



# IDFC PPP Trusteeship Company Limited

## **BOARD OF DIRECTORS**

- Mr. Anil Baijal  
Chairman
- Mr. Cherian Thomas
- Mr. Mahendra N. Shah

## **AUDITORS**

- Deloitte Haskins & Sells  
Chartered Accountants

## **PRINCIPAL BANKERS**

- HDFC Bank Limited

## **REGISTERED OFFICE**

Naman Chambers, C-32, G-Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400 051  
TEL +91 22 42222000  
FAX +91 22 26540354

## TO THE MEMBERS

Your directors have pleasure in presenting the Fourth Annual Report together with the audited accounts for the year ended March 31, 2011.

## FINANCIAL RESULTS

(₹)

	FOR THE YEAR ENDED MARCH 31, 2011	FOR THE YEAR ENDED MARCH 31, 2010
Total Income	25,000	9,041
Less: Total Expenses	151,111	144,275
Profit/(Loss) before Tax	(126,111)	(135,234)
Less: Provision for Tax	NIL	NIL
Profit/(Loss) after Tax	(126,111)	(135,234)
Add/Less: Profit/(Loss) brought forward	(418,306)	(283,072)
Loss carried forward	544,417	418,306

## PRINCIPAL ACTIVITIES

Your Company's principal activity is to act as trustee in general and in particular for investment funds, debt funds, mutual funds, venture capital funds or any other pool or portfolio of securities and to set up, constitute, promote, settle and executive trusts and/or companies or other entities and to act as, or, exercise powers of trustees, executrs, administrators, receivers, managers, treasurers, attorneys, nominees and agent to the debenture holders.

## DIVIDEND

Your Directors do not recommend any dividend for the period ended March 31, 2011.

## PUBLIC DEPOSITS

During the period under review, your Company has not accepted public deposits under Section 58-A of the Companies Act, 1956.

## DIRECTORS

In terms of the provisions of the Articles of Association of the Company, Mr. Anil Baijal would retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

## AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, having registration No. 117365W, will retire as the statutory auditors of the Company at the ensuing Annual General Meeting. The Board at its meeting held on April 27, 2011 has proposed their re-appointment as statutory auditors to audit the accounts of the Company for the financial year ending March 31, 2012. M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, the retiring Auditors, have confirmed that their re-appointment, if made, would be in conformity

with the provisions of Sections 224 and 226 of the Companies Act, 1956 and also indicated their willingness to be re-appointed. You are requested to consider their re-appointment.

## FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There was no income or expenditure in foreign currency during the period under review.

## PERSONNEL AND OTHER MATTERS

Since your Company does not have any employees, the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not given.

Since the Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998, are not applicable and hence not given.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and the profit or loss of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities; and
- they have prepared the annual accounts on a going concern basis.

## ACKNOWLEDGEMENTS

The Directors also express their gratitude for the unstinted support and guidance received from Infrastructure Development Finance Company Limited and other group companies and the regulators of the Company.

## FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

### ANIL BAIJAL

Chairman

Mumbai

April 27, 2011

### To The Members of IDFC PPP Trusteeship Company Limited

1. We have audited the attached Balance Sheet of IDFC PPP TRUSTEESHIP COMPANY LIMITED ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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 the 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Without qualifying our opinion, we invite attention to the Note No. 6 of Schedule 4 regarding the preparation of accounts on a going concern basis.

5. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

- (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 it appears from our examination of those books;

- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2011;
    - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

### FOR DELOITTE HASKINS & SELLS

Chartered Accountants  
Reg. No. 117365W

### Z. F. BILLIMORIA

Partner  
(Membership No. 42791)

Mumbai  
April 27, 2011

**(Referred to in paragraph 3 of our report of even date)**

(i) Having regard to the nature of the Company's business/ activities/result/transactions etc., clauses (i), (ii), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of CARO are not applicable.

(ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(iii) 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 sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.

(iv) To the best of our knowledge and belief and according to information and explanation given to us, there were no contracts or arrangements required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

(v) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has been regular in depositing undisputed dues, including Income-tax and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.

