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Independent Auditor's Report

To the Members of SBICAP Trustee Company Limited

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of SBICAP Trustee Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

We summaries below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinions above, together with our key audit procedures to address those matters and, as required, where relevant, by law for public interest entities, our results from those procedures.

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These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The Risk	Our Response and Results
Revenue recognition for one time acceptance fees	As per Ind AS 115 An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. The Company recognizes the revenue from trusteeship acceptance fees on the acceptance of trusteeship assignment. There is a risk of revenue been booked for such contracts for which performance obligations continues after the reporting date.	• **Our results:** Based on the management representation on the activities performed, the revenues are booked for one time acceptance fees for which performance Obligation is satisfied. The management believe that for all the revenue booked the performance obligation is satisfied.
Revenue recognition for penal interest income	The Company recognizes revenue of penal interest for the cases referred to NCLT. Provision for ECL on penal interest for NCLT account raised during the year, is done on the basis of 40% of the amounts without considering the status of account for its recoverability. Further the penal interest on service charges are not charged on regular accounts.	• **Our results:** The Company accrues revenue for interest on NCLT cases and makes provision as per the policy as determined by the management.
Impact of COVID-19 pandemic on Provisioning of trade receivables	The company is following expected credit loss (ECL) model for provisioning of trade receivables and minimum 40% provisioning policy for trade receivables of NCLT cases and simplified provisioning	• **Our results:** The Company believes that there will not be any impact on the impairment of financial assets due to the peculiar nature of the business and hence has not included any covid impact

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	approach for trade receivables of other than NCLT cases. Further The widespread contraction in economic activity across the globe due to rapid spread of COVID-19 is likely to have an impact on the recovery of current debtors. There is a risk of less provisioning for ECL and risk that financial assets may become credit-impaired.	in the ECL Model.

Responsibilities of Management and Those Charged with Governance for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of standalone Ind AS Financial Statements

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

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influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the standalone Ind AS financial statement;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements. Further the Company has received enforcement notice from SEBI for violation of regulation 29(1) and 29(2). We are unable to comment on the impact of penalty on the financial statements due to non-availability of the absolute amount.

   ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. In accordance with the directions issued under section 143(5) of the Act, we further report that:

a) The Company has system in place to process all the accounting transaction through IT system and there is no implication of processing of accounting transaction outside IT system.

b) During the year, debts aggregating to Rs. 1,05,51,207/- were written off in 51 cases. Accordingly the profit of the Company for the year has been reduced to this extent. A summary of debtors written off during the year along with the reasons for write off is given below:

Reasons	Write off's	
	No. of cases	Amount (Rs)
Liquidity Crisis faced by clients	33	82,75,005/-
Deal did not Materialise	3	7,78,000/-
Disputed services/billing	15	14,98,203/-
Total	**51**	**1,05,51,208/-**

During the year, Service charges aggregating to Rs. 38,50,000/- were reversed in 12 cases. Accordingly the profit of the Company for the year has been reduced to this extent. A summary of Service charges de-accrued during the year along with the reasons for de-accrual is given below:

Reasons	De-accruals	
	No. of Cases	Amount (Rs)
Deal did not Materialise	10	30,00,000/-
Disputed services/billing	2	6,50,000/-
Total	**12**	**36,50,000/-**

c) The Company does not receive any funds from central/state agencies for specific schemes.

For **Desai Associates**
Chartered Accountants
FRN: 102286W

Desai Associates Mumbai Chartered Accountants

Sudhir K Jain
Partner
Membership Number: 120610

UDIN: 20120610AAAAAJ7100

Place: Mumbai
Date: 23.04.2020

Annexure "1" to the Independent Auditor's report

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the financial statements of the Company for the period ended March 31, 2020:

1. a) The Company is in the process of updating Fixed Assets Register showing full particulars, including quantitative details and situation of fixed assets.

   b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

   c) The company does not have any immovable properties. Accordingly, sub-clause (c) of clause (i) of paragraph 3 of the Order is not applicable to the Company for the year.

2. The Company's business does not involve inventories and, accordingly, the requirements under clause (ii) of paragraph 3 of the Order are not applicable to the Company.

3. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses (iii)(a) to (iii)(c) of paragraph 3 of the Order not applicable to the Company for the year.

4. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and securities, the company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013.

5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Accordingly clause (v) of paragraph 3 of the Order is not applicable to the company.

7. a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, cess, Goods and service tax and any other statutory dues with the appropriate authorities.

   According to the information and explanation given to us, no disputed amounts payable in respect of provident fund, Income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, Goods and service tax, cess and other material statutory dues were in

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arrears as at 31st march, 2020 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the particulars of dues of income tax outstanding as on Balance Sheet Date which have not been deposited on account of a dispute, are as follows-

Name of The Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2,16,979	A.Y. 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	6,55,506	A.Y. 2017-18	Commissioner of Income Tax (Appeals)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, governments or dues to debenture holders.

9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period.

11. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

13. According to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly,

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the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.

For **Desai Associates**
Chartered Accountants
FRN: 102286W

Desai Associates Mumbai Chartered Accountants

Sudhir K Jain
Partner
Membership Number: 120610

UDIN: 20120610AAAAJ7100

Place: Mumbai
Date: 23.04.2020

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SBICAP TRUSTEE COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SBICAP Trustee Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering `the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Desai Associates * Mumbai * Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Desai Associates**
Chartered Accountants
FRN: 102286W

Desai Associates Mumbai Chartered Accountants

Sudhir K Jain
Partner
Membership Number: 120610

UDIN: 20120610AAAAAJ7100

Place: Mumbai
Date: 23.04.2020

SBICAP TRUSTEE COMPANY LIMITED
STANDALONE BALANCE SHEET AS AT 31st March 2020

(Amounts in Indian Rupees)

Particulars	Note Ref.	As at Mar 31, 2020	As at Mar 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	39,79,686	27,24,131
Right-of-use-assets	3(b)	2,20,70,517	-
Intangible assets	4	48,11,270	79,45,658
Financial assets			
- Investments	5	1,50,10,010	1,50,10,010
- loans & advances	6	61,38,085	9,91,212
- Other financial assets	7	24,93,58,582	30,00,000
Deferred tax assets (net)	8	1,80,69,742	66,42,752
Non-current tax assets (net)	9	8,15,90,897	2,85,99,193
Other non-current assets	10	12,86,330	7,07,700
Total non-current assets		**40,23,15,119**	**6,56,20,656**
Current assets			
Financial assets			
- Investments	11	-	12,21,62,023
- Trade receivables	12	16,67,24,562	8,76,86,419
- Cash and cash equivalents	13	41,62,81,855	15,38,20,779
- Bank Balances other than mentioned above	14	16,02,34,138	48,16,22,141
- Other financial assets	15	4,11,33,265	3,93,13,801
Current Tax assets (net)	16	3,59,513	60,14,727
Other current assets	17	18,23,876	31,69,187
Total current assets		**78,65,57,208**	**89,37,89,077**
TOTAL ASSETS		**1,18,88,72,327**	**95,94,09,733**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,00,00,000	1,00,00,000
Other equity			
- Reserves and surplus	19	1,12,00,33,188	91,52,50,589
TOTAL EQUITY		**1,13,00,33,188**	**92,52,50,589**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings		-	-
- Lease liabilities	3(b)	76,69,157	-
-Others financial liabilities	20	17,97,497	12,85,597
Provisions	21	70,37,573	58,37,413
Other non- current liabilities		-	-
Total non-current liabilities		**1,65,04,227**	**71,23,010**
Current liabilities			
Financial liabilities			
- Trade payables	22	12,92,931	12,86,467
- Lease liabilities	3(b)	1,43,91,107	-
- Other financial liabilities	23	1,33,29,853	1,33,19,498
Provisions	24	72,28,903	62,04,518
Other current liabilities	25	60,92,118	62,25,652
Total current liabilities		**4,23,34,912**	**2,70,36,135**
TOTAL LIABILITIES		**5,88,39,139**	**3,41,59,145**
TOTAL EQUITY AND LIABILITIES		**1,18,88,72,327**	**95,94,09,733**

Significant accounting policies 1&2

The above balance sheet should be read in conjunction with the accompanying notes.

As per our attached report of even date
For Desai Associates
Chartered Accountants
Firm Registration No. 102286W

Desai Associates Mumbai Chartered Accountants

(Sudhirkumar Jain)
Partner
Membership No.120610

Place:Mumbai
Date: 21st April, 2020

For and on behalf of the Board of Directors
SBICAP Trustee Company Limited

S.Uma Shanmukhi
Director
DIN No:08165959

Rajasekhar Raghavan
CEO & Whole Time Director
DIN No.8116907

SBICAP Trustee Company Ltd.

