on March 31, 2013 are subject to confirmation and reconciliation, if any. However, the management does not expect any material variation.

19.13 Contingent Liabilities: Rs.Nil (Previous Year Rs.Nil).


19.14 Commitments: Estimated amount of contracts remaining to be executed on capital account not provided for Rs.Nil (Previous Year : Rs.Nil).

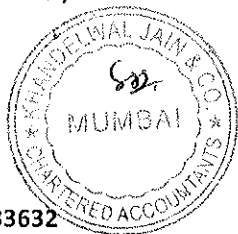
19.15 The management is of the opinion that there are no contingent liabilities and commitments outstanding as at 31st March 2013.

19.16 There were no outstanding dues to Micro, Small and Medium Enterprises.

19.17 The previous year's figures have been reclassified, regrouped, rearranged and recasted to make them comparable with current year's figures and to conform to the format of requirement of Revised Schedule VI to the Companies Act 1956.

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

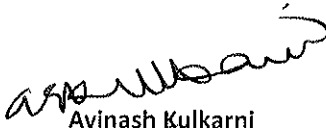

(S. S. SHAH)
PARTNER
Membership No.33632

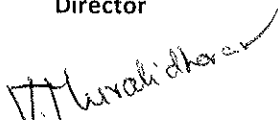


For and on behalf of the Board of Directors


V. G. Kannan
Director


Supratim Sarkar
Director


Avinash Kulkarni
Director


Muralidharan
Director


Ajit Joshi
Company Secretary



Place : Mumbai
Date : April 22, 2013