(vi) To the best of our knowledge and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

**FOR DELOITTE HASKINS & SELLS**

Chartered Accountants  
Reg. No. 117365W

**Z. F. BILLIMORIA**

Partner  
(Membership No. 42791)

Mumbai  
April 27, 2011

**BALANCE SHEET**

AS AT MARCH 31, 2011

	SCHEDULE	₹	₹	₹
			AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
<b>SOURCES OF FUNDS</b>				
Shareholders' Funds				
Share Capital	1		500,000	500,000
			<b>500,000</b>	<b>500,000</b>
<b>APPLICATION OF FUNDS</b>				
Current Assets, Loans and Advances				
Bank Balance	2	16,249		136,844
Less: Current Liabilities	3	60,666		55,150
Net Current Assets/(Liabilities)			(44,417)	81,694
Profit and Loss Account			514,417	418,306
			<b>500,000</b>	<b>500,000</b>
Notes to the Accounts	4			
Schedules 1 to 4 form an integral part of the Accounts				

**IN TERMS OF OUR REPORT ATTACHED**  
**FOR DELOITTE HASKINS & SELLS**  
 Chartered Accountants

**Z. F. BILLIMORIA**  
 Partner

**FOR AND ON BEHALF OF THE BOARD**

**CHERIAN THOMAS**  
 Director

**MAHENDRA N. SHAH**  
 Director

Mumbai | April 27, 2011

# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

	₹	₹
SCHEDULE ↘	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
<b>INCOME</b>		
Trusteeship Fees	25,000	9,041
	<b>25,000</b>	<b>9,041</b>
<b>EXPENDITURE</b>		
Professional Fees	13,236	5,000
Rates and Taxes	-	1,400
<b>Auditors' Remuneration:</b>		
Audit Fees	50,000	50,000
Other Matters	75,000	75,000
Service Tax	12,875	12,875
	<b>151,111</b>	<b>144,275</b>
Loss for the year	<b>126,111</b>	<b>135,234</b>
Balance as per Last Balance Sheet	418,306	283,072
Balance Loss Carried Forward	544,417	418,306
Basic and Diluted Earnings Per Share (Face Value ₹ 10)	(2.52)	(2.70)
(See Schedule 4 Note 4)		
Notes to the Accounts	4	
Schedules 1 to 4 form an integral part of the Accounts		

## IN TERMS OF OUR REPORT ATTACHED

FOR DELOITTE HASKINS & SELLS

Chartered Accountants

**Z. F. BILLIMORIA**  
Partner

Mumbai | April 27, 2011

FOR AND ON BEHALF OF THE BOARD

**CHERIAN THOMAS**  
Director

**MAHENDRA N. SHAH**  
Director

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2011

	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the year	(126,111)	(135,234)
Adjustments for:		
Changes in:		
Current Liabilities	5,516	-
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(120,595)</b>	<b>(135,234)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>-</b>	<b>-</b>
Net decrease in cash and cash equivalents (A+B+C)	(120,595)	(135,234)
Cash and cash equivalents as at the beginning of the year (as per Schedule 2)	136,844	272,078
Cash and cash equivalents as at the end of the year (as per Schedule 2)	16,249	136,844
	<b>(120,595)</b>	<b>(135,234)</b>

**IN TERMS OF OUR REPORT ATTACHED**

FOR DELOITTE HASKINS &amp; SELLS

Chartered Accountants

Z. F. BILLIMORIA  
Partner

FOR AND ON BEHALF OF THE BOARD

CHERIAN THOMAS  
DirectorMAHENDRA N. SHAH  
Director

Mumbai | April 27, 2011

SCHEDULE 1 Share Capital	₹	
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
<b>AUTHORISED:</b>		
100,000 Equity shares of ₹ 10/- each	1,000,000	1,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
50,000 Equity shares of ₹ 10/- each, fully paid-up	500,000	500,000
(All the above shares are held by Infrastructure Development Finance Company Limited, the holding company and its nominees)		
	<b>500,000</b>	<b>500,000</b>