SBICAP TRUSTEE COMPANY LIMITED
STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March 2020

(Amounts in Indian Rupees)

Particulars	Notes	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Revenue from operations	26	35,77,62,651	28,85,08,316
Other income	27	7,45,89,568	5,95,89,499
Total income		**43,23,52,220**	**34,80,97,815**
Expenses			
Employee benefit expenses	28	6,11,17,332	5,20,44,468
Finance costs	29	23,21,210	-
Depreciation and amortisation expense	30	1,90,67,903	57,80,126
Other expenses	31	7,71,38,553	8,11,93,769
Total expenses		**15,96,44,998**	**13,90,18,363**
Profit before exceptional items and tax		**27,27,07,222**	**20,90,79,452**
Exceptional items		-	-
Profit before tax		**27,27,07,222**	**20,90,79,452**
Income Tax expense			
Current tax	32	7,89,29,000	6,29,90,900
Deferred tax	37	(1,14,09,846)	(28,65,165)
Total tax expense		**6,75,19,154**	**6,01,25,735**
Profit for the year		**20,51,88,068**	**14,89,53,717**
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
Remeasurement gains/(losses) on net defined benefit plans		(4,22,613)	6,683
Income tax relating to above		17,145	(1,946)
Other comprehensive income for the year, net of tax		**(4,05,468)**	**4,737**
Total comprehensive income for the year		**20,47,82,599**	**14,89,58,454**
Earnings per share			
Basic & Diluted		205.19	148.95

Significant accounting policies 1&2

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our attached report of even date
For Desai Associates
Chartered Accountants
Firm Registration No. 102286W

(Sudhir Kumar Jain)
Partner
Membership No.120610

Place:Mumbai
Date: 21st April, 2020

For and on behalf of the Board of Directors
SBICAP Trustee Company Limited

S.Uma Shanmukhi
Director
DIN No:08165959

Rajasekhar Raghavan
CEO & Whole Time Director
DIN No.8116907

SBICAP TRUSTEE COMPANY LIMITED

Notes to Financial Statements for the year ended March 31, 2020

Background

SBICAP Trustee Company Limited (hereinafter referred to as "the Company") is a unlisted public limited Company domiciled in India and incorporated on 28th December 2005 under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 202, Maker Tower E, Cuffe Parade, Mumbai-400005.

The Company is registered with Securities and Exchange Board of India (SEBI) as a Debenture Trustee. The Company has been providing corporate trusteeship services to various types of Borrowers and Investors this includes activities viz security trusteeship, debenture trusteeship, security agent, share pledge trusteeship, safe custody of documents, online will services,etc.

The Company is a wholly owned subsidiary of SBI Capital Markets Limited. Information on group structure is provided in related parties note no.33.

1. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

A. Basis of Preparation

i. Basis of measurement

The financial statements have been prepared on historical cost basis except the following

- certain financial assets and liabilities that is measured at fair value;
- defined benefit plans- plan assets measured at fair value; and

ii. New standard adopted by the company

The company has adopted Ind AS 116 Leases for the first time for the annual reporting period commencing April 1st, 2019. The company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 35.

B. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current /non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non –current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and services offered by the Company, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents,

b. Foreign Currencies

The company`s financial statements are presented in INR, which is also the company's functional currency.

Transaction and balances

Transactions in foreign currencies are initially recorded by the company in their functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period.
Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss except

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

c. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, cash discount and amounts collected on behalf of third parties.

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Notes to Financial Statements for the year ended March 31, 2020

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been meet for each of the Company's activities as described below.

- **Sale of services- Fee based Income**

  i. **Trusteeship Acceptance fees** are recognised on the acceptance or execution of trusteeship assignment whichever is earlier.

  ii. **Trusteeship Service Charges** are recognised/accrued on the basis of terms of Trusteeship Contracts/ Agreements entered into with customers.

  iii. **Trusteeship fee from 'Will' Services** are recognised when the right to receive the fee is established, as all certainty for revenue recognition is present at the time of establishment of such right.

- **Interest Income**

  Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

- **Dividend Income**

  Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

- **Insurance claims**
  Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

- Whenever in the views of management it is felt that the recovery of fees dues from the Company seems bleak for the assignment where the fees are non-recoverable for more than one year and above due to circumstances beyond the control of the Company/projects not taking over/loans not sanctioned, lenders have classified the Company as NPA.
  The management will analyze the situation on a case to case to basis and may or may not raise further invoice till the time situation will improve or actual recovery happen, whichever is earlier.

- **Bad Debt:**
  Assignments are to be classified as irregular assignments if any outstanding dues are not recovered of earlier two financial years. Income in respect of such irregular assignments is accounted for in the year of receipt. Any previous year/s amount outstanding against, such irregular assignments are written off as bad debt in year of such determination or confirmation from lenders whichever is earlier and the current year income accrued, if any, is reversed.

Accelerated Provisioning and Write-off of outstanding debtors:

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pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

e. Intangible assets

Intangible assets comprising software are stated at cost less amortisation. Significant improvements to software are capitalised and amortised over the remaining useful life of original software. Cost associated with maintaining software programmes are recognised as an expense as incurred.

Software are amortised using straight line method over a period of 5 years from the date of being ready for intended use.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

f. Taxation

Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it is has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India. Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

g. Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

h. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any

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such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets that have an indefinite useful lives and which are not subject to amortization are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

i. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss. Investments are recognised on the trade date, which is the date on which the Company enters into the trade.

b) Subsequent measurement

Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

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Debt instrument at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income and impairment gains or losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Debt instrument at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale/derecognition of equity instrument. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries, associates and joint ventures is carried at previous GAAP carrying cost in the financial statements.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the company has transferred substantially all the risks and rewards of the asset, or

  (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets

The Company recognise impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Expected credit Loss percentage for respective age buckets are given in below table:

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Age Bucket	Expected Credit Loss Rate (%)
0-3 Months	5
3-6 Months	10
6-9 Months	15
9-12 Months	20
12-15 Months	30
15-18 Months	40
18-21 Months	50
21-24 Months	60
24 Months & above	100

For NCLT Cases

Consequent to the enactment of IBC code and the constitution of NCLT, RBI has prescribed provisioning norms in respect of all NCLT referred cases to be maintained at 40 %.

As a Prudent measure of financial discipline, 40% Provision should be made for all NCLT referred cases beginning from the financial year 2018.19.

Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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Financial liabilities at amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j. Leases

Till 31st March 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

Finance Lease as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease as a lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

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Notes to Financial Statements for the year ended March 31, 2020

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

With effect from 1st April 2019

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The company has elected not to separate the lease and non-lease components and instead account for them as a single lease component. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office equipments.

Extension and termination options are included in a number of property and furniture leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable on mutual agreement by the Company and the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at costs comprising the following:
- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

Right-of-use asset are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Payments associated with short term leases and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipments.

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Notes to Financial Statements for the year ended March 31, 2020

Refer note no. 35- changes in accounting policy.

As a lessor

The Company has not entered any lease as a lessor.

k. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

m. Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

n. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

o. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

p. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

q. Employee Benefits

- **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Other Long-term employee benefit obligations**

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the treated are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Post- employment obligations**

The Company operates the following post-employment schemes:

I. Defined benefit plans such as gratuity

II. Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation

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The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

2. Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity with the Ind AS requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A. Useful Lives of Property, Plant and Equipment and Intangible Assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

B. Measurement of Defined Benefit Obligations:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate,

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future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.
All assumptions are reviewed at each reporting date.

C. Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lessee is reasonably certain to be extended (or terminated).

For leasehold premises, the following assumptions & judgements are taken:

- In case of Delhi leasehold premises- an extension option for the period of 3 years is included in the lease liability.
- In case of Mumbai leasehold premises & furniture- the termination option is exercised.

D. Fair Valuation of Current Assets and Liabilities:

The current assets and liabilities are taken at fair value on the date of acquisition.
There are no significant changes in the value of financial current assets and liabilities at the reporting period.

E. Deferred tax:

The company has estimated that, there will be sufficient taxable profits in the future to recognise a deferred tax asset.

F. Contingent liability:

These represents the disputed income tax liabilities, these matters are in litigation. Management has assessed that in all the cases the outflow of resources embodying economic benefits is not probable.

E. Impairment of financial assets:

Trade receivables & other receivables:
The Company makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Accordingly, a best judgment estimate is made to record the impairment allowance

Desai Associates Mumbai Chartered Accountants

SBICAP Trustee Company Ltd.

SBICAP Trustee Company Limited

Statement of changes in equity as at 31st March 2020

A. Equity share capital

Particulars	No. of shares (lakhs)	Amount
Balance as at April 1, 2018	10,00,000	1,00,00,000
Changes in equity share capital	-	-
Balance as at April 1, 2019	10,00,000	1,00,00,000
Changes in equity share capital	-	-
Balance as at March 31, 2020	10,00,000	1,00,00,000

B. Other Equity

(Amount in Indian Rupees)

Particulars	Reserve & Surplus		Total Reserves & Surplus
	Retained earnings	General Reserve	
Balance as at April 1, 2018	69,91,70,726	6,71,21,409	76,62,92,135
Profit for the year	14,89,53,717	-	14,89,53,717
Other comprehensive income for the year	4,737	-	4,737
Total comprehensive income for the year	14,89,58,454	-	14,89,58,454
	84,81,29,180	6,71,21,409	91,52,50,589
Interim Dividends paid	-	-	-
Dividend Distribution Tax			
Inter-Reserve Transfer	(1,48,95,372)	1,48,95,372	-
Other Movements			
Balance as at March 31, 2019	83,32,33,808	8,20,16,781	91,52,50,589
Profit/(Loss) for the year	20,51,88,068		20,51,88,068
Other comprehensive income for the year	(4,05,468)		(4,05,468)
Total comprehensive income for the year	20,47,82,599	-	20,47,82,599
Dividends paid			
Inter-Reserve Transfer	(2,05,18,807)	2,05,18,807	-
Other Movements			
Balance as at March 31, 2020	1,01,74,97,601	10,25,35,587	1,12,00,33,188
Significant accounting policies	1&2		

The above statement of changes in equity should be read in conjuction with the accompanying notes.

As per our attached report of even date
For Desai Associates
Chartered Accountants
Firm Registration No. 102286W

(Sudhirkumar Jain)
Partner
Membership No.120610

Place:Mumbai
Date: 21st April, 2020

Desai Associates Mumbai Chartered Accountants

For and on behalf of the Board of Directors
SBICAP Trustee Company Limited

S.Uma Shanmukhi
Director
DIN No:08165959

Rajasekhar Raghavan
CEO & Whole Time Director
DIN No.8116907

SBICAP Trustee Company Limited

Cash Flow Statement for the year ended 31st March 2020

(Amount in Indian Rupees)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities :-		
Net profit before taxation	27,27,07,222	20,90,79,452
Adjustment for :-		
Depreciation & amortisation expense	1,90,67,903	57,80,126
Allowances for Doubtful Debts	2,84,63,251	1,29,94,823
Interest & Dividend income considered separately	(5,60,65,691)	(4,69,67,395)
Fair Valuation of MF	-	(48,48,490)
Interest on fair valuation of security deposit	(4,86,024)	(5,37,300)
Amortisation of prepaid rent expenses on security deposit	5,21,248	5,00,989
Acturial Gain on Re-measurement	-	6,683
(Profit) / Loss on sale of Property, plant and equipment (net)	33,316	44,105
Finance Cost on Leases	23,21,210	-
Operating profit before working capital changes	**26,65,62,435**	**17,60,52,992**
Increase in Trade Receivables	(10,75,45,777)	(2,76,58,581)
Increase in Loans and Advances and Other Current Assets	(61,89,146)	(2,33,61,832)
Increase in Current Liabilities and Provisions	4,85,057	(53,66,18,634)
Increase in Long term Liabilities	17,12,060	1,18,000
Cash generated from operations	**15,50,24,628**	**(41,14,68,055)**
Income tax paid	(12,62,65,490)	(7,18,75,178)
I. Net cash from operating activities	**2,87,59,139**	**(48,33,43,233)**
Cash flow from investing activities:-		
Purchase of Fixed Assets	(50,22,786)	(27,54,863)
Interest & Dividend	5,60,65,691	4,69,67,395
Proceeds from sale of fixed assets	2,14,235	2,61,823
Purchase/Sale of investments	12,21,62,023	36,34,82,288
Fixed Deposits placed/matured during the year (Net)	7,50,13,678	(39,05,00,000)
II. Net cash from investing activities	**24,84,32,842**	**1,74,56,643**
Cash flow from financing activities :-		
Lease payment towards lease liability	(1,47,30,905)	-
III. Net cash used in financing activities	**(1,47,30,905)**	-
Net change in cash & cash equivalents (I+II+III)	**26,24,61,075**	**(46,58,86,590)**
Cash & cash equivalents at the beginning of the year	15,38,20,779	61,97,07,370
Cash & cash equivalents at the end of the year	41,62,81,855	15,38,20,779
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and Cash equivalent as per above comprise of the following		
Cash on hand	13,742	7,214
Balances with scheduled banks (current and deposit accounts)	41,62,68,113	15,38,13,565
Balance as per statement of cash flows	**41,62,81,855**	**15,38,20,779**
The above cash & cash equivalents Excludes amounts placed as deposits with scheduled banks having maturity more than 3 months but less than 12 months	14,76,27,740	46,90,00,000
Balance in Escrow Account	1,26,06,398	1,26,22,141
Non-cash financing and investing activities		
Acquisition of right-of-use asset	2,20,70,517	-

Significant accounting policies 1&2

The above statement of Cash flow should be read in conjunction with the accompanying notes.

As per our attached report of even date

For Desai Associates
Chartered Accountants
Firm Registration No. 102286W

(Sudhirkumar Jain)
Partner
Membership No.120610

Place:Mumbai
Date: 21st April, 2020

For and on behalf of the Board of Directors
SBICAP Trustee Company Limited

S.Uma Shanmukhi
Director
DIN No:08165959

Rajasekhar Raghavan
CEO & Whole Time Director
DIN No.8116907

Desai Associates Chartered Accountants Mumbai

SBICAP Trustee Company Limited

Note 3 - Property, plant and equipment

Gross carrying amount

(Amounts in Indian Rupees)

Particulars	Air Conditioners	Computers other than Laptops	Office Equipments (Mobile Phone Handsets)	Office Equipments (other than mobile phones)	Furniture & Fixtures	Laptops	Lease hold Improvement	Total
Opening balance as at April 1, 2019	2,79,792	33,55,778	8,41,319	16,17,224	27,23,129	48,06,073	8,26,850	1,44,50,164
Additions	-	15,61,835	2,55,447	4,43,921	2,44,078	14,76,812	-	39,82,092
Disposals	-	(5,98,723)	(1,77,425)	(6,110)	-	(10,30,300)	-	(18,12,557)
Transfers								-
Assets written off								-
Classified as assets held for sale								-
Balance as at Mar 31, 2020	2,79,792	43,18,890	9,19,340	20,55,035	29,67,207	52,52,586	8,26,850	1,66,19,699

Accumulated depreciation

Particulars	Air Conditioners	Computers other than Laptops	Office Equipments (Mobile Phone Handsets)	Office Equipments (other than mobile phones)	Furniture & Fixtures	Laptops	Lease hold Improvement	Total
Opening balance as at April 1, 2019	2,51,830	32,69,005	4,13,762	14,28,781	21,50,534	33,85,274	8,26,850	1,17,26,033
Accumulated depreciation and impairment								-
Depreciation charge for the year	19,362	6,52,560	2,61,809	2,39,237	2,43,711	10,76,699	-	24,93,377
Disposals	-	(5,98,721)	(1,28,356)	(6,110)	-	(8,46,210)	-	(15,79,397)
Assets written off								
Assets classified as held for sale								-
Balance as at Mar 31, 2020	2,71,192	33,22,844	5,47,214	16,61,907	23,94,245	36,15,763	8,26,850	1,26,40,014

Net carrying amount as at March 31, 2020	8,600	9,96,046	3,72,126	3,93,128	5,72,962	16,36,823	-	39,79,686
Net carrying amount as at March 31, 2019	27,962	86,774	4,27,557	1,88,444	5,72,596	14,20,800	-	27,24,131

1. None of the above assets are pledged as security
2. Significant Accounting policy, Judgements, Estimates and Assumptions- Refer note 1(d)

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SBICAP TRUSTEE CO. LTD.