SCHEDULE 2 Bank Balance	₹	
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Balance with Scheduled Bank in Current Account	16,249	136,844
	<b>16,249</b>	<b>136,844</b>

SCHEDULE 3 Current Liabilities	₹	
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Sundry Creditors - Other than Micro and Small Enterprises	49,635	49,635
(See Schedule 4 Note 5)		
Other Liabilities	11,031	5,515
	<b>60,666</b>	<b>55,150</b>

**1 Significant Accounting Policies**

**A. Accounting Convention**

These accounts have been prepared in accordance with historical cost convention, applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

**B. Basis of Preparation**

The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**C. Revenue Recognition**

Trusteeship fees are accounted for on accrual basis.

**D. Income Tax**

The accounting treatment for income-tax in respect of the Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' as notified by the Companies (Accounting Standards) Rules, 2006. The provision made for income-tax in the accounts comprises both, the current tax and the deferred tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognised in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits.

**2** The Company is engaged in the business of providing trusteeship services in India. As such there is no separate reportable segment as per Accounting Standard 17 on 'Segment Reporting' as notified by the Companies (Accounting Standards) Rules, 2006.

**3** As per the Accounting Standard 18 on 'Related Party Disclosures' as notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

(a) Relationships:

**HOLDING COMPANY:** Infrastructure Development Finance Company Limited

**ENTERPRISE CONTROLLED BY THE HOLDING COMPANY:** India PPP Capacity Building Trust (up to March 30, 2011)

**ENTERPRISE CONTROLLED BY THE FELLOW SUBSIDIARY COMPANY:** India PPP Capacity Building Trust (with effect from March 31, 2011)

(b) The nature and volume of transactions carried out with the above related party in the ordinary course of business are as follows:

NAME OF THE RELATED PARTY	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		(₹)	(₹)
India PPP Capacity Building Trust	Trusteeship Fees	25,000	9,041

**4** In accordance with the Accounting Standard 20 on 'Earnings Per Share' as notified by the Companies (Accounting Standards) Rules, 2006; the Earnings Per Share is as under:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Loss for the year (₹)	(126,111)	(135,234)
Weighted average number of equity shares (Nos.)	50,000	50,000
Basic and Diluted Earnings Per Share (₹)	(2.52)	(2.70)
Nominal Value Per Share (₹)	10.00	10.00

**5** The Company has no amounts due to any micro, small and medium enterprises as defined under Micro Small and Medium Enterprises Development Act, 2006 as on March 31, 2011.

**6** The accounts of the Company have been prepared on a going concern basis. The Company continues to be a going concern in view of the commitment and financial support from its Holding Company, Infrastructure Development Finance Company Limited, regarding the amounts due to it and other liabilities as and when they fall due for payment.

**7** The figures for the previous year have been regrouped/rearranged wherever necessary.

FOR AND ON BEHALF OF THE BOARD

**CHERIAN THOMAS**  
Director

**MAHENDRA N. SHAH**  
Director

### I. REGISTRATION DETAILS

Registration No. U 6 7 1 9 0 M H 2 0 0 7 P L C 1 7 4 8 6 7  
 State Code 1 1  
 Balance Sheet Date 3 1 0 3 2 0 1 1

### II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ '000)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ '000)

Total Liabilities

1 6

Total Assets

1 6

#### SOURCES OF FUNDS

Paid-up Capital

5 0 0

Reserves and Surplus

N I L

Secured Loans

N I L

Unsecured Loans

N I L

#### APPLICATION OF FUNDS

Net Fixed Assets

N I L

Investments

N I L

Net Current Assets

(4 4)

Deferred Tax Asset

N I L

Profit and Loss Account

5 4 4

### IV. PERFORMANCE OF THE COMPANY (AMOUNT IN ₹ '000)

Turnover/Income

2 5

Total Expenditure

1 5 1

Profit Before Tax

(1 2 6)

Profit After Tax

(1 2 6)

Earnings per Share (in ₹)

(2 . 5 2)

Dividend %

N I L

### V. GENERIC NAMES OF PRINCIPAL SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)

N I L

Product Description

T R U S T E E S E R V I C E S