SBICAP Trustee Company Limited

Note 3(b) - Leases

(i) Amount Recognised in balance sheet

The Balance sheet shows the following amounts relating to Leases:

(Amounts in Indian Rupees)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Right-of-use Assets		
Leasehold Property- Mumbai Premises	80,42,459	-
Furniture & Fixture	62,18,396	-
Leasehold Property- Delhi Premises	76,73,806	-
Office Equipment (Canon printer)	1,35,856	-
Total	2,20,70,517	-

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Lease Liabilities		
Curent	1,43,91,107	-
Non- Current	76,69,157	-
Total	2,20,60,264	-

(ii) Amount Recognised in the statement of profit & Loss

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Depreciation Charge of right-of-use assets		
Leasehold Property- Mumbai Premises	61,51,286	-
Furniture & Fixture	47,56,149	-
Leasehold Property- Delhi Premises	14,68,032	-
Office Equipment (Canon printer)	23,975	-
Total	1,23,99,443	-

1. Changes in accounting policy- refer note no.35
2. Significant Accounting Judgements, Estimates and Assumptions-refer note no. 2(c)

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SBICAP TRUSTEE COMPANY LTD.

SBICAP Trustee Company Limited

Note 4 - Intangible assets

Gross carrying amount

(Amounts in Indian Rupees)

Particulars	Computer Software
Gross carrying amount	
Opening balance as at April 1, 2019	2,07,90,343
Addition	10,40,694
Assets written off	-
Adjustments on account of borrowing costs	-
Revaluations/Impairment	-
Others (Specify nature)	
Balance as at Mar 31, 2020	2,18,31,037

Accumulated amortisation

Particulars	Computer Software
Opening balance as at April 1, 2019	1,28,44,685
Depreciation charge for the year	41,75,083
Disposals	-
Assets written off	-
Others (Specify nature)	-
Balance as at Mar 31, 2020	1,70,19,768

Net carrying amount as at March 31, 2020	48,11,270
Net carrying amount as at March 31, 2019	79,45,658

1. All Intangible assets held by the company are purchased and not internally generated.
2. Significant Accounting Judgements, Estimates and Assumptions-refer note no. 1(d)

Desai Associates Chartered Accountants Mumbai

SBICAP Trustee Company Ltd.

SBICAP Trustee Company Limited
NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31 March, 2020

(Amounts in Indian Rupees)

Note 5 -Non current- Investments

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Non-Current		
Investment carried at amortised cost		
(a) Investment in Bond- quoted		
8.10% 15000, bonds of India Railways Finance Corporation Ltd (Taxfree) of Rs. 1,000/- each	1,50,00,000	1,50,00,000
	1,50,00,000	**1,50,00,000**
(b) Investment in Equity Instruments - Parent's Subsidiaries (unquoted)		
1000 (previous year: 1000) shares of SBI Foundation Ltd of Rs 10 each	10,010	10,010
	10,010	**10,010**
Total	**1,50,10,010**	**1,50,10,010**

Total Non-current investments	**1,50,10,010**	**1,50,10,010**
Aggregate amount of quoted investment	1,50,00,000	1,50,00,000
Aggregate market value of quoted investment*		
* Since the bond is not tradeble, market value is not avaialable	-	-
Aggregate amount of unquoted investment	10,010	10,010
Aggregate amount of impairment in the value of the investment	-	-

Note 6 - Loans & Advances

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Security deposits	61,38,085	9,91,212
Total	**61,38,085**	**9,91,212**

Note 7 - Other financial assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Term deposits more than 12 Months	24,93,58,582	30,00,000
Total	**24,93,58,582**	**30,00,000**

Note 8 - Deffered Tax Assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Total Deferred tax Assets	2,36,24,892	1,18,46,158
Total Deferred tax liabilities (Refer note 40)	55,55,150	52,03,407
Net deffered tax assets	**1,80,69,742**	**66,42,752**

Note 9 - Non-current tax assets (net)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Advance tax and TDS (net of provision)	8,15,90,897	2,85,99,193
Total	**8,15,90,897**	**2,85,99,193**

Note 10 - Other non-current assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Prepaid Rent	10,63,894	2,51,545
Prepaid expenses	2,22,436	4,56,155
Total	**12,86,330**	**7,07,700**

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SBICAP Trustee Company Ltd.

SBICAP Trustee Company Limited

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31 March, 2020

Note 11 - Current Investments

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Investment in Mutual fund- Quoted		
Investments carried at fair value through Fair Value through Profit and Loss (FVTPL)		
a) 33.164 (Previous Year : 29,299.763) units of SBI Premier Liquid Fund	-	
Regular Plan Daily Dividend Reinvestmen of Rs. 1,003.25 each fully paid		2,93,94,987
b) 24.485 (Previous Year : 21,348.613) units of SBI Premier Liquid Fund	-	
Direct Plan Daily Dividend Reinvestmen of Rs. 1,003.25 each fully paid		2,14,17,996
c) 56,00,000 (2017 : 56,00,000) units of Rs 10/- each fully paid SBI Debt Fund Series B-31(1200 Days)-Direct Growth Plan	-	7,13,49,040
Total	-	12,21,62,023

Total Current investments

Aggregate amount of quoted investment and market value thereof	-	12,21,62,023
Aggregate amount impairment in the value of investments	-	-

Note 12 - Trade receivables

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Receivables considered good - Unsecured		
Outstanding for a period exceeding 6 months from the date they are due for payment		
(i) Trade Receivables	11,25,96,355	6,10,25,358
Total (A)	**11,25,96,355**	**6,10,25,358**
Others		
(i) Trade Receivables	11,57,06,708	5,99,53,975
(ii) Receivable from related parties	14,13,537	11,91,490
Total (B)	**11,71,20,245**	**6,11,45,465**
Total (A+B)	**22,97,16,600**	**12,21,70,823**
Less: Allowances for doubtful debts	(6,29,92,038)	(3,44,84,404)
Total	**16,67,24,562**	**8,76,86,419**

Note 13 - Cash and cash equivalents

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Balances with Banks		
In current accounts	17,68,113	43,13,565
deposits with maturity less than 3 months	41,45,00,000	14,95,00,000
Cash in hand	13,742	7,214
Total	**41,62,81,855**	**15,38,20,779**

There are no repatriation restrictions with regard to cash & cash equivalents as at the end of the reporting period and prior periods

Note 14 -Bank Balance other than cash & cash equivalents

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
In Current Account - Escrow accounts	1,26,06,398	1,26,22,141
Balances with Banks		
in term deposit with maturity of more than 3 months but less than 12 months	14,76,27,740	46,90,00,000
Total	**16,02,34,138**	**48,16,22,141**

Desai Associates Mumbai Chartered Accountants

SBICAP Trustee Company Ltd.

SBICAP Trustee Company Limited

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31 March, 2020

Note 15 - Other financial assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Rental Deposit	-	59,57,453
Interest accrued on financial asset- measured at amotrtised cost		
On fixed deposit	4,05,31,490	3,22,60,307
On Investment [IIFCL Tax Free Bonds]	4,64,141	4,60,849
Advances	1,37,634	6,35,192
Expense Recoverable from client/others	1,09,771	1,54,154
Less : Provision for expected credit loss	(1,09,771)	(1,54,154)
Total	**4,11,33,265**	**3,93,13,801**

Note 16 - Current Tax Asset

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Advance Tax and TDS	7,92,88,513	6,90,05,627
Less: Provision for current tax	(7,89,29,000)	(6,29,90,900)
Total	**3,59,513**	**60,14,727**

Note 17 - Other current assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Cersai fees receivable	2,65,674	1,51,690
Cenvat Credit Receivable	88,804	16,00,151
Prepaid expenses	14,69,398	14,17,346
Total	**18,23,876**	**31,69,187**

Desai Associates Mumbai Chartered Accountants

SBICAP TRUSTEE CO. LTD.

SBICAP Trustee Company Limited
Notes to balance sheet for the year ended 31 March, 2020

Note 18 - Share capital

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Equity share capital		
Authorised share capital 20,00,000 (previous year 20,00,000) Equity Shares of Rs.10/- each	2,00,00,000	2,00,00,000
Issued, subscribed and paid up 10,00,000 (previous year 10,00,000) Equity Shares of Rs. 10/- each fully paid up at par.	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

Terms and rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

a) Reconcilitaion of number of shares outstanding at the beginning and at the end of the reporting year :

Equity Shares	As at Mar 31, 2020	As at Mar 31, 2019
At the beginning of the year		
No. of Shares	10,00,000	10,00,000
Equity Share Capital	1,00,00,000	1,00,00,000
At the end of the year		
No. of Shares	10,00,000	10,00,000
Equity Share Capital	1,00,00,000	1,00,00,000

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

Name of shareholder	As at Mar 31, 2020	As at Mar 31, 2019
SBI Capital Markets Limited & Its nominees		
No. of Shares held	10,00,000	10,00,000
% of shareholding	100.00	100.00

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SBICAP Trustee Company Ltd.

SBICAP Trustee Company Limited
Notes to balance sheet for the year ended 31 March, 2020

c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates :

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Issued, subscribed and fully paid-up Equity Shares 10,00,000 Equity shares (previous year 10,00,000) of Rs.10/- each fully paid are held by SBI Capital Markets Limited, the Holding Company.	1,00,00,000	1,00,00,000

d) Other details of equity shares for a period of five years immediately preceding March 31, 2020:
Not applicable as there is no movement in share capital during the last 5 years

Note 19 - Reserves and surplus

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
A) General reserve		
Balance as per the last financial statements	8,20,16,781	6,71,21,409
Add: Transferred from surplus in the Statement of Profit and Loss	2,05,18,807	1,48,95,372
Closing Balance	**10,25,35,587**	**8,20,16,781**
B) Retained Earnings		
Balance as per the last financial statements	83,32,33,808	69,91,70,726
Add: Profit for the year	20,51,88,068	14,89,53,717
Less:Transfer to General reserve	(2,05,18,807)	(1,48,95,372)
Add: Other Comprehensive Income (OCI)	(4,05,468)	4,737
Closing Balance	**1,01,74,97,601**	**83,32,33,808**
Total	**1,12,00,33,188**	**91,52,50,589**

Nature and purpose of reserves

General Reserve:

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Desai Associates Mumbai Chartered Accountants

SBICAP TRUSTEE COMPANY LTD.

SBICAP Trustee Company Limited

Notes to balance sheet for the year ended 31 March, 2020

Note 20 - Other financial libailities (non current)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Trust Settlement Fees	17,97,497	12,85,597
Total	**17,97,497**	**12,85,597**

Note 21 - Non-current-Provisions

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Provision for Long-term Compensated Absences	61,16,681	46,34,409
Provision for Gratuity	9,20,892	12,03,004
Total	**70,37,573**	**58,37,413**

Note 22 - Trade payables

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,92,931	12,86,467
Total	**12,92,931**	**12,86,467**

Note 23 - Other financial liabilites (Current)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Retention monies	1,66,851	1,66,851
Trust Settlement Fees	1,40,100	3,77,000
Accrued Expenses payable	3,99,413	2,51,509
Amount held in escrow account for remittance	1,26,23,489	1,25,24,138
Total	**1,33,29,853**	**1,33,19,498**

Note 24 - Current provisions

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Provision for employee benefits- Bonus	70,00,000	60,00,000
Provision for Short-term Compensated Absences	2,28,903	2,04,518
Total	**72,28,903**	**62,04,518**

Note 25 - Other current liabilities

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Cersai Fees payable	2,16,919	2,26,236
Other payables	-	5,22,742
Statutory dues	58,75,200	54,76,674
Total	**60,92,118**	**62,25,652**

Desai Associates Chartered Accountants Mumbai

SBICAP Trustee Company

SBICAP Trustee Company Limited

NOTES TO THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2020

(Amounts in Indian Rupees)

Note 26 - Revenue from operations

Particulars	31 March 2020	31 March 2019
Sale of services		
Trusteeship Acceptance Fees	10,89,98,452	8,03,29,432
Trusteeship Service Charges	24,65,65,702	20,49,13,384
Trusteeship Income from Will Services	37,500	53,000
	35,56,01,654	28,52,95,816
Other Operating Revenue		
Legal & Documentation Charges	13,73,997	32,12,500
CERSAI Fees Income	7,87,000	-
	21,60,997	32,12,500
Total	35,77,62,651	28,85,08,316

Note 27 - Other Income

Particulars	31 March 2020	31 March 2019
Interest Income from financial assets measured at amortised cost	5,49,13,750	4,38,53,187
Dividend income from investments measured at fair value through Profit and loss	4,53,631	31,14,208
Excess Provision Written Back	10,241	87,498
Fair Value Change in Mutual fund investments	-	48,48,490
Income from Mutual Fund	6,98,310	-
Interest levied on delayed payment	1,21,64,349	21,41,068
Miscellaneous Income	1,99,329	60,187
Bad Debts Recovered	43,23,078	49,47,560
Unwinding of discount on security depopsits	4,86,024	5,37,300
Interest on Income Tax Refund	13,40,856	-
Total	7,45,89,568	5,95,89,498

Note 28 - Employee benefit expenses

Particulars	31 March 2020	31 March 2019
Employee Salary, Allowances and Benefits	4,77,32,604	4,02,06,955
Salary of staff on deputation	26,30,353	28,33,697
Contribution to Gratuity Fund & Provident Fund	14,37,620	26,46,642
Staff Welfare Expenses	93,16,755	63,57,174
Total	6,11,17,332	5,20,44,468

Note 29 - Finance Cost

Particulars	31 March 2020	31 March 2019
Interest Expense	23,21,210	-
Total	23,21,210	-

Note 30 - Depreciation and amortisation expense

Particulars	31 March 2020	31 March 2019
Depreciation of property, plant and equipment	24,93,377	16,68,705
Depreciation of right-of-use assets (refer note 3(b)	1,23,99,443	-
Amortisation of intangible assets	41,75,083	41,11,421
Total	1,90,67,903	57,80,126

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NOTES TO THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2020

Note 31 - Other expenses

Particulars	31 March 2020	31 March 2019
Rental charges	47,59,602	1,60,27,187
Rates and Taxes	3,28,797	65,673
Insurance	2,33,396	2,31,109
Legal and Professional Fees	94,66,700	78,51,590
Payment to Auditor (refer note 43)	4,92,000	4,79,500
Printing and Stationery	6,47,332	8,25,855
Travel and conveyance	21,37,752	31,65,915
Advertisement and business development charges	11,68,745	22,52,026
Water and electricity charges	9,85,027	11,31,886
House Keeping & Security Expenses	19,73,535	18,15,233
Repairs and Maintenance	57,62,022	52,94,482
Royalty Expenses	29,78,562	23,80,985
Corporate social responsibility expenditure (refer note no. 45)	36,25,135	27,04,420
Telephone and communication charges	10,38,801	8,67,178
Provision for Doubtful Debts	2,84,63,251	1,29,94,823
Written off amount	1,05,51,207	2,09,49,254
Miscellaneous Expenses	24,93,370	21,12,547
Loss on sale of Asset	33,316	44,105
Total	**7,71,38,553**	**8,11,93,769**

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C Details of Transactions with the above related parties are as under:

Amount in Rs.

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiary		Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Expenses during the year ended								
Salary & Allowances								
Deputation Cost*	26,30,353	28,33,697						
* the expenditure is towards compensation to KMP, which is not paid to the KMP directly, but paid as reimbursement to the ultimate holding company								
Smt. Savitri Yadav							9,05,359	2,20,963
Rent	26,46,513	12,89,398	1,97,154	1,88,192				
Bank Charges	9,765	7,478						
Royalty	29,78,562	23,80,985						
Insurance Expense								
SBI General Insurance Co. Ltd					11,79,585	10,95,755		
Demat Charges								
SBICAP Securities Ltd.					97,781	72,934		
Business Development								
SBI Cards & Payment Services Ltd.					1,44,902	1,03,329		
CSR Contribution								
SBI Foundation					14,05,750	-		
Income during the year ended								
Trusteeship Fees	68,11,750	81,13,884	1,22,000	6,45,000				
SBICAP Ventures Limited					9,25,164	7,01,000		
Interest on Fixed deposits	5,36,04,579	4,26,51,687						
Dividend Income								
SBI Mutual Fund					4,53,631	31,14,210		
Balance receivable as at								
Debtors	7,57,824	10,67,590	2,360	5,900				
SBICAP Ventures Limited					6,53,353	1,18,000		
Cash at Bank	1,43,74,510	1,69,35,707						
Deposit with Bank	81,14,86,322	62,15,00,000						
Other Current Assets	4,05,31,490	3,22,60,307						
SBI Life Insurance Company Limited					4,47,161			
Investments								
SBI Foundation Limited					10,010	10,010		
SBI Funds Management Pvt. Limited					-	12,21,62,023		
Balance payable as at								
Provision for doubtful debts	2,20,659	55,099	118	295				
SBICAP Ventures Limited					47,418	23,600		
Provision for Expenses	2,30,000	3,98,754						

- Outstanding balances are unsecured and repayable in cash

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note: 34 Employee Benefits

A. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Reconcilation of Defined benefit obligation Amount in Rs.

Changes in defined benefit obligation

Particulars	Year ended	
	31st March 2020	31st March 2019
Opening of defined benefit obligation	19,94,377	19,98,152
Current service cost	5,08,672	4,91,009
Interest on defined benefit obligation	1,56,591	1,59,751
Remeasurements due to :		
- Actuarial loss/(gain) arising from change in financial assumptions	3,97,456	41,323
- Actuarial loss/(gain) arising from change in demographic assumptions	-	(66)
- Actuarial loss/(gain) arising on account of experience changes	62,784	(1,03,989)
Benefits paid	(93,062)	(5,91,803)
Closing of defined benefit obligation	**30,26,818**	**19,94,377**

Movement in plan Assets

Particulars	Year ended	
	31st March 2020	31st March 2019
Opening fair value of plan assets	**7,91,373**	**13,14,592**
Employer contributions	12,89,161	-
Interest on plan assets	80,827	1,24,633
Remeasurements due to :		
- Actual return on plan assets less interest on plan assets	37,627	(56,049)
Benefits paid	(93,062)	(5,91,803)
Closing fair value of plan assets	**21,05,926**	**7,91,373**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Particulars	Year ended	
	31st March 2020	31st March 2019
Investments with insurer	100%	100%

Balance sheet

Net asset/(liability) recognised in the balance sheet:

Particulars	Year ended	
	31st March 2020	31st March 2019
Present value of the funded defined benefit obligation	30,26,818	19,94,377
Fair value of plan assets at the end of the year	21,05,926	7,91,373
Liability recognized in the balance sheet (i-ii)	**9,20,892**	**12,03,004**

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Statement of profit & loss

Expenses recognised in the Statement of profit and loss:

Particulars	Year ended	
	31st March 2020	31st March 2019
Current service cost	5,08,672	4,91,009
Past service cost	-	-
Expected return on plan assets	75,764	35,118
Total expense charged to profit and loss account	**5,84,436**	**5,26,127**

Statement of other Comprehensive Income (OCI)

Particulars	Year ended	
	31st March 2020	31st March 2019
Opening amount recognized in OCI outside profit and loss account	(3,54,497)	(3,47,814)
Remeasurements during the period due to:		
Changes in financial assumptions	3,97,456	41,323
Changes in demographic assumptions	-	(66)
Experience adjustment	62,784	(1,03,989)
Actual return on plan assets less interest on plan assets	(37,627)	56,049
Adjustment to recognized the effect of asset ceiling		
Closing amount recognized in OCI outside profit and loss account	68,116	(3,54,497)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Year ended	
	31st March 2020	31st March 2019
	%	%
Discount rate	6.95	7.95
Salary Escalation rate	8.00	8.00

Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on

Particulars	Discount Rate	Salary Escalation Rate
Defined Benefit obligation on increase in 50 bps	28,18,370	32,53,643
Impact of increase in 50 bps on DBO	-6.89%	7.49%
Defined Benefit obligation on decrease in 50 bps	32,57,098	28,19,385
Impact of decrease in 50 bps on DBO	7.61%	-6.85%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Investment details of plan assets

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

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Maturity Profile	Rs in Lacs
Expected benefits for year 1	63,226.00
Expected benefits for year 2	74,249.00
Expected benefits for year 3	1,71,618.00
Expected benefits for year 4	2,13,081.00
Expected benefits for year 5	89,524.00
Expected benefits for year 6	91,702.00
Expected benefits for year 7	94,402.00
Expected benefits for year 8	5,19,472.00
Expected benefits for year 9	87,273.00
Expected benefits for year 10	87,23,099.00

The weighted average duration to the payment of these cash flows is 14.47 years

B. **Compensated Absence**

The liability towards compensated absences for the year ended March 31, 2019 is based on actuarial valuation carried out by using the projected unit credit method.

Particulars	Year ended	
	31st March 2020	31st March 2019
	%	%
Interest rate	6.95	7.95
Salary Escalation rate	8.00	8.00

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Note: 35 Changes in accounting policy

This note explains the impact of the adoption of Ind AS 116 Leases on the financial statements and discloses the new accounting policies that have been applied from 1 April 2019 in note 3(b) below.

The Company has adopted Ind AS 116 retrospectively from 1 April 2019, but has not restated comparatives for the 2018-19 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules, if any, are therefore recognised in the opening balance sheet on 1 April 2019. The impact of leases is given in the quarter 4 of financial year, previous quarter's figures of F.Y.2019-20 remains unchanged.

1(a) Adjustments recognised on adoption of Ind AS 116

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 10% for similar portfolio of leased assets.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

The following is the movement in lease liabilities for the year ended March 31, 2019:

Operating lease commitments disclosed as at 31 March 2019

Particulars	Amount(Rs.)
Balances as of April 1, 2019	**91,41,838**
Additions	2,53,28,121
Finance cost accrued during the period	23,21,210
Payment of lease liabilities	1,47,30,905
Balance as of March 31, 2020	**2,20,60,264**

The following is the break-up of current and non-current lease liabilities as of March 31, 2020:

Lease liability recognised as at March 31, 2020	**2,20,60,264**
Of which are:	
Current lease liabilities	1,43,91,107
Non-current lease liabilities	76,69,157
Total	**2,20,60,264**

Rental expense recorded for short-term leases for the year ended March 31, 2020:

Particulars	Amount
Leasehold Properties	23,12,500
Office Equipment	18,300
Total	**23,12,500**

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Rental expense recorded for low value asset leases for the year ended March 31, 2020:

Particulars	Amount
Office Equipment	73,200
Total	**73,200**

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 March 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	31-Mar-20	01-Apr-19
Particulars	**Amount in Rs.**	**Amount in Rs.**
Leasehold Property- Mumbai	80,42,459	1,41,93,745
Furniture & Fixture	62,18,396	1,09,74,545
Leasehold Property, Furniture & fixtures -Delhi	76,73,806	91,41,838
Office Equipment	1,35,856	1,59,831
Total right-of-use assets	**2,20,70,517**	**3,44,69,959**

The aggregate depreciation expense on ROU assets is included in in the financial statement of comprehensive income.

The change in accounting policy has not affected the ratained earning as on 01.04.2019

(ii) **Practical expedients applied**

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- exemption for low value assets availed
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C for determining whether an Arrangement contains a Lease.

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note: 36 Fair Value Measurements

(i) Financial instruments by category

The carrying amounts of financial instruments by class are as follows :

Particulars	As at March 31, 20120	As at March 31, 2019
A. Financial assets		
I. Measured at amortized cost		
- Investments		
Investment in Bond- quoted	1,50,00,000	1,50,00,000
Security deposits	61,38,085	9,91,212
Other financial assets	24,93,58,582	30,00,000
Trade receivables	16,67,24,562	8,76,86,419
Cash and cash equivalents	41,62,81,855	15,38,20,779
Bank Balances other than mentioned above	16,02,34,138	48,16,22,141
Other financial assets	4,11,33,265	3,93,13,801
II. Measured at fair value through profit and loss (FVTPL)		
Investments		
Investment in Mutual fund- Quoted	-	12,21,62,023
Investment in Equity Instruments - Parent's Subsidiaries (unquoted)	10,010	10,010
Total Financial assets	**1,05,48,80,496**	**90,36,06,385**
B. Financial liabilities		
I. Measured at amortized cost		
Lease liabilities	2,20,60,264	-
Trust settlement fees	17,97,497	12,85,597
Trade payables	12,92,931	12,86,467
Other financial liabilities	1,33,29,853	1,33,19,498
Total Financial liabilities	**3,84,80,545**	**1,58,91,562**

(i) Fair Value Hierarchy:

Financial assets and liabilities measured at fair value through profit & loss -recurring fair value measurements	Level 2	
	As at 31st March 2020	As at 31st March 2019
Financial assets		
Investments		
Investment in Mutual fund- Quoted	-	12,21,62,023
	Level 3	
Investment in Equity Instruments - Parent's Subsidiaries (unquoted)*	10,010	10,010
Total Financial Assets	**10,010**	**12,21,72,033**
Financial liabilities	-	-

*** There is no movements in Level 3 Financial instruments measured at fair value**

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 37: Financial risk management objectives and policies

Risk Management Framework

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Company has exposure to the following risk arising from financial instruments:

a) Credit Risk

b) Liquidity Risk

C) Market Risk

The Company has established various policies with respect to such risks, mitigation strategies and internal controls to be implemented. The Board oversees the Company's risk management and has risk managemebt policy in place. It frames and reviews risk management processes and controls.

a) Credit Risk

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable, Debt instruments in Securites for trade and investment portfolio.

Following provides exposures to credit risk for trade receivables, bank deposits and Investments:

Particulars	As at March-20	As at March-19
Trade Receivables	16,67,24,562	8,76,86,419
Debt Instruments in Securites for trade and Investment portfolio	82,64,96,332	75,86,72,033
Total	**99,32,20,894**	**84,63,58,452**

Trade Receivables

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The expected credit loss rates are based on the payment profiles over a period of 24 months before the reporting date and the corrosponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables.

Following table provides information about rate Expected credit loss for trade receivables under simplified approach:

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As at March 31, 2020:

Age of Trade Receivables	Expected Credit Loss Rate		Gross Carrying Amount		Expected Credit Loss	Net Carrying Amount
	Other than NCLT cases	NCLT cases	Other than NCLT cases	NCLT cases		
0-3 Months	5%	40%	5,68,81,300	1,00,54,298	68,65,784	6,00,69,814
3-6 Months	10%	40%	3,77,28,607	1,17,31,657	84,65,523	4,09,94,740
6-9 Months	15%	40%	91,54,049	44,58,355	31,56,449	1,04,55,955
9-12 Months	20%	40%	4,04,40,114	1,29,90,987	1,32,84,418	4,01,46,683
12-15 Months	30%	40%	82,07,335	32,24,670	37,52,069	76,79,937
15-18 Months	40%	40%	19,94,371	17,59,938	15,01,724	22,52,585
18-21 Months	50%	50%	26,89,576	10,89,717	18,89,647	18,89,647
21-24 Months	60%	60%	56,63,635	24,24,367	48,52,801	32,35,201
24 Months and above	100%	100%	9,70,500	1,82,53,124	1,92,23,624	-
Total			16,37,29,487	6,59,87,113	6,29,92,039	16,67,24,562

As at March 31, 2019:

Age of Trade Receivables	Expected Credit Loss Rate		Gross Carrying Amount		Expected Credit Loss	Net Carrying Amount
	Other than NCLT cases	NCLT cases	Other than NCLT cases	NCLT cases		
0-3 Months	5%	40%	3,56,80,141	33,72,776	31,40,656	3,59,12,262
3-6 Months	10%	40%	1,42,01,064	76,22,722	44,69,195	1,73,54,590
6-9 Months	15%	40%	1,15,15,759	15,04,500	23,29,164	1,06,91,095
9-12 Months	20%	40%	1,35,75,850	16,63,544	33,80,587	1,18,58,806
12-15 Months	30%	40%	17,85,315	9,03,514	8,97,000	17,91,829
15-18 Months	40%	40%	10,20,223	25,61,954	14,32,871	21,49,306
18-21 Months	50%	50%	2,32,842	24,09,517	13,21,180	13,21,180
21-24 Months	60%	60%	88,08,681	77,09,697	99,11,027	66,07,351
24 Months and above	100%	100%	5,39,490	70,63,235	76,02,725	-
Total			8,73,59,364	3,48,11,459	3,44,84,404	8,76,86,419

The gross carrying amount of trade receivables is Rs. 22,97,16,600 (2019: Rs. 12,21,70,823)

Reconciliation of impairment allowance on trade and other receivables

Particulars	Amount
Impairment allowance on 31 March 2019	3,46,38,558
Created during the year	2,85,07,634
Reversed during the year	(44,383)
Impairment allowance on 31 March 2020	6,31,01,809

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Credit risk on cash and cash equivalents is limited to the current account and deposit account balance with banks with high credit ratings assigned by International and domestic credit rating agencies. Investments comprised of Mutual Funds which are market tradeable. Other financial assets include deposits for assets acquired on lease, deposit with electricity department and interest accrued on securities but not due.

b) Liquidity Risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

(ii) Maturities of financial assets & liabilities

The table below summarises the maturity profile of the Company's financial assets & liabilities based on contractual undiscounted payments at at March 31, 2020.

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Financial assets				
Investment in Bond- quoted	-	1,50,00,000		1,50,00,000
Investment in Equity Instruments - Parent's Subsidiaries (unquoted)			10,010	10,010
Security deposits	-	61,38,085		61,38,085
Other financial assets	4,11,33,265	24,93,58,582		29,04,91,847
Trade receivables	16,67,24,562			16,67,24,562
Cash and cash equivalents	41,62,81,855			41,62,81,855
Bank Balances other than mentioned above	16,02,34,138			16,02,34,138
Total financial assets	**78,43,73,819**	**27,04,96,667**	**10,010**	**1,05,48,80,496**
Lease liabilities	1,43,91,107	76,69,157	-	2,20,60,264
Trade Payable	12,92,931	-	-	12,92,931
Trust settlement fees	1,40,100	17,97,497	-	19,37,597
Other financial liabilities- Current	1,31,89,753	-	-	1,31,89,753
Total financial liabilities	**2,90,13,891**	**94,66,654**	**-**	**3,84,80,545**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments at at March 31, 2019.

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Financial assets				
Investment in Bond- quoted	-	1,50,00,000	-	1,50,00,000
Investment in Equity Instruments - Parent's Subsidiaries (unquoted)	-	-	10,010	10,010
Security deposits	9,91,212	-		9,91,212
Other financial assets	3,93,13,801	30,00,000	-	4,23,13,801
Trade receivables	8,76,86,419	-	-	8,76,86,419
Cash and cash equivalents	15,38,20,779	-	-	15,38,20,779
Bank Balances other than mentioned above	48,16,22,141	-	-	48,16,22,141
Total financial assets	**76,34,34,352**	**1,80,00,000**	**10,010**	**78,14,44,362**

Trade Payable	12,86,467		-	12,86,467
Trust settlement fees	3,77,000	12,85,597	-	16,62,597
Other financial liabilities- Current	1,29,42,498		-	1,29,42,498
Total	**1,46,05,965**	**12,85,597**	-	**1,58,91,562**

C) Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

i) Interest rate risk

The company's investments are primarily in fixed rate interest/ dividend bearing instruments. Accordingly there is no significant risk exposure to interest rate risk.

ii) Price Risk

Price risk is the risk that value of the financial instrument will fluctuate as a result of change in market prices and related market variables including interest rate for investment in mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer and markets. The company's exposure to price risk arises from investments in unquoted equity securities and debt securities units of mutual funds which are classified as financial assets at fair value through through profit and loss.

Particulars	As at March-20	As at March-19
Investment in Mutual funds	-	12,21,62,023
Total	-	**12,21,62,023**

Sensitivity Analysis

The table below set out the effect on profit or loss and eqtuiy due to reasonable possible weakening/strengthening in prices of 10%

Particulars	As at March-20	As at March-19
Effect on profit and loss		
10% increase in prices	-	94,00,000
10% decrease in prices	-	(94,00,000)
Effect on Equity		
10% increase in prices	-	-
10% decrease in prices	-	-

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note: 38 Capital Management

Risk Management

For the purpose of capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity shareholders.

The company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company.The company determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through cash flows generated from operations.

The Company monitors capital on the basis of the following gearing ratio
Debt (lease liabilities) divided by total 'equity' (share capital & retained earnings)

Particulars	31st March 2020	31st March 2019
Total debt	2,20,60,264	-
Total equity	1,13,00,33,188	92,52,50,589
debt to equity ratio	**2%**	**0%**

The debt to equity ratio for the current year increased from 2% to 0% following the adoption of Ind AS 116.
Both the debt and gross assets increased following the recognition of right-of-use assets and lease liabilities on 01 April, 2019.
See note 35 for further information.

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

39 Earnings per equity share (EPS)

The computation of basic and diluted earnings per share is given below:

Amount in Rs.

Particulars	Year ended March-20	Year ended March-19
Profit after tax	20,51,88,068	14,89,53,717
Weighted average number of equity shares:		
- For Basic EPS (No.)	10,00,000	10,00,000
- For Diluted EPS (No.)	10,00,000	10,00,000
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic in Rs.	205.19	148.95
- Diluted in Rs.	205.19	148.95

40 Deferred tax assets/(liabilities)

Particulars	As at 31 March 2020	As at 31 March 2019
Tax Assets/(Liabilities) due to temporary timing difference in respect of:		
Provision on Gratuity	2,14,644	3,50,315
Provision on Gratuity- OCI	17,145	-
Provision on compensated leave	15,97,183	14,09,096
Provision for doubtful debts	1,58,82,725	1,00,86,748
Lease liability		
Leasehold Property- Mumbai	20,02,859	-
Furniture & Fixture	15,48,602	-
Leasehold Property, Furniture & fixtures -Delhi	19,69,884	-
Office Equipment	31,223	-
Depreciation on fixed assets	3,60,626	-
Deferred tax assets	**2,36,24,892**	**1,18,46,158**
Depreciation on fixed assets	-	(7,33,766)
Fair Valuation of Investments	-	(44,69,640)
Right-of-use asset		
Leasehold Property- Mumbai	(20,24,287)	-
Furniture & Fixture	(15,65,170)	-
Leasehold Property, Furniture & fixtures -Delhi	(19,31,497)	-
Office Equipment	(34,195)	-
	1,80,69,742	**66,42,752**
Less : Opening Deferred Tax Asset	66,42,752	37,79,532
Deferred tax credit / (expense) for the year	**1,14,26,991**	**28,63,219**
Carried to statement of Profit and Loss	**1,14,09,846**	**28,63,219**
Carried to Other Comprehensive Income	**17,145**	-

Movement of Deferred tax assets and Liabilities

As at March 31, 2020

Movement during the year ended March 31, 2020	As at April 1, 2019	Credit/(Charge) in the statement of profit and loss	Credit/(Charge) in other comprehensive income	As at March 31, 2020
Allowances for doubtful debts	1,00,86,748	57,95,977		1,58,82,725
Provision for post retirement benefits	17,59,410	52,417	17,145	18,28,972
Difference between book and tax depreciation	(7,33,766)	10,94,393		3,60,626
Fair value gain/(loss) on investments	(44,69,640)	44,69,640		-
Right-of use-assets	-	(55,55,150)		(55,55,150)
Lease liability	-	55,52,568		55,52,568
Net deferred tax assets/(liabilities)	**66,42,752**	**1,14,09,846**	**17,145**	**1,80,69,742**

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

ii **As at March 31, 2019**

Movement during the year ended March 31, 2019	As at April 1, 2018	Credit/(Charge) in the statement of profit and loss	Credit/(Charge) in other comprehensive income	As at March 31, 2019
Allowances for doubtful debts	62,42,053	38,44,695	-	1,00,86,748
Provision for post retirement benefits	15,02,738	2,56,672	1,946	17,59,410
Difference between book and tax depreciation	(15,42,570)	8,08,804	-	(7,33,766)
Fair value gain/(loss) on investments	(24,22,689)	(20,46,951)	-	(44,69,640)
Net deferred tax assets/(liabilities)	**37,79,532**	**28,63,219**	**1,946**	**66,42,752**

41 Contingent Liabilities and Commitments:

Particulars	As at 31 March 2020	As at 31 March 2019
Contingent Liabilities: **Claims against the Company/disputed liabilities not acknowledged as debts** **For Income tax matters**		
Income tax demand under dispute (AY 2012-13)- matter is with ITAT	2,16,979	2,16,979
Income tax demand under dispute (AY 2018-19 A.Y.2019-20)- U/s 194LBC*	-	1,25,82,82,847
Income tax demand under dispute (AY 2017-18)- matter is pending with CIT(A)	6,55,506	-

The company's pending litigations comprises proceedings pending with Tax Authorities, the Company has reviewed all its pending litigations and proceedings.

* CIT (A), has given an order in favour of the company

42 Managerial Remuneration

Remuneration, including allowances, to CEO & Whole Time Director:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salary and bonus	24,71,962	23,10,853
Contribution to provident and pension funds	4,30,980	4,30,980
Perquisites	4,08,679	6,90,968
Other allowances	-	-
Total	**33,11,621**	**34,32,801**

As the future liability for gratuity and compensated leave absences is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and therefore not included above.

There is no commission payable to any director of the Company. Consequently, the computation of profits as required under Section 198 of the Companies Act, 2013 has not been included.

43 Auditor's Remuneration

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
- Audit Fees	1,72,000	1,72,000
- Tax Audit	1,35,000	1,25,000
-Limited Review	1,85,000	1,82,500
- Out-of-pocket expenses	-	-
Total payments to auditors	**4,92,000**	**4,79,500**

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SBICAP TRUSTEE COMPANY LTD.

SBICAP Trustee Company Limited

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

44 Segment Reporting

- **Primary Segment**

The Company's operations falls under a single business segment of Financial services. The Company is engaged in providing Corporate Trusteeship Activities. As per the views of the Company's chief operating decision maker, business activities primarily falls within a single operating segment, no additional disclosure is to be provided under IND AS 108 - Operating Segments, other than those already provided in the financial statements.

- Geographical Segment

The Company operates in one geographic segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

45 Statement of corporate social responsibility expenditure

Particulars	For the year ended March 2020	For the year ended March 2019
a) Amount required to be spent as per Section 135 of Companies Act, 2013	36,22,000	36,00,000
b) Amount spent during the year on		
- (i) Construction/acquisition of any asset	-	-
- (ii) On purposes other than (i) above - in cash	36,25,135	27,04,420
Out of the above, contribution made to related party is as below :		
SBI Foundation Limited	14,05,750	-

46 Micro and small enterprises

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2020. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

47 Previous year figures have been regrouped/reclassified/restated to correspond with the figures of the current year.

48 Events ocurring after the balance sheet date

There have been no events after the reporting date that require disclosure in these financial statements.

49 Impact of COVID-19 (Global Pandemic)

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous Governments and companies, including the Company, have introduced variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's performance will depend on future developments, which are highly uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the company.

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Financial instruments carried at amortised cost as at March 31, 2020 is Rs.105,48,80,496/-.The fair value of these assets is marked to an market which factors the uncertainties arising out of COVID-19.

Financial assets of Rs. 105,48,80,496/- as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits where the Company has assessed the counterparty credit risk. Trade receivables of Rs. 16,67,24,562/- (net of provision) as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The Company closely monitors its receivables who are going through financial stress. The assessment is done in respect of receivables of Rs. 16,67,24,562/-as at March 31, 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of Rs. 6,29,92,037/- as at March 31, 2020 is considered adequate.

For Desai Associates
Chartered Accountants

Firm Registration No. 102286W

(Sudhirkumar Jain)
Partner
Membership No.120610

Place:Mumbai
Date: 21st April, 2020

For and on behalf of the Board of Directors
SBICAP Trustee Company Limited

S.Uma Shanmukhi
Director
DIN No:08165959

Rajasekhar Raghavan
CEO & Whole Time Director
DIN No.8116907

SBICAP Trustee Company Limited

Equity Reconciliation as per IGAAP and Ind AS

(Amounts in Indian Rupees)

Particulars	**31 March 2020**	**31 March 2019**
Total Equity as per Indian GAAP as at	1,11,71,19,950	89,96,11,314
IND AS Adjustments		
Fair Valuation of Investments	-	1,53,49,050
Impairment provision based on expected credit loss (ECL) model for financial instrument	39,38,730	67,24,641
Fair Valuation of Interest Free security deposit	(41,786)	(6,562)
Recognition of Right-of-use assets as per IND AS 116	2,20,70,517	-
Recognition of lease liability as per IND AS 116	(2,20,60,264)	-
Deferred Tax impact on Ind AS Adjustments	(9,93,959)	(64,27,855)
Total Equity as per Ind AS as at	**1,12,00,33,188**	**91,52,50,589**

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SBICAP TRUSTEE COMPANY LTD.

SBICAP Trustee Company Limited

Reconciliation of Profits as per IGAAP and Ind AS

(Amounts in Indian Rupees)

Particulars	31st Mar 2020		31st Mar 2019	
Profit & Loss balance as per IGAAP		21,75,08,636		14,70,20,828
Add/(Less): ECL Impact on Provision for doubtful debts	(27,85,912)		(12,66,447)	
Add/(Less): Fair Valuation of LT Mutual Fund	-		48,48,490	
Add/(Less): Income from Mutual Fund	(1,53,49,050)		-	
Add/(Less):Fair Valuation of Interest Free security deposit	(35,224)		36,311	
Add/(Less):Increase in depreciation of Right-of-use assets- Ind AS 116	(1,23,99,443)		-	
Add/(Less):Finance cost- leased assets- Ind AS 116	(23,21,210)		-	
Add/(Less):Reduction in rental cost- Ind AS 116	1,47,30,905		-	
Add/(Less):Re- Measurement of Acturial Gain/Loss- Included in Other comprehensive Income	4,05,468		27,839	
Add/(Less):Deferred Tax impact on IND As Adjustments	54,33,897		(17,08,567)	
Total		(1,23,20,568)		19,37,626
Profit & Loss balance as per Ind AS		20,51,88,068		14,89,58,454

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